

PETITION NO:



Jhabua Power Limited (A Joint Venture of NTPC Limited)

Seoni Thermal Power Station at Village Barela – Gorakhpur, Dist. Seoni, Madhya Pradesh

(1 X 600 MW)

PETITION FOR TRUING-UP OF TARIFF FOR THE PERIOD

05.09.2022 TO 31.03.2024

BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

PETITION NO.....

IN THE MATTER OF: Petition under Section 62 and Section 79 (1) (a) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 ("CERC Tariff Regulations, 2019") for True up of Tariff for period 5th September 2022 to 31st March 2024 in respect of 1 x 600 MW Seoni Thermal Power Station at Barela-Gorakhpur, Dist. Seoni, Madhya Pradesh.

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Summary of Issues: Jhabua Power Limited, Seoni Thermal Power Station (1 X 600 MW)

(in compliance with CERC notice dated 07.06.2024)

The major highlights of the tariff petition for Seoni Thermal Power Station (1 X 600 MW) of Jhabua Power Limited are as follows: -

The present petition is being filed under Section 62 and Section 79 (1) (a) of the Electricity Act, 2003 read with Chapter-IV of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 and Chapter-3, Regulation-13 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for truing up of tariff for period 5th September 2022 to 31st March 2024 of the Seoni Thermal Power Station (1 X 600MW).

Seoni Thermal Power Station of Jhabua Power Limited is located at Village Barela, District Seoni in the State of Madhya Pradesh comprising of one unit of 600 MW capacity. The unit was declared commercial on 3rd May 2016. The 180 MW gross power generated from the Thermal Power Station (600 MW Installed capacity) is being supplied as per the long term Power Purchase Agreement (PPA) dated 5th January 2011 executed with MP Power Management Company Ltd., (hereinafter called "MPPMCL") under MoU route ("PPA-1"), and another PPA with Government of Madhya Pradesh dated 27th June 2011 for sale of 5% of the net power on annualized basis ("PPA-2").

The Jhabua Power Limited ("JPL") has been taken over by NTPC Limited as a Joint Venture with Secured Financial Creditors/Bankers (50:50) through CIRP (Corporate Insolvency Resolution Process) vide National Company Law Tribunal (NCLT) Order dated 6th July 2022. Further, it is pertinent to mention that the Management control lies with NTPC post-acquisition w.e.f. 05.09.2022 and thus JPL falls under the category of Central Generating Station with jurisdiction of Hon'ble CERC.

The Resolution Plan, as sanctioned by the National Company Law Tribunal (NCLT) Order dated 6th July 2022, stipulates that subsequent to the transfer date, the Tariff Regulations of the Central Electricity Regulatory Commission (CERC) shall be applicable to Jhabua Power. This is due to Jhabua Power's changed status (i.e. Central Generating Station) post-transfer date as an entity governed under Section 79 (1) (a) of the Electricity Act, 2003. Consequently, the Statutory/Regulatory authority for tariff determination has transitioned

from the Hon'ble Madhya Pradesh Electricity Regulatory Commission (MPERC) to the Hon'ble CERC. The same has also been duly recognized by Hon'ble MPERC at Para 24 of true up order dated 05.03.2024 for the period 01.04.2022 to 04.09.2022 in Petition No. 61 of 2023.

Since CoD, tariff was being determined by Hon'ble MPERC and truing up exercise till 4th September 2022 (prior to takeover by NTPC Limited) has also been completed by Hon'ble MPERC.

With the takeover by NTPC, it is only this Hon'ble Commission which can exercise the functions to regulate the tariff of Jhabua Power, being a Generating Company owned and controlled by the Central Government in terms of Section 79(1)(a) of Electricity Act, 2003. The MPERC, in its True Up Order for FY 2022-23 in P No 61/2023, has held that *"from the transfer date, Jhabua Power Limited has acquired the status of Company owned and controlled by the Central Government. As per Section 79(1) (a) of the Electricity Act, 2003, Central Electricity Regulatory Commission (CERC) has powers to regulate tariff of such Company. Since these powers are vested with CERC exclusively, the Commission is of the opinion that it has powers to true up the tariff before the transfer date in this case, i.e., 5.9.2022. The petitioner has already bifurcated its accounts in two parts during the Financial Year, i.e., before and after the transfer date. The Commission has therefore decided to undertake part true-up till 4.9.2022 for the FY 2022-23 (Para 24, Page 7 of the)." Hence, the true-up for the remaining part of this control period must be undertaken by the Hon'ble Commission.*

Based on the approved capital cost by Hon'ble MPERC as on 4th September 2022, the Petitioner has prepared the instant true up petition for determination of tariff by Hon'ble CERC. The Hon'ble Commission is requested to true up the capital cost considering the special circumstance in which the plant has been taken over through NCLT process. The tariff petition for the period from 05.09.2022 to 31.03.2024, based on actual expenditures as per provisions of CERC Tariff Regulations 2019 is being submitted.

The capital cost approved by MPERC as of 04.09.2022 has been considered as the opening capital cost which cannot be relooked as it has been determined in accordance with the regulations applicable to the Petitioner at relevant point in time. Further, the capital cost has been determined in accordance with the regulations prevailing at the time of change in ownership of the Petitioner and the same must be considered for the purposes of true-up.

The Additional Capital Expenditure claimed is Rs.15.45 Crore for FY 2022-23 (05.09.2022 onwards) and Rs. 29.79 Crore for FY 2023-24 on cash basis towards balance works/discharge of liabilities. The same has also been depicted year wise in Form 9 of the Appendix-I along with applicable regulations and justifications for the claims. It is humbly requested to approve the actual Additional Capital expenditure during the period of 05.09.2022 to 31.03.2024.

Further, ash transportation expenses for FY 2022-23 and FY 2023-24 is being claimed in accordance with CERC Tariff Regulations 2019 and required documents along with auditor's certificate are being submitted. It is humbly submitted to allow the Petitioner to recover the cost incurred for ash transportation as additional O&M cost for FY 2022-23 and FY 2023-24 as per actuals. The ash transportation expenses have been depicted in Form 3A of Appendix-I.

Hon'ble Commission may please allow the claims of water charges, security expenses and capital spares for the instant station as per actual, as claimed by the Petitioner in Form 3A of Appendix-I.

- It is submitted that water is subject matter under the control of State Government and Jhabua Power has no control over it. It is also an essential input for generation of electricity from a thermal power plant. Jhabua Power is bound to pay the water charges as per the agreement with the State Government. The detailed calculation for the water charges claim as per the agreement is submitted in Form 3A and Form 19. Copy of the water bills is enclosed along with the petition in **Annexure VIII**.
- It is further mentioned that instant station is a critical infrastructure. Safety and security of these critically important infrastructure projects against any threat perception is a prime concern. Therefore, the Hon'ble Commission may please allow the claims of security expenses as per actuals as submitted in Form 3A. Duly audited financial statements (year wise) showing security expenses are submitted along with the petition.
- Hon'ble Commission may please allow the claims of Capital Spares for the instant station, as claimed by the Petitioner in Form 3A of Appendix-I. The details of capital spares are submitted (year wise) in Form 17 for the period 05.09.2022 to 31.03.2024.

The statutory charges for the period 05.09.2022 to 31.03.2024 as levied by the Madhya Pradesh state government is submitted in Form - 20 of Appendix-I. Hon'ble Commission may please allow the same under Regulation 56.

In light of above submission and as per the Petition being filed by the Petitioner for True Up for the tariff period 05.09.2022 to 31.03.2024 of Seoni Thermal Power Station (1 X 600MW), the Hon'ble Commission may please approve the tariff as per the CERC Tariff Regulations 2019.

BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

PETITION NO.....

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Jhabua Power Limited

3rd Floor, Plot No A-8A, Sector -24, NTPC-EOC Noida-201301

---- **Petitioner**

VERSUS:

1. Madhya Pradesh Power Management Company Ltd

Shakti Bhawan Road, MPSEB colony Vidyut Nagar, Rampur,
Jabalpur (M.P)- 482008

2. Madhya Pradesh Poorv Kshetra Vidyut Vitaran Co. Ltd.

Jabalpur

Shakti Bhawan, Vidyut Nagar, Rampur, Jabalpur (M.P)- 482008

3. Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd Bhopal

Bijli Nagar Colony, Nishtha Parisar, Govindpura, Bhopal (M.P.) -
462023

4. Madhya Pradesh Paschim Kshetra Vidyut Vitaran Ltd. Indore

GPH Campus, Polo Ground, Indore (M.P.) – 452003

---- **Respondents**

Background

The Petitioner humbly states that:

1. The Petitioner herein Jhabua Power Limited (hereinafter referred to as 'Petitioner' or 'Jhabua Power'), is a company incorporated under provisions of the Companies Act, 1956. Further, Jhabua Power is a 'Generating Company' as defined under Section 2(28) of the Electricity Act, 2003.
2. The Petitioner has established a Thermal Power Station located at Village Barela, District Seoni in the State of Madhya Pradesh comprising of one unit of 600 MW capacity. The generating unit was declared commercial on 3rd May 2016.
3. The petitioner has executed long term Power Purchase Agreement (PPA) on 5th January 2011 ("**PPA-1**") with MP Power Management Company Ltd., (hereinafter called "MPPMCL") for supply of up to 30% of the power station's installed capacity for a period of 20 years at the tariff determined by the Appropriate Commission. Further the petitioner executed another PPA ("**PPA-2**") with GoMP on 27th June 2011 for sale of 5% of the net power on annualized basis at a price equivalent to the variable cost only to be determined by the Appropriate Commission. The copy of the PPAs are attached as **Annexure I**.
4. The Petitioner has been taken over by NTPC Limited as a Joint Venture with Secured Financial Creditors/Bankers (50:50) through CIRP (Corporate Insolvency Resolution Process) vide National Company Law Tribunal (NCLT) Order dated 6th July 2022. Further, it is pertinent to mention that the Management control of JPL lies with NTPC post-acquisition w.e.f. 05.09.2022. The copy of NCLT Order is attached as **Annexure II**.
5. The Resolution Plan, as sanctioned by the National Company Law Tribunal (NCLT) Order dated 6th July 2022, stipulates that subsequent to the transfer date, the Tariff Regulations of the Central Electricity Regulatory Commission (CERC) shall be applicable to Jhabua Power. This is due to Jhabua Power's changed status (i.e. Central Generating Station) post-transfer date as an entity governed under Section 79 (1) (a) of the Electricity Act, 2003. Consequently, the Statutory/ Regulatory

authority for tariff determination has transitioned from the Hon'ble Madhya Pradesh Electricity Regulatory Commission (MPERC) to the CERC. The relevant extract of Resolution Plan is reproduced below:

Clause 4.2.1 (b) (i) of the Resolution Plan states the following: -

Quote

Further after the Transfer Date, CERC tariff regulations shall apply to JPL, as it will become a group company of NTPC which is a central government enterprise with generation and sale of electricity in more than one state. Accordingly, CERC tariff regulations for control period FY 2019- 24 have been considered including continuation of tariff parameters such as approved capital base, O&M expense, operational parameters etc.

Unquote

6. Since NTPC Limited is a Central Sector Generating Company and management control of Petitioner's plant also lies with NTPC Limited, it is submitted that Jhabua Power is a Central Sector Generating Company. Further, the Central Electricity Authority vide its letter dated 06.01.2023 has also recognized the Petitioner as a Central Sector Generating Company. Copy of letter is attached as **Annexure III**.
7. Primarily, Section 79 (1) (a) of the Electricity Act, 2003 contemplates that the tariff of generating companies owned or controlled by the Central Government would be regulated by this Hon'ble Commission. Therefore, jurisdiction for the Tariff determination/Truing-up of the Petitioner (post NTPC takeover i.e. effective 05.09.2022) vests in this Hon'ble Central Electricity Regulatory Commission (hereinafter referred to as 'the Commission' or 'CERC') under Section 79 (1) (a) of the Electricity Act 2003.
8. Prior to 05.09.2022, the tariff determination/Truing-up for the generating station of the Petitioner was done by the Hon'ble Madhya Pradesh Electricity Regulatory Commission as per the applicable MPERC tariff regulations. Hon'ble MPERC has already taken cognizance of NTPC takeover w.e.f. from 05.09.222 and accordingly has issued Trued-up tariff order for FY 22-23 only till 04.09.22. Copy of the Hon'ble

MPERC Order in Petition No 61 of 2023 dated 05.03.2024 is attached as **Annexure IV**.

9. Both the CERC and MPERC Tariff Regulations, as notified in 2019, outline the respective procedures for tariff determination and truing up. However, neither set of regulations envisages the present situation. The Electricity Act, 2003, clearly delineates the jurisdiction of the CERC and the State Commissions. The Hon'ble Appellate Tribunal for Electricity, in its judgment dated 04.09.12, in Appeal No. 94 & 95 of 2012 – BSES Rajdhani Power Ltd v. DERC & Ors, has held as follows:

Quote

32. Section 61 and 79 not only deal with the tariff but also deal with the terms and conditions of tariff. The terms and conditions necessarily include all terms related to tariff. Determination of tariff and its method of recovery will also depend on the terms and conditions of tariff. For example, interest on working capital which is a component of tariff will depend on the time allowed for billing and payment of bills. This will also have an impact on terms and conditions for rebate and late payment surcharge. Similarly, billing and payment of capacity charge will depend on the availability of the power station. Therefore, the scheduling has to be specified in the terms and conditions of tariff.

33. Accordingly, the billing, payment, consequences of early payment by way of grant of rebate, consequences of delay in payment by way of surcharge, termination or suspension of the supply, payment security mechanism such as opening of the Letter of Credit, escrow arrangement, etc, are nothing but terms and conditions of supply.

34. Section 79(1) (f) of the Electricity Act, 2003 provides for the adjudication of disputes involving a generating company or a transmission licensee in matters connected with clauses (a) to (d) of Section 79. Thus, anything involving a generating station covered under clauses (a) and (b) as to the generation and supply of electricity will be a matter governed by Section 79 (1) (f) of the Act.

Unquote

10. With the takeover by NTPC, it is submitted that the Hon'ble CERC only can exercise the functions to regulate the tariff of Jhabua Power, being a Generating Company owned and controlled by the Central Government in terms of Section 79 (1) (a) of Electricity Act, 2003. The jurisdiction to be exercised by this Hon'ble Commission is under Section 79 (1) (a) read with Section 61, 62 and 64 of the Electricity Act, 2003 and the Regulations notified by this Hon'ble Commission in exercise of powers under Section 178 read with Section 61 of the Electricity Act, 2003. In view of above, it emerges that the JPL's station would qualify as a 'Central Generating Station' in terms of the Act and the Regulations framed thereunder.
11. Since the jurisdiction for determination of Tariff/Truing-up for the petitioner post takeover by NTPC lies with Hon'ble Commission, for the purposes of truing up, the provisions of the Tariff regulation, 2019 (hereinafter 'Tariff Regulations 2019') would be applicable for the period 05.09.2022 to 31.03.2024 and for the period prior to 04.09.2022, the Petitioner has already sought an appropriate truing up order from the Hon'ble MPERC.
12. The Hon'ble MPERC had earlier passed a multi-year Tariff (MYT) order for the control period FY 2019-24 & thereafter had also conducted Truing up of Tariff for the FY 2019-20, FY 20-21, FY 21-22, FY 22-23 (till 04.09.22) based on the petition filed by the Petitioner. Some of the respective tariff / truing up orders have also been challenged by the Petitioner before the Appellate Tribunal for Electricity, which are pending for adjudication.
13. Since the truing-up tariff up to 04.09.22 has already been determined by the Hon'ble MPERC, the Petitioner has adopted the same capital cost based on the Truing-up Order dated 05.03.24. It is submitted that the truing-up petition for the period from 05.09.22 to 31.03.24 is being filed with this Hon'ble Commission without prejudice to approach for the additional claims made by the Petitioner in its pending appeals before the Hon'ble Appellate Tribunal for Electricity.
14. Although this unique situation for truing up of the tariff by this Hon'ble Commission, when the tariff has been determined by a State Commission may not have arisen, as

explained in the preceding paragraphs, post-takeover by NTPC, the jurisdiction of the Hon'ble Commission shall apply for tariff regulation. The situation can be viewed in the angle of the Hon'ble Supreme Court in Energy Watchdog vs CERC (2017) 14 SCC 80 holding that when there is generation and supply of electricity in more than one State, any dispute would be amenable to the dispute adjudication jurisdiction of this Hon'ble Commission, such matters were going before State Commissions. However, after the decision, several matters at that stage were transferred from the State Commissions to this Hon'ble Commission for adjudication under Section 79 (1) (f).

15. The Hon'ble Commission is requested to accept the capital cost approved by Hon'ble MPERC as of 04.09.22 (as explained herein below). The date of 05.09.2022 marks the effective takeover of Jhabua Power by NTPC Limited, a Central Sector Generating Company. As a result, the true-up petition along with tariff forms for the aforementioned period is being filed with this Hon'ble Commission in accordance with the provisions of the CERC Tariff Regulations, 2019.

True up of FY 2022-23 (05.09.2022 onwards) & FY 2023-24

16. Regulation 9 of CERC Tariff Regulations, 2019 regarding the methodology for Determination of Tariff specifies the following:

Quote

9 (2) In case of an existing generating station or unit thereof, or transmission system or element thereof, the application shall be made by the generating company or the transmission licensee, as the case may be, by 30.11.2024 , based on admitted capital cost including additional capital expenditure already admitted and incurred up to 31.3.2024 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the respective years of the tariff period 2024-29 along with the true up petition for the period 2019-24 in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2019 “

Unquote

17. The Petitioner hereby submits that the true-up petition for the period from FY 2022-23 (05.09.2022 onwards) and FY 2023-24 is in accordance with the provisions of the CERC Tariff Regulations, 2019.
18. The Petitioner respectfully submits that there are certain matters pertaining to the period prior to 05.09.2022, which are currently under consideration before the Hon'ble Appellate Tribunal for Electricity (APTEL). The Petitioner shall comply with and act in accordance with the directions issued by the Hon'ble APTEL in these proceedings. To provide an indication of the issues to be decided by the Hon'ble APTEL, the list of issues in appeals filed with the Hon'ble APTEL is attached as **Annexure V**. All these appeals have been admitted and are in the list of finals of the Hon'ble Appellate Tribunal for Electricity (APTEL). The hearings are yet to be scheduled.
19. Further, should the outcome of the proceedings before the Hon'ble APTEL have any bearing or impact on the filings made or to be made before the Hon'ble Commission, the Petitioner shall approach the Hon'ble Commission separately to address any such implications arising from the said proceedings. In this regard, the Petitioner requests the Hon'ble Commission to grant liberty to the Petitioner to make additional submissions at a later date regarding any matter related to tariff based on the outcome of proceedings at Hon'ble APTEL.
20. The petitioner hereby humbly submits the filled tariff forms as per the prescribed formats in **Appendix I**.
21. The Petitioner also submits Audited Accounts for FY 2022-23 (as on 04.09.22 and as on 31.03.23) and FY 2023-24 in support of this petition as **Annexure VI**.

Brief Overview of Component Wise Annual Charges and Variable Charges

22. The components of Tariff for Thermal Power Generating Stations have been stipulated in the Chapter 4 of the CERC Tariff Regulations, 2019 which is reiterated as under:

Quote

14. Components of Tariff: (1) The tariff for supply of electricity from a thermal generating station shall comprise two parts, namely, capacity charge (for recovery of annual fixed cost consisting of the components as specified in Regulation 15 of these regulations) and energy charge (for recovery of primary and secondary fuel cost and cost of limestone and any other reagent, where applicable as specified in Regulation 16 of these regulations).

(2) The supplementary capacity charges for additional capitalization and supplementary energy charges, on account of implementation of revised emission standards in existing generating station or new generating station, as the case may be, shall be determined by the Commission separately.

(3) The capacity charge and energy charge of a generating station shall be determined in accordance with the provisions of Chapter 11 of these regulations. The input price of coal or lignite from the integrated mine as determined in accordance with the provisions of Chapter 9 of these regulations shall form part of energy charge of the generating station.

15. Capacity Charges: The capacity charges shall be derived on the basis of annual fixed cost. The Annual Fixed Cost (AFC) of a generating station or a transmission system including communication system shall consist of the following components:

- (a) Return on equity;*
- (b) Interest on loan capital;*
- (c) Depreciation;*
- (d) Interest on working capital; and*
- (e) Operation and maintenance expenses:*

Provided that Special Allowance in lieu of R&M, where opted in accordance with Regulation 28 of these regulations, shall be recovered separately and shall not be considered for computation of working capital.

16. *Energy Charges: Energy charges shall be derived on the basis of the landed fuel cost (LFC) of a generating station (excluding hydro) and shall consist of the following cost:*

- (a) Landed Fuel Cost of primary fuel;*
- (b) Cost of secondary fuel oil consumption; and*
- (c) Cost of limestone or any other reagent, as applicable.*

Provided that any refund of taxes and duties along with any amount received on account of penalties from fuel supplier shall be adjusted in fuel cost: Provided further that the supplementary energy charges, if any, on account of meeting the revised emission standards in case of a thermal generating station shall be determined separately by the Commission.”

Unquote

23. In terms of above, the generation tariff shall include Capacity Charges and Energy Charges which shall be determined in accordance with the norms stipulated under the CERC Tariff Regulations, 2019.

24. The Capacity Charges of the generating station has been computed on the basis of Capital Cost as admitted by the Hon'ble MPERC in the order dated 05.03.2024. On the basis of the above admitted capital cost and additional capitalization, following components forming capacity charges for generating station shall be computed in accordance with Regulation of CERC Tariff Regulations, 2019.

- (a) Return on equity;*
- (b) Interest on loan capital;*
- (c) Depreciation;*
- (d) Interest on working capital; and*
- (e) Operation and maintenance expenses;*

Gross Fixed Asset and Additional Capitalization

25. The Hon'ble Commission has notified the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2019 (hereinafter 'Tariff Regulations

2019) which came into force from 01.04.2019 and specify the terms & conditions and methodology of tariff determination for the period from 01.04.2019 to 31.03.2024 under Section 62 & 79 of the Electricity Act, 2003.

26. Further, Chapter 3, Regulation 13 of the Tariff Regulations 2019 provides as under:

Quote

(13) Truing up of tariff for the period 2019-24:

(1) The Commission shall carry out truing up exercise for the period 2019-24 along with the tariff petition filed for the next tariff period, for the following:

a) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, as admitted by the Commission after prudence check at the time of truing up:

b) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, on account of Force Majeure and Change in Law.

(2) The generating company or the transmission licensee, as the case may be, shall make an application, as per Annexure-I to these regulations, for carrying out truing up exercise in respect of the generating station or a unit thereof or the transmission system or an element thereof by 30.11.2024.

Unquote

27. In line with the provisions of quoted above, the Petitioner is filing the instant petition for truing up the additional capital expenditure for the control period 05.09.22 to 31.03.24, based on admitted capital cost as on 04.09.2022 (as determined by Hon'ble MPERC) and actual capital expenditure incurred during the tariff period from 05.09.2022 to 31.03.2024.

28. The Closing GFA (Gross Fixed Assets) as on 04.09.2022 (as approved by Hon'ble MPERC in the order dated 05.03.2024) is Rs 4025.32 Crore which has been considered for the purpose of true-up of tariff of generating station for FY 2022-23 (05.09.2022 onwards) and FY 2023-24.

29. With respect to the Capital Cost of the project, the Petitioner humbly submits the following:

- The Petitioner's Plant (erstwhile promoters Avantha Power) was identified as one of the 34 stressed thermal coal-based power plants in the 40th Report of the Standing Committee on Energy (2017-18), Ministry of Power. Extract of the Report is attached as **Annexure VII**.
- Vide NCLT Kolkata's Order dated 27.03.19, the petitioner was admitted to CIRP (Corporate Insolvency Resolution Process).
- The Resolution Applicants (RA) were invited to submit the bids for the project by CoC (Committee of Creditors) with an intent to select the H1 bidder.
- NTPC Ltd was one of the RAs. The bid was submitted by NTPC Ltd with certain assumptions, most important of them being that the approved capital cost by Hon'ble MPERC would be continued for recovery of Tariff in future also as only 30% of plant capacity is tied-up under section 62. Accordingly, the final offer/bid amount was ascertained and submitted to bankers. NTPC submitted the resolution plan considering the revenue stream computed as per CERC Tariff Regulations 2019 which were in effect when the resolution plan was submitted. In view of this, the Petitioner requests the Hon'ble Commission to adopt the capital cost as admitted by the Hon'ble MPERC as the capital cost for computation of tariff.
- The Resolution Plan submitted by NTPC was voted in favor by 100% voting percentage of the CoC. NTPC's Bid was selected and vide an Order dated 06.07.22, approval was granted to Resolution Plan submitted by NTPC Ltd by NCLT Kolkata.
- Based on the Resolution Plan submitted by NTPC Ltd and its subsequent approval by NCLT Kolkata, the petitioner has continued the Capital Cost as approved by Hon'ble MPERC for recovery of Tariff and accordingly all the calculations in the instant petition have been made.
- As the Hon'ble Commission is well aware that acquisition of a stressed project involves significant risk and investment, both in terms of resources and expertise. By assuming this challenge, NTPC has positioned itself to not only turn around the project but also to unlock its full potential. As a stakeholder, NTPC's

commitment and strategic decisions will be the driving forces behind its eventual success.

- Moreover, considering NTPC's expertise in the Thermal Power sector, bankers also took major haircut in the process considering future value appreciation.
 - Further, this successful acquisition of a stressed power plant through NCLT route is an unprecedented case in the country and NTPC has taken a substantial risk by venturing into this uncharted territory. Therefore, it is only fair that the rewards associated with this transformation—whether financial gains, enhanced reputation, or future opportunities should accrue primarily to the major stakeholders. Sharing these rewards with other stakeholders, who may not have been as directly involved in the revitalization efforts, would undermine the value of the risks undertaken by the primary stakeholders to ensure the project's success.
 - In view of the above and also considering NCLT Kolkata's approval to Resolution Plan submitted by NTPC (wherein it has been expressly indicated to continue the Capital Cost base), the petitioner has made all the calculations in the instant petition. It is humbly submitted that in light of the NCLT Order dated 06.07.22, Hon'ble Commission is requested to consider the capital cost and other parameters as approved vide the Hon'ble MPERC Order dated 05.03.24.
30. Furthermore, it is submitted that only 30% of the power of Petitioner's plant is tied up under section 62, ensuring only 30% of the Fixed Cost (FC) recovery. There exists a substantial risk of under-recovery for the remaining 70% FC due to fluctuating market conditions. The high penetration of solar and wind power in the current scenario has led to significant price drops (as low as Rs 0.10/kWh) during solar hours, complicating the maintenance of technical minimum levels as all beneficiaries, including Long Term/ Medium Term, provide minimal or zero scheduling during these periods, causing substantial losses in electricity generation from thermal plants. The aforementioned losses are not compensated during peak hours due to rate caps. The Resolution Applicant (RA) has already assumed this risk, and any further reduction in the base capital cost initially considered by the RA will jeopardize the recovery process for the entire asset over its remaining life. It is noteworthy that most of the times fuel allocation for market-oriented capacity under the SHAKTI scheme follows the RCR mode, which generally results in a significant Gross Calorific Value (GCV)

loss from billed grade to as-received basis (ARB) GCV. This further diminishes the prospects of recovering fixed costs through power sales in exchanges. Therefore, it is submitted that for the plant to operate successfully until 2041, the recovery of FC corresponding to the already approved Fixed Cost by Hon'ble MPERC, as well as that considered by RA, must serve as the starting point for the tariff truing-up petition.

31. In the case of a takeover of a power project through the CIRP by a subsequent purchaser, the Hon'ble Appellate Tribunal has already held that the tariff cannot be reduced post take over. In **Renasant Power Ventures Pvt. Ltd. v. Uttar Pradesh Electricity Regulatory Commission & Ors. (Appeal No. 183 of 2018 – Judgment dated 27.09.2019)**, the Hon'ble Tribunal has held as under –

*21. The argument raised by the Appellant is that the 1st Respondent-Commission acted beyond its scope/jurisdiction by reviewing a tariff which was already adopted and the same amounts to modifying/revising/reviewing a tariff. For this proposition the Appellant was justified in placing reliance on Section 61 and 63 of the Act and also judgment of this Tribunal in the matter of **Madhya Pradesh Power Trading Company Ltd. v. MPERC** in Appeal No. 44 of 2019 dated 06.05.2010 to contend how Section 63 has to be appreciated and adopted, which reads as under:*

.....

*122. The Appellant has rightly placed reliance in the case of **Official Trustee v. Sachindra Nath** [reported in (2007) 4 SCC 451 : AIR 1969 SC 823] to contend that if a court has jurisdiction to decide a particular matter, it should have power to hear and decide the questions at issue and decide the controversy which has arisen between the parties. The Appellant rightly referred to the case of **Jagmittar Sain Bhagat v. Director, Health Services, Haryana and Others** [reported in (2013) 10 SCC 136] to contend that conferment of jurisdiction is a legislative function and it can neither be conferred with the consent of the parties nor by a superior court; therefore, if an order/decreed is passed by a court which has no jurisdiction, it would amount to nullity since it goes to the root of the cause.*

123. The change in the PPA tariff, which being the fundamental basis for arriving at the bid amount by the bidders, any subsequent reduction in the PPA tariff, post conclusion of the bid process by lenders of the project, would amount to change in the fundamental basis of the bid. This is well settled law laid down by the Hon'ble Supreme Court in several cases.

.....

127. In pursuance of financial documents, lenders led by SBI invoked terms of pledge for sale/transfer of pledged shares of PPGCL and said document is not only recognized but a legal document under PPA. Through this process, lenders intended to bring a new entity that too adopting transparent competitive bid process, therefore, it may not be out of place to opine that the Appellant had legitimate expectation to the effect that bid would be awarded to it in terms of said bidding process especially once the Appellant was found successful in the bid process and letter of intent being issued to them. In the absence of said bidding process not contemplating any change in the terms of existing PPA (like reduction in tariff) neither the Appellant nor any person who participated in the bid could anticipate such reduction in the tariff already adopted. **On the other hand, the adopted tariff envisaged in the PPA would be the basis to formulate their economics to quote the price in the bid.**

128. Apparently, the Commission did not consider the effects of reduction in PPA tariff in post facto scenario since there was certainty in the bid condition with reference to PPA tariff and associated revenue stream which was the basic input for inviting the bids in question.

.....

141. In the light of the above discussion and reasoning, we are of the opinion that the finding of the 1st Respondent-Commission so far as reduction of adopted tariff by Rs. 0.14 per unit warrants interference. Accordingly, we uphold the approval/waiver/relaxation granted by the 1st Respondent-

Commission for SPA dated 14.11.2018, but without any reduction of adopted tariff. Accordingly the Appeal is allowed.

32. Further, it is now well settled that Sections 62 and 63 are only the two means of tariff determination provided for under the Electricity Act, 2003. In **Tata Power Co. Ltd. Transmission v. Maharashtra Electricity Regulatory Commission & Ors. (2023) 11 SCC 1**, the Hon'ble Supreme Court has authoritatively ruled as under –

88. Section 63 indicates that the provision would be invoked after the tariff has been determined by the bidding process. There is nothing in Sections 62 or 63 that could lead us to interpret that Section 63 is the dominant route for determination of tariff. Both the provisions provide alternative modalities through which tariff can be determined. The non obstante clause in Section 63 must be read in the context of Sections 61 and 62. Section 62 bestows the Commission with wide discretion to determine tariff. Section 63 seeks to curtail this discretion where a bidding process for tariff determination has already been conducted. Section 63 contemplates that in such situations where the tariff has been determined through the bidding process, the Commission cannot by falling back on the discretion provided under Section 62 negate the tariff determined through bidding. This interpretation of Section 63 is fortified by the use of the phrase “such” in Section 63 — the Commission is bound to “adopt” “such” tariff determined through bidding.

.....

92. Therefore, Section 63 can only be invoked after the tariff has been determined through bidding. The terms and conditions notified by the appropriate Commission under Section 61 will have to be referred for the purpose of choosing the modality of tariff determination that the Commission should undertake. In view of the above discussion, the argument of the appellant that a reading of Sections 61, 62 and 63 indicates that the TBCB route is the dominant route of tariff determination does not hold merit.

33. Following the principle laid down above, even though the truing up is being conducted by this Hon'ble Commission due to the provisions of the Electricity Act, 2003, the truing up cannot be to relook at the capital cost already determined by the Hon'ble

MPERC or for reworking a tariff that was operating at the time the Petitioner bid for this project under the CIRP route.

Additional Capitalization

34. Regulations 25 and 26 of CERC Tariff Regulations, 2019, provide for Additional Capitalization within original scope after the cutoff date and for Additional Capitalization beyond original scope respectively. The Petitioner has made its claims in detail in Form 9 quoting the relevant Regulations and the justifications praying for allowing appropriate additional capital expenditure towards the project during the period 05.09.2022 to 31.03.2024.

Quote

25. Additional Capitalization within the original scope and up to the cut-off date

(1) The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

(a) Undischarged liabilities recognized to be payable at a future date;

(b) Works deferred for execution;

(c) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;

(d) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;

(e) Change in law or compliance of any existing law; and

(f) Force Majeure events:

Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.

(2) The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of

work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.

26. Additional Capitalisation beyond the original scope

(1) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:

(a) Liabilities to meet award of arbitration or for compliance of order or directions of any statutory authority, or order or decree of any court of law;

(b) Change in law or compliance of any existing law;

(c) Force Majeure events;

(d) Need for higher security and safety of the plant as advised or directed by appropriate Indian Government Instrumentality or statutory authorities responsible for national or internal security;

(e) Deferred works relating to ash pond or ash handling system in additional to the original scope of work, on case to case basis:

Provided also that if any expenditure has been claimed under Renovation and Modernisation (R&M) or repairs and maintenance under O&M expenses, the same shall not be claimed under this Regulation;

(f) Usage of water from sewage treatment plant in thermal generating station.

(2) In case of de-capitalisation of assets of a generating company or the transmission licensee, as the case may be, the original cost of such asset as on the date of decapitalization shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.

Unquote

35. The Petitioner has considered Rs.15.45 Crore for FY 2022-23 (05.09.2022 onwards) and Rs. 29.79 Crore for FY 2023-24 as additional capitalization on cash basis towards balance works. Out of Rs. 15.45 Crore for FY 2022-23, additional capitalization claimed to the tune of Rs. 12.92 Crore pertains to original scope and balance amount

of Rs. 2.53 Cr is essential capitalization beyond original scope. Similarly for FY 2023-24, out of Rs. 29.79 Crore, additional capitalization claimed to the tune of Rs. 9.60 Crore pertains to original scope and balance amount of Rs 20.19 Cr is essential capitalization beyond original scope. This capital expenditure is essential for running the plant safely and efficiently. The Hon'ble Commission is requested to note that due to financial stress of the Petitioner, several critical works had to be deferred for execution. Further, the procurement of initial capital spares also had to be kept on hold due to financial crunch. Resolution Plan submitted by NTPC envisaged part payment to all the Opex/capex creditors against their outstanding dues (as on 27.03.2019 i.e. date of admission of petitioner to CIRP) as the final settlement amount. Out of the total payment of Rs. 15.45 Crore, amount of Rs. 12.65 Crore was paid to Capex Creditors in line with the Resolution Plan and the remaining amount of Rs. 2.8 Crore was towards capex incurred/discharges of liabilities. The Petitioner requests the Hon'ble Commission to allow the additional capitalization towards these critical works.

36. Further, the Petitioner has claimed capitalization of capital spares (on cash basis) amounting to Rs. 1.37 Crore and Rs. 8.34 Crores for FY 2022-23 and FY2023-24 respectively. The Petitioner has claimed these capital spares in this petition due to the financial stress experienced as a result of the NCLT proceedings, as detailed in Para 29, and the CIRP. The Petitioner was barely allowed to incur additional capital expenditure during CIRP and therefore capital spares could not be procured in one go and therefore could not be procured before the cut-off date. This financial stress had also necessitated the deferral of several critical works and the postponement of procuring initial capital spares. The Petitioner humbly requests that the Hon'ble Commission may please approve the cost of the spares as it does not exceed the overall ceiling limit of 4% of the Plant & Machinery cost in terms of Regulation 23 of the CERC Tariff Regulations, 2019.

Table 1: Capital Spares vis-à-vis eligibility of the Project (Rs. Crore)

| Eligibility as per Regulation 23 of CERC Tariff Regulations, 2019 / | Amount already approved by Hon'ble MPERC |
|---|--|
|---|--|

| | |
|--|-------|
| Regulation 25.1 of MPERC Tariff Regulations, 2020 | |
| | 38.63 |
| 90.79 | |

37. A summary of the additional capitalization claimed is as follows:

Additional Capitalization for FY2022-23 (5th Sep 2022 to 31st March 2023)

Table 2: Additional Capitalization claimed for FY 2022-23 (INR Cr) – within original scope

| Head of work / equipment | Discharge of previous years liability - A | Payment as per Resolution Plan – B | ACE claimed on cash basis (FY22-23 5th Sep 22 onwards) – within original scope (A+B) |
|--|--|---|---|
| Coal Handling Plant | - | 5.60 | 5.60 |
| Civil Works (Main plant, Site level and Infra / Chimney / Ash Disposal area development) | - | 3.51 | 3.51 |
| BOP Electrical (Transformer package, switchgear package, transmission line, elevator) | - | 1.73 | 1.73 |
| BOP Mechanical / External water supply system | - | 0.42 | 0.42 |
| BOP Mechanical / DM water plant | - | 0.90 | 0.90 |
| BOP Mechanical / Ash handling system | - | 0.13 | 0.13 |
| BOP Mechanical / MGR (including wagon tippler) | 0.28 | 0.05 | 0.33 |
| BOP Mechanical / Air condition & ventilation system | - | 0.01 | 0.01 |

| | | | |
|--------------------------------------|-------------|--------------|--------------|
| BOP Mechanical / Firefighting system | - | 0.29 | 0.29 |
| Total | 0.28 | 12.65 | 12.92 |

Table 3: Additional Capitalization claimed for FY 2022-23 (INR Cr) – beyond original scope

| Head of work / equipment | ACE Claimed on Accrual Basis (FY22-23 5th Sep 22 onwards) – A | Undischarged liability (FY22-23 5th Sep 22 onwards) – B | Discharge of previous years liability – C | ACE claimed on cash basis (FY22-23 5th Sep 22 onwards) – beyond original scope (A-B+C) |
|--|---|---|---|--|
| Coal Handling Plant | 0.20 | - | 0.01 | 0.21 |
| Miscellaneous Mechanical & Electrical Works | 0.97 | 0.04 | | 0.93 |
| Spares | 1.17 | - | 0.20 | 1.37 |
| IT Assets | 0.02 | - | - | 0.02 |
| Civil Works (Main plant, Site level and Infra / Chimney / Ash Disposal area development) | - | - | 0.00# | 0.00# |
| Total | 2.36 | 0.04 | 0.21 | 2.53 |

Note: Absolute amounts less than Rs. 1 Lac.

Additional Capitalization for FY2023-24

Table 4: Additional Capitalization claimed for FY 2023-24 (INR Cr) – within original scope

| Head of work / equipment | ACE Claimed on Accrual Basis – A | Undischarged liability - B | Discharge of previous years liability – C | ACE claimed on cash basis – within original scope (A-B+C) |
|--|----------------------------------|----------------------------|---|---|
| Leasehold Land | 0.59 | 0.59 | - | - |
| BOP Mechanical / Ash Handling System | 0.09 | - | - | 0.09 |
| BOP Mechanical / Coal Handling Plant | - | - | 0.02 | 0.02 |
| BOP Mechanical / MGR (including Wagon Tippler) | 1.24 | 0.01 | 0.13 | 1.36 |
| BOP Electrical / Lab Equipment | 0.00# | - | - | 0.00## |
| BOP Electrical / Miscellaneous Mechanical & Electrical Works | 0.51 | 0.01 | - | 0.50 |
| IT Assets | 0.08 | 0.00# | - | 0.07 |
| Civil Works (Main plant, Site level and Infra / Road, culverts and drainage) | 8.23 | 0.68 | - | 7.55 |
| Total | 10.73 | 1.29 | 0.15 | 9.60 |

Note: Absolute amounts less than Rs. 1 Lac.

Table 5: Additional Capitalization claimed for FY 2023-24 (INR Cr) – beyond original scope

| Head of work / equipment | ACE Claimed on Accrual Basis – A | Undischarged liability - B | Discharge of previous years liability – C | ACE claimed on cash basis – beyond original scope (A-B+C) |
|--|---|-----------------------------------|--|--|
| Steam Generator Island | 0.18 | - | - | 0.18 |
| BOP Mechanical / Ash Handling System / Ash Dyke | 0.89 | 0.05 | - | 0.84 |
| BOP Mechanical / Coal Handling Plant | 0.21 | 0.03 | - | 0.18 |
| BOP Mechanical / MGR (including Wagon Tippler) | 0.06 | - | - | 0.06 |
| BOP Electrical / Switch yard package | 0.08 | 0.00# | - | 0.08 |
| BOP Electrical / Transformers package | 0.92 | - | - | 0.92 |
| BOP Electrical / Lab Equipment | 0.17 | 0.00# | - | 0.17 |
| BOP Electrical / Miscellaneous Mechanical & Electrical Works | 0.22 | - | 0.04 | 0.26 |
| IT Assets | 0.12 | - | - | 0.12 |
| Civil Works (Main plant, Site level and Infra / Road, culverts and drainage) | 8.98 | 0.03 | - | 8.95 |

| Head of work / equipment | ACE Claimed on Accrual Basis – A | Undischarged liability - B | Discharge of previous years liability – C | ACE claimed on cash basis – beyond original scope (A-B+C) |
|--------------------------|----------------------------------|----------------------------|---|---|
| Civil Works (BOP Civil) | - | | 0.10 | 0.10 |
| Spares | 8.38 | 0.04 | - | 8.34 |
| Total | 20.21 | 0.14 | 0.13 | 20.19 |

Note: Absolute amounts less than Rs. 1 Lac.

38. It is humbly submitted that the petitioner's plant was in NCLT as mentioned in para 29 above. The company was in huge financial distress and unable to service its financial obligations or pay its liabilities/incur any new capex. During the CIRP period, all the capex was incurred with the concurrence of Resolution Professional appointed by CoC.
39. One of the duties of Resolution Professional is to preserve and protect the asset of the corporate debtor (i.e. the Petitioner), including the continued business operations of the corporate debtor. The inclination of Bankers/RP is therefore to primarily preserve the existing value of corporate debtor while the insolvency resolution process is underway. Any expenditure, which, according to their commercial prudence was not extremely urgent for operations was not allowed. Also, IBC (Insolvency & Bankruptcy Code), 2016 prohibited petitioner to discharge any dues for pre-CIRP Period except as envisaged in Resolution Plan and accordingly no payments could be released to the existing creditors and the undischarged Liabilities of pre-CIRP Period as the same were to be admitted as creditors' claims. As explained in para 34 and 35 above, after the admission of the claims submitted by the capex/Opex creditors, these outstanding amounts were settled through the resolution plan submitted by the successful bidder. Therefore, the Commission is requested to allow this expenditure as this pertains to works already executed within original scope but which could not be paid and consequently claimed in Tariff due to ongoing CIRP.

40. Thus, many critical and essential works such as construction of Roads & drainage system, balance works of AHP, miscellaneous balance mechanical /electrical works etc (as shown in Table 2 to 5 above) which were required for safe, efficient and continuous plant operation could not be incurred in pre-takeover period. It is further submitted that the Petitioner was unable to purchase and stock critical & costly insurance spares in view of the paucity of funds. Incurring of this expenditure will result in the long-term benefits in terms of reduced operational costs and increased reliability of the plant.

41. Post takeover by NTPC, gradually petitioner has commenced execution of such balance works. This Hon'ble Commission, in a plethora of its orders has permitted the incurring of additional capitalization even after several years of CoD if the work is a deferred work and contained in the original scope of work. This principle would squarely apply to the claims of additional capitalization claimed by the Petitioner in the instant petition.

De-Capitalization and Loss on Retirement of Assets

42. The Petitioner submits that assets amounting to Rs 11.87 crore were de-capitalized during FY 2023-24.

The table below shows the segregation of the De-capitalized assets:

Table 6: Segregation of De-Capitalized Assets

| Sl no | Particulars | Unit | Cost / Amount as per financial statements | De-capitalization claimed |
|--------------|--|-------------|--|----------------------------------|
| 1 | Assets Capitalized on CoD (03.05.2016) | Rs Crore | 11.79 | 9.20 |

| Sl no | Particulars | Unit | Cost / Amount as per financial statements | De-capitalization claimed |
|--------------|---|-----------------|--|----------------------------------|
| 2 | Assets Capitalized on 21.08.2020 (Related to Railway related works) | Rs Crore | 0.08 | 0.08 |
| 3 | Total De-Capitalization | Rs Crore | 11.87 | 9.28 |

43. The necessary adjustments on account of De-capitalization of assets have been considered in this tariff petition. It is pertinent to note here that, the original/historical value of de-capitalized assets in the financial statements is different from value claimed to be de-capitalized. Financial statements consider full historical value of the de-capitalized assets, however in the instant petition, the Petitioner have claimed only the proportionate value based on approved vis-à-vis claimed amount by Hon'ble MPERC. Further, for the Assets Capitalized on CoD, as the Hon'ble MPERC while approving the capital cost as on CoD has allowed Rs. 3668.73 Cr (as recognized by MPERC under Para 104 in its order dated 27th December 2019 in Petition No. 12 of 2019) out of the actual capital cost incurred of Rs. 4698.66 Cr (as recognized by MPERC Order dated 30th November 2018 in Petition No. 28 of 2018) hence the petitioner has de-capitalized the assets in the same ratio and therefore has de-capitalized Rs. 9.20 Cr from the GFA. Similarly, for the Assets Capitalized on 21.08.2020, as the Hon'ble MPERC vide order dated 18.08.2022 in petition no. 13 of 2022, had approved the addition in capital cost to the tune of Rs. 79.43 Cr out of the claimed addition in capital cost (towards railway related works) of Rs. 81.89 Cr, hence the petitioner has de-capitalized the assets in the same ratio and therefore has de-capitalized Rs. 0.08 Cr from the GFA. Therefore, the Petitioner submits de-capitalization of Rs. 9.28 Cr from the capital cost. Further, adjustments in debt and equity balances due to de-capitalization are calculated considering the debt: equity ratio approved by Hon'ble MPERC at the time of capitalization of the respective assets. Debt: Equity ratio considered for the assets capitalized on CoD (03.05.16) and assets capitalized in FY 20-21 is 75:25 and 70:30 respectively.

Table 7: Debt and equity ratio of De-Capitalized Assets (INR Cr)

| | Assets capitalized on CoD | Assets capitalized in FY 20-21 | Total Amount in GFA |
|--------------|----------------------------------|---------------------------------------|----------------------------|
| | A | B | C=A+B |
| Total amount | 9.20 | 0.08 | 9.28 |
| Debt | 6.90 (75%) | 0.06 (70%) | 6.96 |
| Equity | 2.30 (25%) | 0.02 (30%) | 2.32 |

44. **Loss on retirement of assets:** As submitted above, the petitioner for tariff purpose has de-capitalized spares with gross value of Rs. 9.28 Cr against which the total depreciation already availed is Rs. 3.61 Cr. It is further submitted that as salvage value as per the Tariff Regulations is 10%, also the petitioner has to write off its loan and Equity corresponding to the de-capitalized assets. However, as per the financial statement for FY2024, against the de-capitalized assets, the Petitioner have also received insurance claim and realization from sale of scrap to the tune of Rs. 1.24 Cr. After adjusting these receipts, the Petitioner have incurred a direct loss of Rs. 3.49 Cr and thus humbly requests the Hon'ble Commission to approve the same.

Table 8: Calculation of loss on retirement of assets (FY2023-24)

| Particulars | | Amount (Rs. Crore) |
|--|-------|---------------------------|
| Amount of assets de-capitalized | A | 9.28 |
| Salvage value @ 10% | B | 0.93 |
| Depreciable amount | C=A-B | 8.35 |
| Depreciation availed/claimed till de-capitalization year | D | 3.61 |
| Loss due to decapitalization | E=A-D | 4.74 |
| Less: Amount received from insurance/sale of scrap | F | 1.24 |
| Direct loss claimed by Petitioner | G=E-F | 3.49 |

Debt – Equity Ratio for truing up of Additional Capital Expenditure

45. Regulation 18 of CERC Tariff Regulations 2019, provides as follows:

Quote

18. Debt- Equity Ratio:

18 (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:*
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:*
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.*

Explanation-The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilized for meeting the capital expenditure of the generating station or the transmission system.

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station or a transmission system including communication, system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernization expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.

Unquote

46. The Petitioner in terms of Regulation 18 (5) of CERC Tariff Regulations, 2019 has considered the debt – equity ratio of 70:30 for the actual capital expenditure incurred in FY 2022-23 (05.09.2022 onwards) and FY 2023-24. It is submitted that the additional capital expenditure has been funded through the operational cash flows.

Determination of Capacity Charges and Energy Charges

A. Capacity Charges

i. Return on Equity (RoE):

47. Regulation 30 of CERC Tariff Regulations, 2019, provides as follows:

Quote

30. Return on Equity

(1) Return on equity shall be computed in rupee terms, on the equity base

determined in accordance with Regulation 18 of these regulations.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of river generating station with pondage:

Provided that 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.

31. Tax on Return on Equity

(1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission

licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

Unquote

48. The Petitioner has considered closing equity as on 31.03.2022 as per the Hon’ble MPERC true-up order dated 05.03.2024. Equity addition upto 04.09.2022 is considered as approved by Hon’ble MPERC in the order dated 05.03.2024. Accordingly, the Opening Equity as on 05.09.2022 has been considered as Rs. 1010.50 Cr.
49. The Petitioner has claimed return on equity on normative basis. Further, keeping in view that there was no tax liability in FY 2022-23 (05.09.2022 onwards) and FY 2023-24, the RoE has not been grossed up with the applicable Tax rates and has therefore been claimed at 15.50% as per the above quoted Regulation for FY 2022-23 (05.09.2022 onwards) and FY 2023-24. Addition to normative equity is in accordance with additional capitalization on the basis of Regulation 18 (5) of CERC Tariff Regulation 2019.
50. According to the Regulation 31 of the CERC Tariff Regulation 2019, the effective tax rate must be utilized for calculating the pre- tax rate of Return on Equity (RoE). In this petition, based on the current financial statement, tax has not been factored into the RoE computation for the period 2019-24. Nevertheless, this will be adjusted annually during any future true-up processes, as per the directions of this Hon’ble Commission.
51. The computation of RoE is shown as below: -

Table 9: Computation of Return on Equity

| Sl No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|--|-----------------|-------------|-------------------------------|----------|
| A. Statement showing Return on Equity at Normal Rate: | | | | |
| 1 | Opening balance | Rs Crore | 1010.50 | 1014.37 |

| Sl No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|--|---|---------------------|--|---------------|
| 2 | Add: Addition (including discharges of Previous years) | Rs Crore | 3.88 | 2.88 |
| 3 | Less: Adjustment (De-Capitalization) | Rs Crore | - | 2.32 |
| 4 | Closing balance | Rs Crore | 1014.37 | 1014.93 |
| 5 | Average balance | Rs Crore | 1012.43 | 1014.65 |
| 6 | Rate of return | % | 15.50 | 15.50 |
| 7 | Tax-rate | % | 0.00 | 0.00 |
| 8 | Grossed up rate of return | % | 15.50 | 15.50 |
| 9 | RoE | Rs Crore | 156.93 | 157.27 |
| 10 | RoE claimed (A) | Rs Crore | 89.43 (Proportionate for FY23 = 208/365 days) | 157.27 |
| B. Statement showing Return on Equity at weighted average rate of interest: | | | | |
| 1 | Opening balance | Rs Crore | - | 0.76 |
| 2 | Add: Addition (including discharges of Previous years) | Rs Crore | 0.76 | 6.06 |
| 3 | Less: Adjustment (De-Capitalization) | Rs Crore | - | - |

| Sl No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|--------------|--------------------------------|---------------------|--|-----------------|
| 4 | Closing balance | Rs Crore | 0.76 | 6.82 |
| 5 | Average balance | Rs Crore | 0.38 | 3.79 |
| 6 | Rate of return | % | 8.50 | 8.50 |
| 7 | Tax-rate | % | 0.00 | 0.00 |
| 8 | Grossed up rate of return | % | 8.50 | 8.50 |
| 9 | RoE | Rs Crore | 0.03 | 0.32 |
| 10 | RoE claimed (B) | Rs Crore | 0.02 (Proportionate for FY23 = 208/365 days) | 0.32 |
| | | | | |
| | Total RoE | Rs Crore | 156.96 | 157.59 |
| | Total RoE claimed (A+B) | Rs Crore | 89.45 (Proportionate for FY23 = 208/365 days) | 157.59 |

ii. Interest and Financing Charges

52. Regulation 32 of the CERC Tariff Regulation 2019, provides as follows:

Quote

32. Interest on Loan Capital:

1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalization of such asset.

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered.

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

(7) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

Unquote

53. The Closing Loan as on 31.03.2022 is as per the Hon'ble MPERC true-up order dated 05.03.2024. Loan addition up to 04.09.2022 considered is as approved by the Hon'ble MPERC in the order dated 05.03.2024. Accordingly, the Opening Loan as on 05.09.2022 has been considered as Rs. 1733.04 Cr.

54. In accordance with the Resolution Plan approved by NCLT, Non-Convertible Debentures (NCDs) have been issued. As of 05.09.2022, the Petitioner has secured long-term borrowings at a fixed interest rate of 8.50% p.a. as per Resolution Plan. Accordingly, the Petitioner has considered this rate of interest as the Weighted Average Rate of Interest for the calculation of interest on the loan capital. The repayment for each year is being considered equal to the Depreciation calculated for the respective year. Addition to normative loans is corresponding to additional capitalization. Necessary adjustment due to De-capitalization in FY 2023-24 has been made to the interest on loan capital calculations.

Table 10: Computation of Interest on Normative Loan

| SI No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|--------------|------------------------------------|-----------------|--|-----------------|
| 1 | Opening Balance | Rs Crore | 1733.04 | 1625.94 |
| 2 | Add: Addition | Rs Crore | 10.82 | 20.86 |
| 3 | Less: Repayment | Rs Crore | 117.92 | 207.70 |
| 4 | Less: Adjustment-De-Capitalization | Rs Crore | - | 3.34 |
| 5 | Closing Balance | Rs Crore | 1625.94 | 1435.76 |
| 6 | Average Balance | Rs Crore | 1679.49 | 1530.85 |
| 7 | Interest Rate | % | 8.50 | 8.50 |
| 8 | Interest on Normative Loan | Rs Crore | 142.76 | 130.12 |

| SI No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|-------|---------------------------------------|----------|--|----------|
| 9 | Interest on Normative Loan claimed | Rs Crore | 81.35 (Proportionate for FY23 = 208/365 days) | 130.12 |

iii. Depreciation:

55. Regulation 33 of the CERC Tariff Regulations, 2019, provides as follows:

Quote

33. Depreciation:

(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial

operation of the asset for part of the year depreciation shall be charged on pro rata basis.

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:

Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

(4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the assets of the generating station and transmission system:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2019 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful services.

Unquote

56. The Petitioner has computed Weighted Average Rate of Depreciation for FY 2022-23 (05.09.2022 onwards) and FY 2023-24 considering rates of Depreciation as per Appendix-I in accordance with Regulation 33 of CERC Tariff Regulations, 2019.

57. The working of Weighted Average Rate of Depreciation is placed at Form-11 of the Tariff Forms. Necessary adjustments due to De-Capitalization in FY 2023-24 has been made to the calculations of Depreciation. The depreciation claimed by the Petitioner for FY 2022-23(05.09.2022 onwards) and FY 2023-24 is as follows:

Table 11: Computation of Depreciation

| SI No | Particulars | Unit | FY 22-23 (05.09.22 onwards) | FY 23-24 |
|--------------|----------------------|-------------|------------------------------------|-----------------|
| 1 | Opening Capital Cost | Rs Crore | 4025.32 | 4040.77 |
| 2 | Closing Capital Cost | Rs Crore | 4040.77 | 4061.29 |
| 3 | Average Capital Cost | Rs Crore | 4033.05 | 4051.03 |
| 4 | Freehold Land | Rs Crore | 55.48 | 55.48 |
| 5 | IT Assets | Rs Crore | 4.06 | 4.26 |

| SI No | Particulars | Unit | FY 22-23 (05.09.22 onwards) | FY 23-24 |
|-------|---|---------------------|--|---------------|
| 6 | Rate of Depreciation | % | 5.12% | 5.11% |
| 7 | Depreciation | Rs Crore | 206.92 | 207.70 |
| 8 | Proportionate Depreciation claimed | Rs Crore | 117.92 (Proportionate for FY23 = 208/365 days) | 207.70 |

58. The Petitioner submits that the Hon'ble MPERC has disallowed depreciation on Leased Land from CoD due to insufficient documentary evidence. However, the audited Balance Sheet clearly identifies the amount of Leased Land. The Petitioner has excluded depreciation on leased land in this petition as the matter is currently under appeal before the Hon'ble APTEL and remains subjudice. As previously stated, the Petitioner shall separately approach the Hon'ble Commission either during the course of this petition or in the future to address any implications arising from the final order issued by the Hon'ble APTEL.

iv. Operation and Maintenance Expenses for Generating Station

59. Regulation 35 of the CERC Tariff Regulations, 2019, provides as follows:

Quote

35. Operation and Maintenance Expenses

*(1) **Thermal Generating Station:** Normative Operation and Maintenance expenses of thermal generating stations shall be as follows:*

(1) Coal based and lignite fired (including those based on Circulating Fluidised Bed Combustion (CFBC) technology) generating stations, other than the generating stations or units referred to in clauses (2), (4) and (5) of this Regulation:

(in Rs Lakh/MW)

| Year | 200/210/250 MW Series | 300/330/350 MW Series | 500 MW Series | 600 MW Series | 800 MW Series and above |
|-------------------|----------------------------------|----------------------------------|--------------------------|--------------------------|--|
| <i>FY 2019-20</i> | 32.96 | 27.74 | 22.51 | 20.26 | 18.23 |
| <i>FY 2020-21</i> | 34.12 | 28.71 | 23.30 | 20.97 | 18.87 |
| <i>FY 2021-22</i> | 35.31 | 29.72 | 24.12 | 21.71 | 19.54 |
| <i>FY 2022-23</i> | 36.56 | 30.76 | 24.97 | 22.47 | 20.22 |
| <i>FY 2023-24</i> | 37.84 | 31.84 | 25.84 | 23.26 | 20.93 |

Provided that where the date of commercial operation of any additional unit(s) of a generating station after first four units occurs on or after 1.4.2019, the O&M expenses of such additional unit(s) shall be admissible at 90% of the operation and maintenance expenses as specified above

(6) The Water Charges, Security Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:

Provided that water charges shall be allowed based on water consumption depending upon type of plant and type of cooling water system, subject to prudence check. The details regarding the same shall be furnished along with the petition.

Provided further that the generating station shall submit the assessment of the security requirement and estimated expenses;

Provided also that the generating station shall submit the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through compensatory allowance as per Regulation 17 of Central Electricity Regulatory

Commission (Terms and Conditions of Tariff) Regulations, 2014 or Special Allowance or claimed as a part of additional capitalization or consumption of stores and spares and renovation and modernization.

(7) The additional operation and maintenance expenses on account of implementation of revised emission standards shall be notified separately:

Provided that till the norms are notified, the Commission shall decide the additional O&M expenses on case to case basis.

Unquote

60. Accordingly, the normative O&M expenses have been considered as specified in Clause 35 (1) (1) of the CERC Tariff Regulations, 2019 for 600 MW Thermal Generating Unit. The O&M expenses claimed by Petitioner is computed in the following table:

Table 12: Computation of O&M Expenses

| Sl No | Particulars | Unit | FY 2022-23 (upto 04.09.22 onwards) | FY 2022-23 (From 05.09.2022 onwards) | FY 2023-24 |
|--------------|----------------------------|-------------|---|---|-------------------|
| 1 | Normative O&M Expenses | Rs Lakh/MW | 22.47 | 22.47 | 23.26 |
| 2 | Generating Unit Capacity | MW | 600 | 600 | 600 |
| 3 | Annual O&M Expense | Rs Crore | 57.99 | 76.83 | 139.56 |
| 4 | Water Charges (actual) | Rs Crore | 4.51 | 7.04 | 12.89 |
| 5 | Security Expenses (actual) | Rs Crore | 1.55 | 2.40 | 3.43 |

| Sl No | Particulars | Unit | FY 2022-23 (upto 04.09.22 onwards) | FY 2022- 23 (From 05.09.2022 onwards) | FY 2023- 24 |
|-------|--|-----------------|--|---|----------------|
| 6 | Ash Transportation Expenses (actual) | Rs Crore | 1.06 | 12.66 | 26.00 |
| 7 | Capital Spares (actual) | Rs Crore | 0.31 | 2.85 | 2.83 |
| 8 | Total O&M Expenses | Rs Crore | 65.41 | 101.78 | 184.71 |
| 9 | O&M Expenses claimed | Rs Crore | - | 101.78 | 184.71 |

61. Further, as per Clause 35 (1) (6) of CERC Tariff Regulation, 2019 the Petitioner is required to submit the water charges details. The detail of water charges is provided below:

Table 13: Details of water charges

| Particulars | Details |
|--|---|
| Type of plant | Thermal power plant |
| Type of cooling system | Induced Draft Cooling Tower |
| Consumption of Water for Seoni Thermal Power Station | Water for this station is drawn from Rani Awanti Bai Lodhi Sagar (Bargi) Dam quantity allocated is 16.00 MCM per Year / 43835 Cum / day |

| Particulars | Details |
|-----------------------|--|
| Rate of Water Charges | Rs. 5.5/Cum Till May'22 & thereafter Rs. 8.4/Cum till Dec'22 & thereafter Rs. 8.82/Cum till Dec'23 and thereafter Rs. 9.26/Cum |
| Total Water Charges | Rs 7.04 Cr (FY22-23 [5 th Sep onwards]) Rs 12.89 Cr (FY 23-24) |

62. In view of the above, the Petitioner submits the actual bills, and the copies of the bills received for water charges, and ash transportation expenses are attached as **Annexure VIII**. The petitioner submits that the security expenses claimed are as per the audited financial statements for FY 2022-23 and FY 2023-24 attached as **Annexure VI**.

63. Clause 35 (3) of CERC Tariff Regulations, 2019 provides as follows:

Quote

35 (3): Transmission System

(a) The following normative operation and maintenance expenses shall be admissible for the transmission system:

| Particulars | 2022-23 | 2023-24 |
|---|----------------|----------------|
| <i>Norms for sub-station Bays (Rs Lakh per bay)</i> | | |
| 400 kV | 35.66 | 36.91 |
| <i>Norms for AC and HVDC lines (Rs Lakh per km)</i> | | |
| <i>Double Circuit (Twin & Triple Conductor)</i> | 0.977 | 1.011 |

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms

for the operation and maintenance expenses per bay, per MVA and per km respectively.

Unquote

64. The Petitioner submits that it has constructed a dedicated 400 kV Double Circuit (Twin) Transmission Line with a total length of 64.64 km for interconnection with Jabalpur Pooling Sub-station. copy of the 'Prior Approval of the Government of India under Section 68 of the Electricity Act, 2003' is enclosed herewith and marked as '**Annexure IX**'. The copy of the 'Connectivity Intimation Letter' from Power Grid Corporation of India Limited is also enclosed herewith and marked as **Annexure X**.
65. As per the original PPA, the supply of power by the Petitioner to MPPMCL was at busbar of the generating station, with the responsibility of establishing the evacuation facility being that of MPPMCL. The project was then envisaged to be connected to the system of STU.
66. The scope of the Transmission Line was subsequently amended to stipulate that the Petitioner's generating station would be connected to the Central Transmission Utility (CTU) network. Consequently, the Petitioner was required to establish a dedicated transmission line due to the difficulty faced by MPPMCL in ensuring the construction of a long transmission line to connect to the CTU System.
67. Under these circumstances, the Power Purchase Agreement (PPA) was amended between the parties to mandate that the evacuation line be constructed by the Petitioner to connect to the CTU system. However, the delivery point remained Ex-Bus, i.e., the generating station's switchyard. The amendment regarding the modification in the PPA to include the Dedicated Transmission Line (DTL) within the generator's scope was filed with the Hon'ble Madhya Pradesh Electricity Regulatory Commission (MPERC) for approval, which was granted by Hon'ble MPERC's order dated 07.09.2012. The Amended PPA came into force and was to be executed by the parties.
68. The Operation and Maintenance (O&M) norms notified by the Hon'ble MPERC pertain solely to the O&M of the generating station and do not encompass the

transmission line. Given the unique facts and circumstances of the Petitioner's case, due to a change in the PPA, the Petitioner was also required to construct the dedicated transmission line for the evacuation of power to MPPMCL at its own expense. However, the O&M Expenses for this portion of the asset, i.e., the dedicated transmission line, have not been separately considered and have been disallowed by Hon'ble MPERC. It is noteworthy that had MPPMCL implemented the evacuation infrastructure through MPPTCL, it would have incurred the applicable O&M charges for the maintenance of this asset. The matter is currently sub-judice before the Appellate Tribunal for Electricity (APTEL) concerning the Capital Cost and O&M Charges for the DTL, and the Petitioner may be granted the liberty to approach this Hon'ble Commission (CERC) for revision in Tariff/any implications arising from the final order of the Hon'ble APTEL. However, in Appeal No. 283 of 2017, 131 of 2018, and 231 of 2018 in the matter of M/S Jaiprakash Power Ventures Limited vs. MP Power Management Company Ltd, the Hon'ble APTEL, vide its order dated 22.03.2024, has taken cognizance of similar facts and circumstances and has directed the Hon'ble MPERC to pass consequential orders expeditiously. Accordingly, based on the aforementioned APTEL order, the Hon'ble MPERC, vide its order dated 20.06.2024 in Petition No. 70 of 2015 and 62 of 2016, has already allowed the claim of O&M Expenses for the 400 KV dedicated transmission line constructed by the generator.

69. Further, the extant CERC Regulation, 2019 separately provide for O&M Expenses of Transmission line and pursuant to this, the Petitioner in instant petition has claimed the Operation and Maintenance expense as per Regulation 35(3) of CERC Tariff Regulations, 2019 since the DTL is also an integral part of Power Station.
70. Furthermore, the Petitioner is also entitled to an additional line loss that occurs on the dedicated transmission line of the Petitioner, as the PPAs are signed with the beneficiaries for delivery of power on ex-bus basis i.e. the delivery of power at JPL switchyard. The dedicated transmission line was constructed due to scope change for JPL and CTU connectivity as explained above. The similar issues have already been conclusively adjudicated by the Hon'ble Appellate Tribunal for Electricity (APTEL) in the following cases:

1. Greenko Budhil Hydro Power Private Limited vs. Uttarakhand Electricity Regulatory Commission, Appeal No. 100 of 2017, order dated 28.08.2024.
2. Chhattisgarh Biomass Energy Developers Association Limited vs. Chhattisgarh State Electricity Regulatory Commission, Appeal Nos. 63, 66, and 144 of 2012, order dated 29.04.2013.

Accordingly, the Petitioner has considered the line loss of the dedicated transmission line in the calculation of energy charges in the present petition. The Hon'ble Commission is requested to consider the grossing up of monthly energy charges by 0.63% or actual losses in the dedicated transmission line on month to month basis. The details of actual transmission line losses based on ABT meter data on sample basis are as follows:

Table 14: Actual transmission line loss (%)

| Date of measurement | JPL end (kWh) | Jabalpur Pooling station End (kWh) | T/ line losses (%) |
|----------------------------|----------------------|---|---------------------------|
| | 00-24 hrs | 00-24 hrs | |
| 12/02/2024 | 10.909 | -10.842 | 0.61% |
| 13/02/2024 | 10.773 | -10.707 | 0.61% |
| 14/02/2024 | 10.697 | -10.628 | 0.64% |
| 15/02/2024 | 10.468 | -10.407 | 0.59% |
| 16/02/2024 | 10.518 | -10.454 | 0.60% |
| 17/06/2024 | 10.814 | -10.750 | 0.59% |
| 18/06/2024 | 10.081 | -10.003 | 0.77% |
| 19/06/2024 | 9.518 | -9.462 | 0.59% |
| 20/06/2024 | 10.303 | -10.239 | 0.62% |
| Average losses | | | 0.63% |

71. The table below shows the computation of normative O&M expenses for transmission line:

Table 15: Computation of O&M for Transmission Line

| SI No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|----------|--|-----------------|--|-------------|
| 1 | O&M Expenses (for 2 bays) | Rs Crore | 0.72 | 0.74 |
| 2 | O&M Expenses-Line (for 2 x 64.64 km) | Rs Crore | 1.26 | 1.31 |
| 3 | Total O&M – transmission line | Rs Crore | 1.98 | 2.05 |
| 4 | O&M claimed – transmission line | Rs Crore | 1.13 (Proportionate for FY23 = 208/365 days) | 2.05 |

v. Fly Ash Utilization & Ash Transportation

72. It is submitted that, the Ministry of Environment, Forest and Climate Change (MoEFCC) issued a notification dated 25.01.2016 (copy attached as **Annexure XI**) regarding utilization of fly ash under which all the thermal power plants needed to comply with the relevant provision as follows:

Quote

(10) The cost of transportation of ash for road construction projects or for manufacturing of ash based products or use as soil conditioner in agricultural activity with a radius of hundred kilometers from a coal or lignite based thermal power plant shall be borne by such coal and lignite based thermal power plant and the cost of transportation beyond the radius of hundred kilometers and up to three hundred kilometers shall be shared equally between the user and the coal or lignite based thermal power plant.

Unquote

73. It is submitted that the Petitioner to comply with the above, has incurred the following expense in FY 2022-23 (05.09.2022 onwards) and FY 2023-24. The actual bills raised to MPPMCL in support to the expenses incurred are attached in **Annexure VIII**. The table shows the details of expenses incurred w.r.t transportation of fly ash to MPPMCL is as follows:

Table 16: Details of ash transportation expenses

| Sl No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|--------------|----------------------------|-------------|--------------------------------------|-----------------|
| 1 | Ash Transportation Expense | Rs Crore | 12.66 | 26.00 |

74. The Petitioner is entitled for claiming reimbursement of the cost incurred for transportation of Ash on monthly basis in proportion to the contracted capacity with MPPMCL. Therefore, Hon'ble Commission is requested to kindly allow the Petitioner to recover the actual cost incurred towards the same on proportionate basis.

75. The Petitioner submits that reimbursement for water charges, Electricity Duty, Cess & Ash transportation expenses are being claimed as part of fixed charge of PPA-1 (180 MW @ Fixed+ Variable Charge) and also separately for PPA-2 (5% of Net Capacity @ Variable charge). Therefore, Hon'ble Commission is requested to kindly allow the Petitioner to recover the same.

vi. Interest on Working Capital:

76. Regulation 34 of the CERC Tariff Regulation, 2019, provides as follows:

Quote

34. Interest on Working Capital

(1) The working capital shall cover:

(a) For Coal-based/lignite-fired thermal generating stations:

(i) Cost of coal or lignite and limestone towards stock, if applicable, for 10 days for pit-head generating stations and 20 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability

factor or the maximum coal/lignite stock storage capacity whichever is lower.

(ii) Advance payment for 30 days towards cost of coal or lignite and limestone for generation corresponding to the normative annual plant availability factor;

(iii) Cost of secondary fuel oil for two months for generation corresponding to the normative annual plant availability factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

(iv) Maintenance spares @ 20% of operation and maintenance expenses including water charges and security expenses;

(v) Receivables equivalent to 45 days of capacity charge and energy charge for sale of electricity calculated on the normative annual plant availability factor; and

(vi) Operation and maintenance expenses, including water charges and security expenses, for one month.

(2) The cost of fuel in cases covered under sub-clauses (a) and (b) of clause (1) of this Regulation shall be based on the landed fuel cost (taking into account normative transit and handling losses in terms of Regulation 39 of these regulations) by the generating station and gross calorific value of the fuel as per actual weighted average for the third quarter of preceding financial year in case of each financial year for which tariff is to be determined:

Provided that in case of new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses in terms of Regulation 39 of these regulations) and gross calorific value of the fuel as per actual weighted average for three months, as used for infirm power, preceding date of commercial operation for which tariff is to be determined.

(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the

tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.

Unquote

77. The Petitioner submits that it has computed the Working Capital in accordance with Regulation 34 (1) (a) of CERC Tariff Regulations, 2019 for FY 2022-23 (05.09.2022 onwards) and FY 2023-24. Further, with regards to interest rate on Working Capital, in line with Regulation 34 (3) of CERC Tariff Regulations, 2019 the rate of interest on working capital has been taken on normative basis and has been worked out considering one year MCLR of SBI as on 1st April plus 350 bps for FY 2022-23 (05.09.2022 onwards) and FY 2023-24.

78. The table below shows the computation of Interest on Working Capital:

Table 17: Computation of Interest on Working Capital

| Sl No | Particulars | Unit | FY 22-23 (05.09.22 onwards) | FY 23-24 |
|--------------|--------------------------|-------------|--|-----------------|
| 1 | Cost of Coal | Rs Crore | 149.57 | 142.15 |
| 2 | Cost of Secondary Fuel | Rs Crore | 1.99 | 2.85 |
| 3 | O&M Expenses for 1 Month | Rs Crore | 15.05 | 15.56 |

| Sl No | Particulars | Unit | FY 22-23 (05.09.22 onwards) | FY 23-24 |
|----------|--|---------------------|---|---------------|
| 4 | Maintenance Spares | Rs Crore | 36.12 | 37.35 |
| 5 | Receivables | Rs Crore | 227.24 | 220.91 |
| 6 | Total Working Capital | Rs Crore | 429.97 | 418.82 |
| 7 | Interest Rate | % | 10.50 | 12.00 |
| 8 | Interest on Working Capital | Rs Crore | 45.15 | 50.26 |
| 9 | Interest on Working Capital claimed | Rs Crore | 25.73 (Proportionate for FY23 = 208/365 days) | 50.26 |

vii. Non-Tariff Income:

79. Regulation 62 of the CERC Tariff Regulations, 2019, provides as follows:

Quote

62. Sharing of Non- Tariff Income:

The non-tariff net income in case of generating station and transmission system from rent of land or buildings, sale of scrap and advertisements shall be shared between the beneficiaries or the long term customers and the generating company or the transmission licensee, as the case may be, in the ratio 50:50.

Unquote

80. The Petitioner submits as claims the following as other income booked as per audited accounts and computation of Non-Tariff Income as follows:

Table 18: Other Income

| SI No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|----------|--------------------------|-----------------|-------------------------------|-------------|
| 1 | Sale of Scrap | Rs Crore | 0.17 | 0.99 |
| 2 | Non-Tariff Income | Rs Crore | 0.09 | 0.50 |

81. The Petitioner therefore submits the Non-Tariff Income in accordance with Regulation 62 of CERC Tariff Regulations, 2019 and humbly requests Hon'ble Commission to approve the same.

viii. Annual Fixed Capacity Charges:

82. Based on the above, the Annual Fixed Capacity Charges claimed is as shown below:

Table 19: Computation of Annual Fixed Charges

| S. No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|----------|---------------------------------------|-----------------|-------------------------------|---------------|
| 1 | Add: Return on Equity | Rs Crore | 156.96 | 157.59 |
| 2 | Add: Interest on Loan | Rs Crore | 142.76 | 130.12 |
| 3 | Add: Depreciation | Rs Crore | 206.92 | 207.70 |
| 4 | Add: Interest on Working Capital | Rs Crore | 45.15 | 50.26 |
| 5 | Add: O&M Expenses | Rs Crore | 167.19 | 184.71 |
| 6 | Add: O&M Expenses - Transmission Line | Rs Crore | 1.98 | 2.05 |
| 7 | Add: Loss on retirement of Assets | Rs Crore | - | 3.49 |
| 8 | Less: Non-Tariff Income | Rs Crore | 0.09 | 0.50 |
| 9 | Net: Annual Fixed Charge | Rs Crore | 720.87 | 735.43 |

| S. No | Particulars | Unit | FY 22-23 (05.09.2022 onwards) | FY 23-24 |
|-------|----------------------------------|----------|--------------------------------------|----------|
| 10 | Net: Annual Fixed Charge claimed | Rs Crore | 417.26 (proportionate for FY23) # | 735.43 |

Note: Annual Fixed Charge claimed includes proportionate normative O&M Expenses and actual water charges, security expenses, capital spares and ash transportation expenses for the period from 5th Sep 2022 to 31st March 2023.

B. Energy Charges

83. Regulation 43 of the CERC Tariff Regulations, 2019, provides as follows:

Quote

43. Computation and Payment of Energy Charge for Thermal Generating Stations

(1) The energy charge shall cover the primary and secondary fuel cost and limestone consumption cost (where applicable), and shall be payable by every beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on ex-power plant basis, at the energy charge rate of the month (with fuel and limestone price adjustment) Total Energy charge payable to the generating company for a month shall be:

Energy Charges = (Energy charge rate in Rs. /kWh) x {Scheduled energy (exbus) for the month in kWh}

(2) Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae:

(a) For coal based and lignite fired stations:

ECR = {(SHR – SFC x CVSF) x LPPF / (CVPF + SFC x LPSFi + LC x LPL} x 100 / (100 – AUX)

(b) For gas and liquid fuel based stations:

$$ECR = SHR \times LPPF \times 100 / \{(CVPF) \times (100 - AUX)\}$$

Where,

AUX = Normative auxiliary energy consumption in percentage.

CVPF = (a) Weighted Average Gross calorific value of coal as received, in kCal per kg for coal based stations less 85 Kcal/Kg on account of variation during storage at generating station;

(b) Weighted Average Gross calorific value of primary fuel as received, in kCal per kg, per litre or per standard cubic meter, as applicable for lignite, gas and liquid fuel based stations;

(c) In case of blending of fuel from different sources, the weighted average Gross calorific value of primary fuel shall be arrived in proportion to blending ratio:

CVSF = Calorific value of secondary fuel, in kCal per ml;

ECR = Energy charge rate, in Rupees per kWh sent out;

SHR = Gross station heat rate, in kCal per kWh;

LC = Normative limestone consumption in kg per kWh;

LPL = Weighted average landed cost of limestone in Rupees per kg;

LPPF = Weighted average landed fuel cost of primary fuel, in Rupees per kg, per litre or per standard cubic metre, as applicable, during the month. (In case of blending of fuel from different sources, the weighted average landed fuel cost of primary fuel shall be arrived in proportion to blending ratio);

SFC = Normative Specific fuel oil consumption, in ml per kWh;

LPSFi = Weighted Average Landed Fuel Cost of Secondary Fuel in Rs./ml during the month:

Provided that energy charge rate for a gas or liquid fuel based station shall be adjusted for open cycle operation based on certification of Member Secretary of respective Regional Power Committee during the month.

Unquote

84. Regulation 49 of the CERC Tariff Regulation, 2019, provides as follows:

Quote

49. Norms of operation for thermal generating station

The norms of operation as given hereunder shall apply to thermal generating stations:

(A) Normative Annual Plant Availability Factor (NAPAF)

(a) For all thermal generating stations, except those covered under clauses (b), (c), (d), & (e) - 85%

(C) Gross Station Heat Rate:

(b) Thermal Generating Stations achieving COD on or after 1.4.2009:

(i) For Coal-based and lignite-fired Thermal Generating Stations:

1.05 X Design Heat Rate (kCal/kWh)

Where the Design Heat Rate of a generating unit means the unit heat rate guaranteed by the supplier at conditions of 100% MCR, zero percent make up, design coal and design cooling water temperature/back pressure.

(D) Secondary Fuel Oil Consumption:

(a) For Coal-based generating stations other than at (c) below: 0.50 ml/kWh

(E) Auxiliary Energy Consumption:

(a) For Coal-based generating stations except at (b) below:

| S.No | Generating Station | With Natural Draft cooling tower or without cooling tower |
|-------------|--|--|
| <i>(i)</i> | <i>200 MW series</i> | <i>8.50%</i> |
| <i>(ii)</i> | <i>300 MW and above</i> | |
| | <i>Steam driven boiler feed pumps</i> | <i>5.75%</i> |
| | <i>Electrically driven boiler feed pumps</i> | <i>8.00%</i> |

Provided that for thermal generating stations with induced draft cooling towers and where tube type coal mill is used, the norms shall be further increased by 0.5% and 0.8% respectively:

Unquote

85. The table below shows the computation of Energy Charges for FY 2022-23 (05.09.2022 onwards) and FY 2023-24.

Table 20: Computation of Energy Charges

| S. No. | Particular | Unit | FY 22 - 23 (05.09.2022 onwards) | FY 23 - 24 |
|---------------|---|-------------|--|-------------------|
| 1 | Capacity | MW | 600.00 | 600.00 |
| 2 | NAPAF | % | 85.00% | 85.00% |
| 3 | Gross Station Heat Rate | kCal/kWh | 2,348.85 | 2,348.85 |
| 4 | Specific Fuel Oil Consumption | ml/kWh | 0.50 | 0.50 |
| 5 | Aux. Energy Consumption | % | 6.25% | 6.25% |
| 6 | Weighted average GCV of Oil | kCal/ltr. | 10,000.00 | 10,000.00 |
| 7 | Weighted average GCV of Coal (after adjusting 85 kcal/kg) | kCal/kg | 3,211.13 | 3,314.84 |
| 8 | Weighted Average landed Price of Coal | Rs./MT | 3,348.30 | 3,284.92 |
| 9 | Weighted Average landed Price of Oil | Rs/ KL | 53,597.96 | 76,329.21 |
| 10 | Heat Contributed from HFO | kCal/kWh | 5.00 | 5.00 |
| 11 | Heat Contributed from Coal | kCal/kWh | 2,343.85 | 2,343.85 |
| 12 | Specific Coal Consumption | kg/kWh | 0.730 | 0.707 |
| 13 | Rate of Energy Charge from Coal | Rs./kWh | 2.607 | 2.478 |
| 14 | Rate of Energy Charge from Oil | Rs./kWh | 0.029 | 0.041 |

| S. No. | Particular | Unit | FY 22 - 23 (05.09.2022 onwards) | FY 23 - 24 |
|---------------|---|----------------|--|-------------------|
| 15 | Energy Charge from Coal | Rs Crore | 622.22 | 1,040.53 |
| 16 | Energy Charge from Oil | Rs Crore | 6.82 | 17.10 |
| 17 | Total Energy Charges (excl. dedicated line transmission loss) | Rs Crore | 629.04 | 1,057.63 |
| 18 | Total Energy Charges (incl. dedicated line transmission loss) | Rs Crore | 633.00 | 1,064.29 |
| 19 | Rate of Energy Charge at ex bus | Rs./kWh | 2.635 | 2.518 |
| 20 | Rate of Energy Charge at ex bus (incl. dedicated line transmission loss) | Rs./kWh | 2.652 | 2.534 |

Statutory Charges

86. Regulation 56 of the CERC Tariff Regulations, 2019, provides as follows:

Quote

56. Recovery of Statutory Charges

The generating company shall recover the statutory charges imposed by the State and Central Government such as electricity duty, water cess by considering normative parameters specified in these regulations. In case of the electricity duty is applied on the auxiliary energy consumption, such amount of electricity duty shall apply on normative auxiliary energy consumption of the generating station (excluding colony consumption) and apportioned to each of the beneficiaries in proportion to their schedule dispatch during the month.

Unquote

87. The table below shows the Energy Cess on Auxiliary Power Consumption (APC), MP supply cess and Electricity Duty on APC for supply to MPPMCL for FY 2022-23 (05.09.2022 onwards) and FY 2023-24:

Table 21: Details of cess and electricity duty

| SI No | Particular | Unit | FY 22-23 (05.09.2022 to 31.03.2023) | FY 23-24 |
|-------|--|------------------|---|--------------|
| 1 | Energy Development Cess on Auxiliary Power Consumption | Rs. Crore | 0.72 | 1.25 |
| 2 | Electricity Duty on auxiliary power consumption | Rs. Crore | 4.13 | 7.22 |
| 3 | MP Supply Cess on power sales to MPPMCL | Rs. Crore | 11.11 | 19.07 |
| | Total | Rs. Crore | 15.96 | 27.54 |

88. The Hon'ble Commission is therefore requested to allow the Petitioner to recover electricity development cess, MP supply cess and electricity duty on auxiliary power consumption and other taxes, if any, levied by the Statutory Authorities from the beneficiaries on submission of documentary evidence.

Prayers

The Petitioner most respectfully prays that the Hon'ble Commission may be pleased to:

- i. Approve the truing-up of tariff for the generating station for the period from 05.09.2022 to 31.03.2023 and 01.04.2023 to 31.03.2024 as per the CERC Tariff Regulations, 2019 based on the approved capital cost by Hon'ble MPERC;
- ii. Approve the additional capitalization for FY 2022-23 (05.09.2022 onwards) and for FY 2023-24;
- iii. Allow O&M expenses for dedicated transmission line in addition to the O&M expenses for the generating station;
- iv. Allow Energy Charge Rate to be grossed up by dedicated transmission line loss (0.63% or actual losses) on month to month basis in the billing;

- v. Allow to recover Electricity Duty and Cess on Auxiliary Power Consumption, Cess on power supply to MPPMCL, WRLDC fees & charges and any other taxes, if any, levied by the Statutory Authorities from the beneficiaries on submission of documentary evidence;
- vi. Allow to recover the fees paid to the Hon'ble Commission from the beneficiaries on submission of documentary evidence;
- vii. Allow to recover the fees paid on account of publication expenses from the beneficiaries on submission of documentary evidence
- viii. Allow to recover loss on retirement of assets for FY 2023-24;
- ix. Allow the Petitioner to approach the Hon'ble Commission to revise the tariff petition depending on the outcome of proceedings on pending issues at Hon'ble APTEL;
- x. Condone any inadvertent omissions/errors/rounding off differences/shortcomings and permit the Petitioner to add/alter this filing and make further submissions as may be required;
- xi. Pass such further and other Orders, as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

(Petitioner)

Place: Noida

Date: 27.11.2024

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

Petition No. ___ of ___

IN THE MATTER OF: - Petition under Section 62 and Section 79 (1) (a) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 ("CERC Tariff Regulations, 2019") for True up of Tariff for period 5th September 2022 to 31st March 2024 in respect of 1 x 600 MW Seoni Thermal Power Station at Barela- Gorakhpur, Dist. Seoni, Madhya Pradesh.

Jhabua Power Limited

3rd Floor, Plot No A-8A, Sector -24, NTPC - EOC Noida-201301

--- Petitioner

VERSUS:

1. Madhya Pradesh Power Management Company Ltd

Shakti Bhawan Road, MPSEB colony Vidyut Nagar, Rampur,
Jabalpur (M.P)- 482008

2. Madhya Pradesh Poorv Kshetra Vidyut Vitaran Co. Ltd. Jabalpur

Shakti Bhawan, Vidyut Nagar, Rampur, Jabalpur (M.P)- 482008

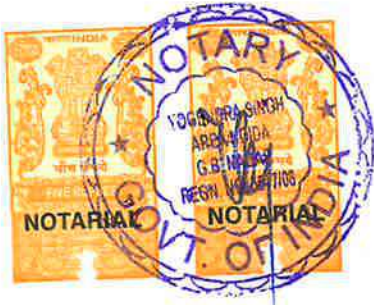
3. Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd Bhopal

Bijli Nagar Colony, Nishtha Parisar, Govindpura, Bhopal (M.P.) - 462023

4. Madhya Pradesh Paschim Kshetra Vidyut Vitaran Ltd. Indore

GPH Campus, Polo Ground, Indore (M.P.) – 452003

---- Respondents



AFFIDAVIT VERIFYING THE PETITION

I, Vinod Kumar Jain, S/o late Sh. R.C. Jain, aged 52 years, having office at Third Floor, Sector-24, NTPC EOC Noida-201301, Uttar Pradesh do hereby solemnly affirm and state as follows:



1. That the deponent is working as AGM - Commercial of Petitioner, and is well conversant with the facts and the circumstances of the case and therefore competent to swear this affidavit.
2. That the accompanying Petition under Section 62 and Section 79 (1) (a) of the Electricity Act, 2003, has been filed by my authorised representative under my instruction and the contents of the same are true and correct to the best of my knowledge and belief.
3. That the contents of Para ...1... to ...88... of the facts as mentioned in the Petition are true and correct based on my personal knowledge, belief and records maintained in the office.
4. That the annexures annexed to the Petition are correct and true copies of the respective originals.
5. That the Deponent has not filed any other Petition or Appeal before any other forum or court of law with respect to the subject matter of the dispute.




DEPONENT

VERIFICATION

Verified at Noida on this 22nd day of November, 2024, that the contents of my above noted affidavit are true and correct to my knowledge and no part of it is false and nothing material has been concealed therefrom.



ATTESTED

YOGENDRA SINGH
NOTARY NOIDA
G B NAGAR (U.P.) INDIA




DEPONENT

12 2 NOV 2024

TARIFF FILING FORMS (THERMAL)

FOR TRUE-UP TARIFF

FOR

**Seoni Thermal Power Station at Village Barela – Gorakhpur, Dist. Seoni, Madhya Pradesh
(1 X 600 MW)**

Main Tariff Form

PART-I

Checklist of Main Tariff Forms and other information for tariff filing for Thermal Stations

| Form No. | Title of Tariff Filing Forms (Thermal) | Tick |
|---------------------|--|----------------|
| FORM- 1 | Summary of Tariff | ✓ |
| FORM -1 (I) | Statement showing claimed capital cost | ✓ |
| FORM -1 (IIA) | Statement showing Return on Equity | ✓ |
| FORM -1 (IIB) | Statement showing Return on Equity | ✓ |
| FORM-2 | Plant Characteristics | ✓ |
| FORM-3 | Normative parameters considered for tariff computations | ✓ |
| Additional 3A | Statement showing O&M Expenses | ✓ |
| FORM- 4 | Details of Foreign loans | Not Applicable |
| FORM- 4A | Details of Foreign Equity | Not Applicable |
| FORM-5 | Abstract of Admitted Capital Cost for the existing Projects | ✓ |
| FORM- 6 | Financial Package upto COD | Not Applicable |
| FORM- 7 | Details of Project Specific Loans | Not Applicable |
| FORM- 8 | Details of Allocation of corporate loans to various projects | Not Applicable |
| FORM-9 | Statement of Additional Capitalisation after COD | ✓ |
| 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 | ✓ |
| FORM- 14 | Draw Down Schedule for Calculation of IDC & Financing Charges | Not Applicable |
| FORM- 15 | Details of Fuel for Computation of Energy Charges 1 | ✓ |
| Additional Form 15A | Details of Fuel for Computation of Energy Charges - LDO | ✓ |
| Additional Form 15B | Computation of Energy Charges | ✓ |
| FORM- 16 | Details of Limestone for Computation of Energy Charge Rate | Not Applicable |
| FORM-17 | Details of Capital Spares | ✓ |
| FORM- 18 | Non-Tariff Income | ✓ |
| FORM-19 | Details of Water Charges | ✓ |
| FORM-20 | Details of Statutory Charges | ✓ |

List of Supporting Forms / documents for tariff filing for Thermal Stations

| Form No. | Title of Tariff Filing Forms (Thermal) | Tick |
|-----------------|---|----------------|
| FORM-A | Abstract of Capital Cost Estimates | Not Applicable |
| FORM-B | Break-up of Capital Cost for Coal/Lignite based projects | Not Applicable |
| FORM-C | Break-up of Capital Cost for Gas/Liquid fuel based Projects | Not Applicable |
| FORM-D | Break-up of Construction/Supply/Service packages | Not Applicable |
| FORM-E | Details of variables , parameters , optional package etc. for New Project | Not Applicable |
| FORM-F | Details of cost over run | Not Applicable |
| FORM-G | Details of time over run | Not Applicable |
| FORM-H | Statement of Additional Capitalisation during end of the useful life | Not Applicable |
| FORM-I | Details of Assets De-capitalised during the period | ✓ |
| FORM-J | Reconciliation of Capitalisation claimed vis-à-vis books of accounts | ✓ |
| FORM-K | Statement showing details of items/assets/works claimed under Exclusions | ✓ |
| FORM-L | Statement of Capital cost | ✓ |
| FORM-M | Statement of Capital Woks in Progress | ✓ |
| FORM-N | Calculation of Interest on Normative Loan | ✓ |
| FORM-O | Calculation of Interest on Working Capital | ✓ |
| FORM-P | Incidental Expenditure up to SCOD and up to Actual COD | Not Applicable |
| FORM-Q | Expenditure under different packages up to SCOD and up to Actual COD | Not Applicable |
| FORM-R | Actual cash expenditure | Not Applicable |
| FORM-S | Statement of Liability flow | ✓ |
| FORM-T | Summary of issues involved in the petition | ✓ |

List of supporting documents for tariff filing for Thermal Stations

| S. No. | Information / Document | Tick |
|---------------|--|---------------------------------------|
| 1 | Certificate of incorporation, Certificate for Commencement of Business, Memorandum of Association, & Articles of Association (For New Station setup by a company making tariff application for the first time to CERC) | ✓ (attached along with tariff forms) |
| 2 | A. Station wise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexures on COD of the Station for the new station & for the relevant years. B. Station wise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexures for the existing station for relevant years. | ✓ (Refer Annexure VI to the petition) |
| 3 | Copies of relevant loan Agreements | ✓ (attached along with tariff forms) |
| 4 | Copies of the approval of Competent Authority for the Capital Cost and Financial package. | NA |
| 5 | Copies of the Equity participation agreements and necessary approval for the foreign equity. | NA |
| 6 | Copies of the BPSA/PPA with the beneficiaries, if any | ✓ (Refer Annexure I to the petition) |
| 7 | Detailed note giving reasons of cost and time over run, if applicable. List of supporting documents to be submitted: a. Detailed Project Report b. CPM Analysis c. PERT Chart and Bar Chart d. Justification for cost and time Overrun | NA |
| 8 | Generating Company shall submit copy of Cost Audit Report along with cost accounting records, cost details, statements, schedules etc. for the Generating Unit wise /stage wise/Station wise/ and subsequently consolidated at Company level as submitted to the Govt. of India for first two years i.e. 2019-20 and 2020-21 at the time of mid- term true-up in 2021-22 and for balance period of tariff period 2019-24 at the time of final true-up in 2024-25. In case of initial tariff filing the latest available Cost Audit Report should be furnished. | NA |
| 9 | Any other relevant information, (Please specify) | NA |
| 10 | Reconciliation with Balance sheet of any actual additional capitalization and amongst stages of a generating station | NA |
| 11 | BBMB is maintaining the records as per the relevant applicable Acts. Formats specified herein may not be suitable to the available information with BBMB. BBMB may modify the formats suitably as per available information to them for submission of required information for tariff purpose. | NA |

Summary of Tariffs

Name of the Petitioner
Name of the Generating Station
Place (Region/District/State):

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)
District - Ghansore, Madhya Pradesh

INR Lakhs

| S. No. | Particulars | Unit | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 (5th Sep 22 - 31st March 2023) | 2023-24 |
|--------|---|----------------|---------------------|---------|---------|---------|---|------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1.1 | Depreciation | Rs Lakh | | | | | 20,692.13 | 20,770.13 |
| 1.2 | Interest on Loan | Rs Lakh | | | | | 14,275.70 | 13,012.24 |
| 1.3 | Return on Equity ¹ | Rs Lakh | | | | | 15,695.96 | 15,759.28 |
| 1.4 | Interest on Working Capital | Rs Lakh | | | | | 4,514.69 | 5,025.86 |
| 1.5 | O&M Expenses # | Rs Lakh | | | | | 16,916.86 | 18,676.00 |
| 1.6 | Special Allowance (If applicable) | Rs Lakh | | | | | - | - |
| 1.7 | Compensation Allowance (If applicable – relevant for column 4 only) | Rs Lakh | | | | | - | - |
| | Loss on Retirement of Assets | Rs Lakh | | | | | - | 349.27 |
| 1.8 | Total (Annual basis) - FY23 and FY24 | Rs Lakh | | | | | 72,095.35 | 73,592.78 |
| 1.9 | Total (proportionate for FY23 (05.09.2022-31.03.2023)) | Rs Lakh | | | | | 41,734.92 | 73,592.78 |
| 2.1 | Landed Fuel Cost (coal/gas/RLNG/ liquid) as per FSA approved by beneficiaries | Rs/Ton | | | | | 3,348.30 | 3,284.92 |
| | (%) of Fuel Quantity | (%) | | | | | 100% | 100% |
| 2.2 | Landed Fuel Cost Imported Coal as per FSA approved by beneficiaries | | | | | | NA | NA |
| | (%) of Fuel Quantity | | | | | | NA | NA |
| 2.3 | Landed Fuel Cost (coal/gas/RLNG/liquid) other than FSA | Rs/Ton | | | | | NA | NA |
| | (%) of Fuel Quantity | (%) | | | | | NA | NA |
| 2.4 | Landed Fuel Cost Imported Coal other than FSA. | | | | | | NA | NA |
| | (%) of Fuel Quantity | | | | | | NA | NA |
| 2.5 | Secondary fuel oil cost | Rs/Unit | | | | | 0.029 | 0.041 |
| | Energy Charge Rate ex-bus (Paise/kWh) 2A,2B, 2C, 2D | Rs/Unit | | | | | 2.652 | 2.534 |

O&M Expenses in FY22-23 includes annual normative expenses as well as actual water, security, ash transportation and capital spares expenses. However, only proportionate normative O&M and actual water, security, ash transportation and capital spares for the partial year from 5th Sep 2022 to 31st March 2023 is claimed for FY22-23 in S.No.1.9.

(Petitioner)

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

Statement showing claimed capital cost – (A+B)

| | | | | | | INR Lakhs |
|--------|--|---------|---------|---------|-------------------------------------|-------------------|
| S. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Opening Capital Cost | | | | 402,532.00 | 404,077.39 |
| 2 | Add: Addition during the year/period | | | | 232.10 | 2,950.89 |
| 3 | Less: De-capitalisation during the year/period | | | | - | (927.95) |
| 4 | Less: Reversal during the year / period | | | | - | - |
| 5 | Add: Discharges during the year/ period | | | | 1,313.29 | 28.56 |
| 6 | Closing Capital Cost | | | | 404,077.39 | 406,128.89 |
| 7 | Average Capital Cost | | | | 403,304.70 | 405,103.14 |

Statement showing claimed capital cost eligible for RoE at normal rate (A)

| S. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|--------|--|---------|---------|---------|-------------------------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Opening Capital Cost | | | | 402,532.00 | 403,824.11 |
| 2 | Add: Addition during the year / period | | | | - | 944.45 |
| 3 | Less: De-capitalisation during the year / period | | | | - | (927.95) |
| 4 | Less: Reversal during the year / period | | | | | |
| 5 | Add: Discharges during the year / period | | | | 1,292.11 | 15.06 |
| 6 | Closing Capital Cost | | | | 403,824.11 | 403,855.67 |
| 7 | Average Capital Cost | | | | 403,178.05 | 403,839.89 |

Statement showing claimed capital cost eligible for RoE at weighted average rate of interest on actual loan portfolio (B)

| S. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|--------|--|---------|---------|---------|-------------------------------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Opening Capital Cost | | | | - | 253.28 |
| 2 | Add: Addition during the year / period | | | | 232.10 | 2,006.44 |
| 3 | Less: De-capitalisation during the year / period | | | | - | - |
| 4 | Less: Reversal during the year / period | | | | - | - |
| 5 | Add: Discharges during the year / period | | | | 21.18 | 13.50 |
| 6 | Closing Capital Cost | | | | 253.28 | 2,273.22 |
| 7 | Average Capital Cost | | | | 126.64 | 1,263.25 |

(Petitioner)

Name of the Petitioner

Jhabua Power Limited (JV of NTPC Limited)

Name of the Generating Station

Seoni TPP (1x600 MW)

Statement showing Return on Equity at Normal Rate:

| | | | | | | INR Lakhs | |
|----|---|---------|---------|---------|--|------------------|--|
| Sr | Particulars | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| | Return on Equity | | | | | | |
| 1 | Gross Opening Equity (Normal) | | | | 101,049.60 | 101,437.23 | |
| 2 | Less: Adjustment in Opening Equity | | | | - | - | |
| 3 | Adjustment during the year | | | | - | - | |
| 4 | Net Opening Equity (Normal) | | | | 101,049.60 | 101,437.23 | |
| 5 | Add: Increase in equity due to addition during the year / period | | | | - | 283.34 | |
| 6 | Less: Decrease due to De-capitalisation during the year / period ** | | | | - | (232.37) | |
| 7 | Less: Decrease due to reversal during the year / period | | | | | | |
| 8 | Add: Increase due to discharges during the year / period | | | | 387.63 | 4.52 | |
| 9 | Net closing Equity (Normal) | | | | 101,437.23 | 101,492.71 | |
| 10 | Average Equity (Normal) | | | | 101,243.42 | 101,464.97 | |
| 11 | Rate of ROE | | | | 15.50% | 15.50% | |
| 12 | Total ROE | | | | 15,692.73 | 15,727.07 | |
| 13 | Total ROE (proportionate for FY23 (05.09.2022-31.03.2023)) | | | | 8,942.71 | 15,727.07 | |

**** Note:** Decrease in equity due to de-capitalisation have been calculated considering the date of capitalisation, ratio of capitalisation claimed vis-à-vis approved by Hon'ble MPERC and Debt:Equity Ratio allowed by Hon'ble MPERC. Please refer Para 42 and 43 of the tariff petition for further workings.

(Petitioner)

PART 1
FORM-1 (II B)

Name of the Petitioner

Jhabua Power Limited (JV of NTPC Limited)

Name of the Generating Station

Seoni TPP (1x600 MW)

Statement showing Return on Equity at Normal Rate:

INR Lakhs

| Sr | Particulars | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|----|--|---------|---------|---------|--|--------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | Return on Equity (beyond the original scope of work excluding additional capitalization due to Change in Law) | | | | | |
| 1 | Gross Opening Equity (Normal) | | | | - | 75.99 |
| 2 | Less: Adjustment in Opening Equity | | | | - | - |
| 3 | Adjustment during the year | | | | - | - |
| 4 | Net Opening Equity (Normal) | | | | - | 75.99 |
| 5 | Add: Increase in equity due to addition during the year / period | | | | 69.63 | 601.93 |
| 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 | | | | 6.35 | 4.05 |
| 10 | Net closing Equity (Normal) | | | | 75.99 | 681.97 |
| 11 | Average Equity (Normal) | | | | 37.99 | 378.98 |
| 12 | Rate of ROE (@ RoI of loan) | | | | 8.50% | 8.50% |
| 12 | Total ROE | | | | 3.23 | 32.21 |
| 13 | Total ROE (proportionate for FY23 (05.09.2022-31.03.2023)) | | | | 1.84 | 32.21 |

(Petitioner)

Plant CharacteristicsName of the Petitioner
Name of the Generating StationJhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

| Unit(s)/Block(s)/Parameters | 1x600 MW |
|--|---|
| Installed Capacity (MW) | 600 |
| Schedule COD as per Investment Approval | 31st March 2015 |
| Actual COD /Date of Taken Over (as applicable) | 3rd May 2016 |
| Pit Head or Non Pit Head | Non-Pit Head Station |
| Name of the Boiler Manufacture | BHEL |
| Name of Turbine Generator Manufacture | BHEL |
| Main Steams Pressure at Turbine inlet (kg/Cm ²) abs ¹ | 176.7 |
| Main Steam Temperature at Turbine inlet (°C) ¹ | 540 |
| Reheat Steam Pressure at Turbine inlet (kg/Cm ² ¹ | 43.2 |
| Reheat Steam Temperature at Turbine inlet (°C) ¹ | 540 |
| Main Steam flow at Turbine inlet under MCR condition (tons /hr) ² | 1798.2 |
| Main Steam flow at Turbine inlet under VWO condition (tons /hr) ² | 1793.8 |
| Gross electrical condition (MW) ² | 600 |
| Unit Gross electrical output under VWO (MW) ² | 600 |
| Guaranteed Design Gross Turbine Cycle Heat Rate (kCal/kWh) ³ | 1944 |
| Conditions on which design turbine cycle heat rate guaranteed | |
| % MCR | 100% TMCR |
| % Makeup Water Consumption | 0% |
| Design Capacity of Make up Water System | 2185 |
| Design Capacity of Inlet Cooling System | 70236 |
| Design Cooling Water Temperature (°C) | 33 |
| Back Pressure | 0.1033 |
| Steam flow at super heater outlet under BMCR condition (tons/hr) | 1950 |
| Steam Pressure at super heater outlet under BMCR condition) (kg/Cm ²) | 178 |
| Steam Temperature at super heater outlet under BMCR condition (°C) | 540 |
| Steam Temperature at Reheater outlet at BMCR condition (°C) | 540 |
| Design / Guaranteed Boiler Efficiency (%) ⁴ | 86.9 |
| Design Fuel with and without Blending of domestic/imported coal | COAL |
| Type of Cooling Tower | Induced Draft |
| Type of cooling system⁵ | Induced Draft |
| Type of Boiler Feed Pump⁶ | Steam Turbine Driven |
| Type of Coal Mill | Bowl Mill / XRP1043 , make : BHEL |
| Fuel Details⁷ | |
| -Primary Fuel | Coal |
| -Secondary Fuel | LDO |
| -Alternate Fuels | |
| Types of SOX control system | Nil |
| Types of NOX control system | Low Nox Coal Burners (32 Nos in 8 elevation) |
| Details of SPM control system | Electrostatic Precipitator, Type: FAA-9X45 M-2X112150-2 |
| Special Features/Site Specific Features⁸ | a. Railway Siding at PJPB siding within Plant b. Intake water system from Bargi reservoir at a distance of approx. 12 kms. |
| Special Technological Features⁹ | High Concentration Slurry Discharge System (HCSD) for ash disposal |
| Environmental Regulation related features¹⁰ | ESP designed for outlet dust concentration of less than 50mg/Nm ³ . |
| Any other special features | Non-Pit Head Station |
| 1. At Turbine MCR condition. | |
| 2. With 0% (Nil) make up and design Cooling water temperature | |
| 3. At TMCR output based on gross generation, 0% (Nil) makeup and design Cooling water temperature. | |
| 4. With Performance coal based on Higher Heating Value (HHV) of fuel and at BMCR) out put | |
| 5. Closed circuit cooling, once through cooling, sea cooling, natural draft cooling, induced draft cooling etc. | |
| 6. Motor driven, Steam turbine driven etc. | |
| 7. Coal or natural gas or Naptha or lignite etc. | |
| 8. Any site specific feature such as Merry-Go-Round, Vicinity to sea, Intake /makeup water systems etc. scrubbers etc. Specify all such features | |
| 9. Any Special Technological feature like Advanced class FA technology in Gas Turbines, etc. | |
| 10. Environmental Regulation related features like FGD, ESP etc., | |
| Note 1: In case of deviation from specified conditions in Regulation, correction curve of manufacturer may also be submitted. | |
| Note 2: Heat Balance Diagram has to be submitted along with above information in case of new stations. | |
| Note 3: The Terms – MCR, BMCR, HHV, Performance coal, are as defined in CEA Technical Standards for Construction of Electric Plants and Electric Lines Regulations – 2010 notified by the Central Electricity Authority. | |

(Petitioner)

Normative parameters considered for tariff computations

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

| Particulars | Unit | (Year Ending March) | | | | INR Lakhs | |
|---|--------------|---------------------|---------|---------|---------|-------------------------------------|----------|
| | | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Base Rate of Return on Equity | % | | | | | 15.50% | 15.50% |
| Base Rate of Return on Equity on Add. Capitalization | % | | | | | | |
| Effective Tax Rate ⁴ | % | | | | | 0.00% | 0.00% |
| Target Availability | % | | | | | | |
| In High Demand Season | % | | | | | 85% | 85% |
| Peak Hours | % | | | | | 85% | 85% |
| Off-Peak Hours | % | | | | | 85% | 85% |
| In Low Demand Season(Off-Peak) | % | | | | | 85% | 85% |
| Peak Hours | % | | | | | 85% | 85% |
| Off-Peak Hours | % | | | | | 85% | 85% |
| Auxiliary Energy Consumption | % | | | | | 6.25% | 6.25% |
| Gross Station Heat Rate | kCal/kWh | | | | | 2,348.85 | 2,348.85 |
| Specific Fuel Oil Consumption | ml/kWh | | | | | 0.50 | 0.50 |
| Cost of Coal for WC ¹ | in Months | | | | | 1.67 | 1.67 |
| Cost of Main Secondary Fuel Oil for WC ¹ | in Months | | | | | 2 | 2 |
| Fuel Cost for WC ² | in Months | | | | | NA | NA |
| Liquid Fuel Stock for WC ² | in Months | | | | | NA | NA |
| O&M Expenses | Rs lakh / MW | | | | | 22.47 | 23.26 |
| Maintenance Spares for WC | % of O&M | | | | | 20% | 20% |
| Receivables for WC | in Months | | | | | 1.5 | 1.5 |
| Storage capacity of Primary fuel | MT | | | | | 250,000 | 250,000 |
| SBI 1 Year MCLR plus 350 basis point ³ as on 01.04.2022 and 01.04.2023 | % | | | | | 10.50% | 12.00% |
| Blending ratio of domestic coal/imported coal | | | | | | NA | NA |

Note:

- 1). For Coal based/lignite based generating stations
- 2). For Gas Turbine/Combined Cycle generating stations duly taking into account the mode of operation on gas fuel and liquid fuel.
- 3). Mention relevant date. 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.

(Petitioner)

Normative parameters considered for tariff computations

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)

| S.No. | Particulars | Unit | Existing 2018-19 | (Year Ending March) | | | | | INR Lakhs | |
|----------|--|-----------|---------------------|---------------------|---------|---------|---------------------------------|---|------------------|--|
| | | | | 2019-20 | 2020-21 | 2021-22 | FY22-23 (upto 4th Sep 22) | FY22-23 From 5th Sept 2022 to 31st Mar 2023 | 2023-24 | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| | No. of days | | | | | | 157 | 208 | 366 | |
| 1 | O&M expenses under Reg.35 (1) and 35 (3) | | | | | | | | | |
| 1.1 | Normative | INR Lakhs | | | | | 5,884.11 | 7,795.51 | 14,160.52 | |
| 2 | O&M expenses under Reg.35 (1) (6) - (For FY23 - from 5th Sep 2022 to 31st Mar 2023) | | | | | | | | | |
| 2.1 | Water Charges | INR Lakhs | | | | | 450.50 | 704.22 | 1,289.36 | |
| 2.2 | Security expenses | INR Lakhs | | | | | 155.00 | 240.00 | 343.04 | |
| 2.3 | Capital Spares | INR Lakhs | | | | | 30.50 | 285.41 | 282.65 | |
| 2.4 | O&M expenses-Ash Transportation | INR Lakhs | | | | | 106.00 | 1,265.61 | 2,600.43 | |
| | Total O&M Expenses (annual basis) | | | | | | 6,626.12 | 10,290.74 | 18,676.00 | |
| | Total O&M Expenses (Proportionate for FY23 (5th Sep 2022 to 31st March 2023)) | | | | | | | 10,290.74 | 18,676.00 | |

(Petitioner)

Abstract of Admitted Capital Cost for the existing Projects

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)

| | | |
|---|-------------------|----------------------------------|
| Last date of order of Commission for the project | Date (DD-MM-YYYY) | 05-03-2024 |
| Reference of petition no. in which the above order was passed | Petition no. | 61 of 2023 (MPERC) |
| Following details (whether admitted and /or considered) as on the last date of the period for which tariff is approved, in the above order by the Commission: | | |
| Capital cost | (Rs. in lakh) | 402,532.00 |
| Amount of un-discharged liabilities included in above (& forming part of admitted capital cost) | | Not mentioned in Tariff Order |
| Amount of un-discharged liabilities corresponding to above admitted capital cost (but not forming part of admitted capital cost being allowed on cash basis) | | Not mentioned in Tariff Order |
| Gross Normative Debt | | 301,545.40 |
| Cumulative Repayment | | 128,241.00 |
| Net Normative Debt | | 173,304.40 |
| Normative Equity | | 101,049.60 |
| Cumulative Depreciation | | 128,240.68 |
| Freehold land | | 5,548.00 |

Note: Amount of Gross Normative Debt was not mentioned in Tariff Order dated 05th March 2024, the Petitioner have calculated the same by adding cumulative depreciation and net normative debt available in the said tariff order. However, there is a difference of Rs. 63 lacs when the Gross Normative Debt amount is calculated by subtracting normative equity and approved capital cost. Further, for the calculation of normative interest on loan and return on equity the Petition in the instant petition have used the approved Net Normative Debt and Normative Equity balance as mentioned in the tariff order dated 05th March 2024.

(Petitioner)

Year wise Statement of Additional Capitalisation after COD

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)
COD 3rd May 2016
For Financial Year FY 2022-23 (5th Sep 2022 to 31st March 2023)

INR Lakhs

| S. 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 column ³ | Cash basis | IDC included in col. 3 | | | |
| 1 | 2 | 3 | 4 | (5 = 3 - 4) | 6 | 7 | 8 | 9 |
| A1 | For assets eligible for Normal ROE | | | | | | | |
| 1 | Add: Discharge of Liabilities | | | 1,292.11 | | Regulation 25 read with Approved Resolution Plan | The Petitioner was under CIRP process, thereby was not able to discharge liabilities, however, post-takeover required capex/discharge of liabilities was incurred. Further details have been explained in Para 35 of the tariff petition. | |
| | Total Add. Cap. (A1) | - | - | 1,292.11 | | | | |
| A2 | For assets eligible for RoE at Weightage average rate of interest on loan | | | | | | | |
| 1 | Coal Handling Plant | 19.56 | - | 19.56 | | Regulation 26 read with Approved Resolution Plan | The additional capex was necessary to maintain maximum station availability at all times. Also, the Petitioner was under CIRP process, thereby was not able to make necessary capex/discharge liabilities, however, post-takeover required capex/discharge of liabilities was incurred. It is also an important factor to note that estimated miscellaneous/balance capex works were also part of the proposal of takeover submitted by NTPC and form part of the resolution plan approved by NCLT. | |
| 2 | Miscellaneous Mechanical & Electrical Works | 96.90 | 3.89 | 93.00 | | | | |
| 3 | IT Assets | 2.20 | - | 2.20 | | | | |
| 4 | Spares | 117.34 | (0.00) | 117.34 | | | | |
| | Total | 236.00 | 3.89 | 232.10 | | | | |
| | Add: Discharge of Liabilities | | | 21.18 | | | | |
| | Total Add. Cap. (A2) | 236.00 | 3.89 | 253.28 | | | | |
| C | De-Capitalisation | - | - | - | | | | |
| E | Total Additional Capitalisation Claimed (A+B+C) | 236.00 | 3.89 | 1,545.39 | | | | |
| | | | | | | | | |
| | | | | | | | | |

Note: In addition to the discharge of liability (on cash basis), un-discharged liabilities amounting to Rs. 11,451.75 Lacs were written off due to implementation of Resolution Plan.

(Petitioner)

Year wise Statement of Additional Capitalisation after COD

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
 Name of the Generating Station Seoni TPP (1x600 MW)
 COD 3rd May 2016
 For Financial Year FY 2023-24

INR Lakhs

| S. No. | Head of Work / Equipment | ACE Claimed (Actual / Projected) | | | | Regulations under which claimed | Justification | Admitted Cost by the Commission, |
|-----------|--|----------------------------------|---|---------------|------------------------|--|---|----------------------------------|
| | | Accrual basis | Un-discharged Liability included in column ³ | Cash basis | IDC included in col. 3 | | | |
| 1 | 2 | 3 | 4 | (5 = 3 - 4) | 6 | 7 | 8 | 9 |
| A1 | For assets eligible for Normal ROE | | | | | | | |
| 1 | Leasehold land | 59.02 | 59.02 | - | - | Regulation 25 read with Approved Resolution Plan | The expenditure on these works were already included in the original scope of works. However, due to severe financial stress, some portions of the same could not be undertaken by the Petitioner. This additional capex was necessary to maintain maximum station availability at all times. Also, the Petitioner was under CIRP process, thereby was not able to make necessary capex/discharge liabilities, however, post-takeover required capex/discharge of liabilities was incurred. | |
| 2 | BOP Mechanical / Ash Handling System | 8.69 | - | 8.69 | - | Regulation 25 (1) (c) read with Approved Resolution Plan | | |
| 3 | BOP Mechanical / MGR (including Wagon Tippler) | 123.51 | 0.82 | 122.69 | - | Regulation 25 read with Approved Resolution Plan | | |
| 4 | BOP Electrical / Lab Equipments | 0.17 | - | 0.17 | - | | | |
| 5 | BOP Electrical / Miscellaneous Mechanical & Electrical Works | 50.79 | 0.60 | 50.18 | - | | | |
| 6 | IT Assets | 7.60 | 0.24 | 7.35 | - | | | |
| 7 | Civil Works / Main plant, Site level and Infra | 629.39 | 60.29 | 569.11 | - | | | |
| 8 | Civil Works / Road, culverts & Drainage | 193.87 | 7.62 | 186.25 | - | | | |
| | Total | 1,073.04 | 128.59 | 944.45 | | | | |
| | Discharge of Liabilities | | | 15.06 | - | | | |
| | Total Add. Cap. (A1) | 1,073.04 | 128.59 | 959.51 | - | | | |
| A2 | For assets eligible for RoE at Weightage average rate of interest on loan | | | | | | | |
| 1 | BTG / Steam Generator Island | 17.69 | - | 17.69 | | Regulation 26 read with Approved Resolution Plan | The additional capex was necessary to maintain | |
| 2 | BOP Mechanical / Ash Handling System / Ash Dyke | 88.77 | 4.68 | 84.09 | | Regulation 26 (1) (e) read with Approved Resolution Plan | | |
| 3 | BOP Mechanical / Coal Handling Plant | 21.29 | 2.81 | 18.48 | | | | |

| S. No. | Head of Work / Equipment | ACE Claimed (Actual / Projected) | | | | Regulations under which claimed | Justification | Admitted Cost by the Commission, |
|----------|--|----------------------------------|---|-----------------|------------------------|--|---|---|
| | | Accrual basis | Un-discharged Liability included in column ³ | Cash basis | IDC included in col. 3 | | | |
| 1 | 2 | 3 | 4 | (5 = 3 - 4) | 6 | 7 | 8 | 9 |
| 4 | BOP Mechanical / MGR (including Wagon Tippler) | 5.80 | - | 5.80 | | Regulation 26 read with Approved Resolution Plan | maximum station availability at all times. Also, the Petitioner was under CIRP process, thereby was not able to make necessary capex/discharge liabilities, however, post-takeover required capex/discharge of liabilities was incurred. It is also an important factor to note that estimated miscellaneous/balance capex works were also part of the proposal of takeover submitted by NTPC and form part of the resolution plan approved by NCLT. | |
| 5 | BOP Electrical / Switch Yard Package | 7.97 | 0.12 | 7.85 | | | | |
| 6 | BOP Electrical / Transformers Package | 91.80 | - | 91.80 | | | | |
| 7 | BOP Electrical / Lab Equipments | 16.93 | 0.11 | 16.83 | | | | |
| 8 | BOP Electrical / Miscellaneous Mechanical & Electrical Works | 22.46 | - | 22.46 | | | | |
| 9 | IT Assets | 12.12 | - | 12.12 | | | | |
| 10 | Spares | 837.66 | 3.65 | 834.01 | | | | |
| 11 | Civil Works / Main plant, Site level and Infra | 31.73 | - | 31.73 | | | | |
| 12 | Civil Works / Road, culverts & Drainage | 866.41 | 2.83 | 863.58 | | | | |
| | Total | 2,020.64 | 14.19 | 2,006.44 | - | | | |
| | Discharge of Liabilities | | | 13.50 | | | | |
| | Total Add. Cap. (A2) | 2,020.64 | 14.19 | 2,019.94 | - | | | |
| | | | | | | | | |
| B | De-Capitalisation | | | | | | | |
| 1 | Plant & Machinery - capitalised on COD | (920.24) | - | (920.24) | | Regulation 26 (2) | Capitalised on COD (3rd May 2016) | Tariff Order dated 30th Nov 2018 and Review Order of 2019 |
| 2 | Plant & Machinery - capitalised post COD | (7.72) | - | (7.72) | | Regulation 26 (2) | Capitalised on 21st August, 2020 | Tariff Order dated 30th Nov 2018 and Review Order of 2019 |
| | Total (B) | (927.95) | - | (927.95) | - | | | |
| | | | | | | | | |
| C | Total Additional Capitalisation Claimed (A1+A2+B) | 2,165.72 | 142.78 | 2,051.50 | | | | |

(Petitioner)

Financing of Additional Capitalisation

Name of the Petitioner Jhabua Power Ltd.
Name of the Generating Station Jhabua Power Plant
Date of Commercial Operation 3rd May 2016

(Amount in Rs Lakh)

| Financial Year (Starting from COD) | Actual | |
|--|---|-----------------|
| | FY22-23 (From 5th Sept 2022 to 31st Mar 2023) | 2023-24 |
| 1 | 2 | 3 |
| Amount capitalised in Work/ Equipment # | 1,545.39 | 2,979.45 |
| Financing Details | | |
| Loan-1 | | |
| Loan-2 | | |
| Loan-3 and so on | | |
| Total Loan | 1,081.77 | 2,085.62 |
| Equity | 463.62 | 893.84 |
| Internal Resources | | |
| Others (Pl. specify) | | |
| Total | 1,545.39 | 2,979.45 |

For FY23-24, impact of de-capitalisation is not considered for calculation of financing.

(Petitioner)

Calculation of Depreciation

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)

(Amount in Rs Lakh)

| S.No. | Name of the Assets | Gross Block as on 31.03.2023 | Gross Block as on 31.03.2024 | Depreciation Rates as per CERC's Depreciation Rate Schedule | Depreciation Amount (5th September 2022 to 31st March 2023) | Depreciation Amount (FY2023-24) |
|-------|--|------------------------------|------------------------------|---|---|---------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 = Col.3 X Col.5 | 7 = Col.4 X Col.5 |
| 1 | Freehold Land | 5,548.00 | 5,548.00 | 0.00% | - | - |
| 2 | Leasehold Land | - | - | 3.34% | - | - |
| 3 | Civil Works | 20,723.34 | 22,383.77 | 3.34% | 692.16 | 747.62 |
| 4 | Plant & Machinery | 376,288.86 | 376,660.45 | 5.28% | 19,868.05 | 19,887.67 |
| 5 | Furniture Fixtures | 710.00 | 710.00 | 6.33% | 44.94 | 44.94 |
| 6 | IT Equipments(Computers) | 406.20 | 425.67 | 15.00% | 60.93 | 63.85 |
| 7 | Office Equipments | 380.00 | 380.00 | 6.33% | 24.05 | 24.05 |
| 8 | Vehicles | 21.00 | 21.00 | 9.50% | 2.00 | 2.00 |
| | TOTAL | 404,077.39 | 406,128.89 | | 20,692.13 | 20,770.13 |
| | Weighted Average Rate of Depreciation (%) | | | | 5.12% | 5.11% |
| | Total Depreciation (proportionate for FY23 (05.09.2022-31.03.2023)) | | | | 11,791.68 | 20,770.13 |

*Provide details of Freehold land and Lease hold land separately

Note: The depreciation calculated have been taken into account additions for each year and impact of decapitalisation.

(Petitioner)

Statement of Depreciation

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)

(Amount in Rs Lakh)

| S. No. | Particulars | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|-----------|--|------------------|---------|---------|---------|--|-------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | Opening Capital Cost | | | | | 402,532.00 | 404,077.39 |
| 2 | Closing Capital Cost | | | | | 404,077.39 | 406,128.89 |
| 3 | Average Capital Cost | | | | | 403,304.70 | 405,103.14 |
| 4 | Freehold land | | | | | 5,548.00 | 5,548.00 |
| 5 | IT Assets | | | | | 406.20 | 425.67 |
| 6 | Rate of depreciation | | | | | 5.12% | 5.11% |
| 7 | Depreciable value | | | | | 358,021.65 | 359,642.20 |
| 8 | Balance useful life at the beginning of the period | | | | | 19 | 18 |
| 9 | Remaining depreciable value | | | | | 229,780.97 | 219,609.83 |
| 10 | Depreciation (for the period) | | | | | 11,791.68 | 20,770.13 |
| 11 | Depreciation (annualised) | | | | | 20,692.13 | 20,770.13 |
| 12 | Cumulative depreciation at the end of the period | | | | | 140,032.36 | 160,802.49 |
| 13 | Less: Cumulative depreciation adjustment on account of un-discharged liabilities deducted as on 01.04.2009 | | | | | - | - |
| 14 | Less: Cumulative depreciation adjustment on account of de-capitalisation | | | | | - | (361.42) |
| 15 | Net Cumulative depreciation at the end of the period | | | | | 128,240.68 | 140,032.36 |

(Petitioner)

Calculation of Weighted Average Rate of Interest on Actual Loans

Name of the Petitioner

Jhabua Power Limited (JV of NTPC Limited)

Name of the Generating Station

Seoni TPP (1x600 MW)

(Amount in Rs. Lakh)

| Particulars | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|---|---------------------|---------|---------|---------|--|------------|
| NCD (NTPC Limited) | | | | | | |
| Gross loan - Opening | | | | | 59,999.99 | 59,999.99 |
| Cumulative repayments of Loans upto previous year | | | | | - | (2,500.00) |
| Net loan - Opening | | | | | 59,999.99 | 57,499.99 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (2,500.00) | (5,000.00) |
| Net loan - Closing | | | | | 57,499.99 | 52,499.99 |
| Average Net Loan | | | | | 58,749.99 | 54,999.99 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 4,993.75 | 4,675.00 |
| NCD (Axis Bank Ltd) | | | | | | |
| Gross loan - Opening | | | | | 5,338.12 | 5,338.12 |
| Cumulative repayments of Loans upto previous year | | | | | - | (222.42) |
| Net loan - Opening | | | | | 5,338.12 | 5,115.69 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (222.42) | (444.84) |
| Net loan - Closing | | | | | 5,115.69 | 4,670.85 |
| Average Net Loan | | | | | 5,226.90 | 4,893.27 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 444.29 | 415.93 |
| NCD (Bank of India) | | | | | | |
| Gross loan - Opening | | | | | 4,146.63 | 4,146.63 |
| Cumulative repayments of Loans upto previous year | | | | | - | (172.78) |
| Net loan - Opening | | | | | 4,146.63 | 3,973.85 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (172.78) | (345.55) |
| Net loan - Closing | | | | | 3,973.85 | 3,628.30 |
| Average Net Loan | | | | | 4,060.24 | 3,801.07 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 345.12 | 323.09 |
| NCD (LIC of India) | | | | | | |
| Gross loan - Opening | | | | | 2,840.41 | 2,840.41 |
| Cumulative repayments of Loans upto previous year | | | | | - | (118.35) |
| Net loan - Opening | | | | | 2,840.41 | 2,722.06 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (118.35) | (236.70) |
| Net loan - Closing | | | | | 2,722.06 | 2,485.36 |
| Average Net Loan | | | | | 2,781.24 | 2,603.71 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 236.41 | 221.32 |
| NCD (Power Finance Corporation) | | | | | | |
| Gross loan - Opening | | | | | 12,746.85 | 12,746.85 |
| Cumulative repayments of Loans upto previous year | | | | | - | (531.12) |
| Net loan - Opening | | | | | 12,746.85 | 12,215.73 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (531.12) | (1,062.24) |
| Net loan - Closing | | | | | 12,215.73 | 11,153.50 |
| Average Net Loan | | | | | 12,481.29 | 11,684.62 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |

| Particulars | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|---|---------------------|---------|---------|---------|--|------------|
| Interest on loan | | | | | 1,060.91 | 993.19 |
| NCD (Punjab National Bank) | | | | | | |
| Gross loan - Opening | | | | | 7,624.47 | 7,624.47 |
| Cumulative repayments of Loans upto previous year | | | | | - | (317.69) |
| Net loan - Opening | | | | | 7,624.47 | 7,306.79 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (317.69) | (635.37) |
| Net loan - Closing | | | | | 7,306.79 | 6,671.41 |
| Average Net Loan | | | | | 7,465.63 | 6,989.10 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 634.58 | 594.07 |
| NCD (REC) | | | | | | |
| Gross loan - Opening | | | | | 5,148.04 | 5,148.04 |
| Cumulative repayments of Loans upto previous year | | | | | - | (214.50) |
| Net loan - Opening | | | | | 5,148.04 | 4,933.54 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (214.50) | (429.00) |
| Net loan - Closing | | | | | 4,933.54 | 4,504.53 |
| Average Net Loan | | | | | 5,040.79 | 4,719.03 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 428.47 | 401.12 |
| NCD (State Bank of India) | | | | | | |
| Gross loan - Opening | | | | | 9,019.92 | 9,019.92 |
| Cumulative repayments of Loans upto previous year | | | | | - | (375.83) |
| Net loan - Opening | | | | | 9,019.92 | 8,644.09 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (375.83) | (751.66) |
| Net loan - Closing | | | | | 8,644.09 | 7,892.43 |
| Average Net Loan | | | | | 8,832.00 | 8,268.26 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 750.72 | 702.80 |
| NCD (UCO Bank) | | | | | | |
| Gross loan - Opening | | | | | 4,074.63 | 4,074.63 |
| Cumulative repayments of Loans upto previous year | | | | | - | (169.78) |
| Net loan - Opening | | | | | 4,074.63 | 3,904.86 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (169.78) | (339.55) |
| Net loan - Closing | | | | | 3,904.86 | 3,565.30 |
| Average Net Loan | | | | | 3,989.74 | 3,735.08 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 339.13 | 317.48 |
| NCD (Union Bank of India) | | | | | | |
| Gross loan - Opening | | | | | 9,060.93 | 9,060.93 |
| Cumulative repayments of Loans upto previous year | | | | | - | (377.54) |
| Net loan - Opening | | | | | 9,060.93 | 8,683.39 |
| Add: Drawl(s) during the Year | | | | | - | - |
| Less: Repayment (s) of Loans during the year | | | | | (377.54) | (755.08) |
| Net loan - Closing | | | | | 8,683.39 | 7,928.31 |
| Average Net Loan | | | | | 8,872.16 | 8,305.85 |
| Rate of Interest on Loan on annual basis | | | | | 8.50% | 8.50% |
| Interest on loan | | | | | 754.13 | 706.00 |
| Total Loan | | | | | | |
| Gross loan - Opening | | | | | 119,999.99 | 119,999.99 |
| Cumulative repayments of Loans upto previous year | | | | | - | (5,000.00) |
| Net loan - Opening | | | | | 119,999.99 | 114,999.99 |
| Add: Drawl(s) during the Year | | | | | - | - |

| Particulars | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|---|-----------------------------|----------------|----------------|----------------|--|----------------|
| Less: Repayment (s) of Loans during the year | | | | | (5,000.00) | (10,000.00) |
| Net loan - Closing | | | | | 114,999.99 | 104,999.99 |
| Average Net Loan | | | | | 117,499.99 | 109,999.99 |
| Interest on loan | | | | | 9,987.50 | 9,350.00 |
| Weighted average Rate of Interest on Loans | | | | | 8.50% | 8.50% |

(Petitioner)

Details of Source wise Fuel for Computation of Energy Charges ¹ (Coal)

For FY2022-23

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

| S.No. | Month | Unit | COAL | | COAL |
|----------------------------|--|-----------|-----------------|-----------------|-----------------|
| | | | October 2021 | November 2021 | December 2021 |
| | | | Domestic Source | Domestic | Domestic |
| A) OPENING QUANTITY | | | | | |
| 1 | Opening Quantity of Coal | (MMT) | 609.11 | 1,55,959.37 | 2,05,335.23 |
| 2 | Value of Stock | (Rs.) | 21,08,997.02 | 51,68,87,520.94 | 68,68,02,290.85 |
| B) QUANTITY | | | | | |
| 3 | Quantity of Coal supplied by Coal Company | (MMT) | 2,05,486.97 | 2,74,346.92 | 2,77,546.85 |
| 4 | Adjustment (+/-) in quantity supplied made by Coal Company | (MMT) | - | - | - |
| 5 | Coal supplied by Coal Company (3+4) | (MMT) | 2,05,486.97 | 2,74,346.92 | 2,77,546.85 |
| 6 | Normative Transit & Handling Losses (For coal based Projects) | (MMT) | 1,643.90 | 2,194.78 | 2,220.37 |
| 7 | Net coal / Lignite Supplied (5-6) | (MMT) | 2,03,843.07 | 2,72,152.14 | 2,75,326.48 |
| C) PRICE | | | | | |
| 8 | Amount charged by the Coal Company | (Rs.) | 39,80,52,415.80 | 55,20,44,379.77 | 59,37,56,327.95 |
| 9 | Adjustment (+/-) in amount charged made by Coal Company | (Rs.) | - | - | - |
| 10 | Handling, Sampling and such other similar charges | (Rs.) | - | - | - |
| 11 | Total amount Charged (8+9+10) | (Rs.) | 39,80,52,415.80 | 55,20,44,379.77 | 59,37,56,327.95 |
| D) TRANSPORTATION | | | | | |
| 12 | Transportation charges by rail/ship/road transport | (Rs.) | 27,71,34,546.20 | 35,77,27,298.00 | 35,35,56,380.39 |
| 13 | Adjustment (+/-) in amount charged made by Railways/Transport Company | (Rs.) | - | - | - |
| 14 | Demurrage Charges, if any | (Rs.) | - | - | - |
| 15 | Cost of diesel in transporting coal through MGR system, if applicable | (Rs.) | - | - | - |
| 16 | Total Transportation Charges (12+13+14+15) | (Rs.) | 27,71,34,546.20 | 35,77,27,298.00 | 35,35,56,380.39 |
| 17 | Total amount Charged for coal supplied including Transportation (11+16) | (Rs.) | 67,51,86,962.01 | 90,97,71,677.77 | 94,73,12,708.34 |
| E) TOTAL COST | | | | | |
| 18 | Landed cost of coal (2+17)/(1+7) | Rs./MT | 3,312.74 | 3,332.45 | 3,399.72 |
| 19 | Blending Ratio (Domestic/Imported) | | NA | NA | NA |
| 20 | Weighted average cost of coal | Rs./MT | 3,312.74 | 3,332.45 | 3,399.72 |
| F) QUALITY | | | | | |
| 21 | GCV of Domestic Coal of the opening coal stock as per bill of Coal Company | (kCal/Kg) | | | |
| 22 | GCV of Domestic Coal supplied as per bill of Coal Company | (kCal/Kg) | G-11/G-14 | G-10/G-11/G-14 | G-10/G-11/G-14 |
| 23 | GCV of Imported Coal of the opening stock as per bill Coal Company | (kCal/Kg) | NA | NA | NA |
| 24 | GCV of Imported Coal supplied as per bill Coal Company | (kCal/Kg) | NA | NA | NA |
| 25 | Weighted average GCV of coal as Billed | (kCal/Kg) | 3,766.250 | 3,859.430 | 3,953.650 |
| 26 | GCV of Domestic Coal of the opening stock as received at Station | (kCal/Kg) | 3,077.786 | 3,280.830 | 3,361.689 |
| 27 | GCV of Domestic Coal supplied as received at Station | (kCal/Kg) | 3,276.280 | 3,341.883 | 3,329.463 |
| 28 | GCV of Imported Coal of opening stock as received at Station | (kCal/Kg) | NA | NA | NA |
| 29 | GCV of Imported Coal of opening stock as received at Station | (kCal/Kg) | NA | NA | NA |
| 30 | Weighted average GCV of coal as Received | (kCal/Kg) | 3,259.153 | 3,280.886 | 3,348.343 |

UDIN: 24405326BKCDMH1867

(Petitioner)



PART 1
FORM- 15

Details of Source wise Fuel for Computation of Energy Charges¹ (Coal)

For FY2023-24

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

| No. | Month | Unit | COAL | | |
|----------------------------|--|----------|-----------------|-----------------|-----------------|
| | | | October 2022 | November 2022 | December 2022 |
| | | | Domestic | Domestic | Domestic |
| A) OPENING QUANTITY | | | | | |
| 1 | Opening Quantity of Coal | (MMT) | 69,317.74 | 67,029.27 | 60,367.91 |
| 2 | Value of Stock | (Rs.) | 23,67,52,889.43 | 22,32,08,096.77 | 19,76,75,642.89 |
| B) QUANTITY | | | | | |
| 3 | Quantity of Coal supplied by Coal Company | (MMT) | 1,95,982.90 | 1,92,755.68 | 2,03,109.09 |
| 4 | Adjustment (+/-) in quantity supplied made by Coal Company | (MMT) | - | - | - |
| 5 | Coal supplied by Coal Company (3+4) | (MMT) | 1,95,982.90 | 1,92,755.68 | 2,03,109.09 |
| 6 | Normative Transit & Handling Losses (For coal based Projects) | (MMT) | 1,567.86 | 1,542.05 | 1,624.87 |
| 7 | Net coal / Lignite Supplied (5-6) | (MMT) | 1,94,415.04 | 1,91,213.63 | 2,01,484.22 |
| C) PRICE | | | | | |
| 8 | Amount charged by the Coal Company | (Rs.) | 34,87,30,765.56 | 34,01,18,846.70 | 36,25,90,131.66 |
| 9 | Adjustment (+/-) in amount charged made by Coal Company | (Rs.) | 87,65,717.00 | - | (5,51,084.85) |
| 10 | Handling, Sampling and such other similar charges | (Rs.) | 74,74,505.22 | 1,18,65,232.53 | 78,44,470.52 |
| 11 | Total amount Charged (8+9+10) | (Rs.) | 36,49,70,987.77 | 35,19,84,079.23 | 36,98,83,517.33 |
| D) TRANSPORTATION | | | | | |
| 12 | Transportation charges by rail/ship/road transport | (Rs.) | - | - | - |
| | By Rail | (Rs.) | 25,98,88,684.00 | 26,29,59,540.00 | 26,91,90,849.00 |
| | By Road | (Rs.) | 1,59,46,856.00 | 66,87,434.25 | 1,32,55,371.68 |
| | By Ship | (Rs.) | - | - | - |
| 13 | Adjustment (+/-) in amount charged made by Railways/Transport Company | (Rs.) | - | - | - |
| 14 | Demurrage Charges, if any | (Rs.) | - | - | - |
| 15 | Cost of diesel in transporting coal through MGR system, if applicable | (Rs.) | 6,73,157.00 | 7,81,237.89 | 10,73,538.32 |
| 16 | Total Transportation Charges (12+13+14+15) | (Rs.) | 27,65,08,697.00 | 27,04,28,212.14 | 28,35,19,759.00 |
| 17 | Total amount Charged for coal supplied including Transportation (11+16) | (Rs.) | 64,14,79,684.77 | 62,24,12,291.37 | 65,34,03,276.32 |
| E) TOTAL COST | | | | | |
| 18 | Landed cost of coal (2+17)/(1+7) | Rs./MT | 3,330.01 | 3,274.52 | 3,250.23 |
| 19 | Blending Ratio (Domestic/Imported) | | NA | NA | NA |
| 20 | Weighted average cost of coal | Rs./MT | 3,330.01 | 3,274.52 | 3,250.23 |
| F) QUALITY | | | | | |
| 21 | GCV of Domestic Coal of the opening coal stock as per bill of Coal Company | (kCal/t) | | | |
| 22 | GCV of Domestic Coal supplied as per bill of Coal Company | (kCal/t) | G-11/G-14 | G-11/G-14 | G-11/G-14 |
| 23 | GCV of Imported Coal of the opening stock as per bill Coal Company | (kCal/t) | NA | NA | NA |
| 24 | GCV of Imported Coal supplied as per bill Coal Company | (kCal/t) | NA | NA | NA |
| 25 | Weighted average GCV of coal as Billed | (kCal/t) | 3,930.93 | 3,826.59 | 3,903.24 |
| 26 | GCV of Domestic Coal of the opening stock as received at Station | (kCal/t) | 3,265.44 | 3,370.30 | 3,396.81 |
| 27 | GCV of Domestic Coal supplied as received at Station | (kCal/t) | 3,407.68 | 3,406.11 | 3,443.08 |
| 28 | GCV of Imported Coal of opening stock as received at Station | (kCal/t) | NA | NA | NA |
| 29 | GCV of Imported Coal of opening stock as received at Station | (kCal/t) | NA | NA | NA |
| 30 | Weighted average GCV of coal as Received | (kCal/t) | 3,370.30 | 3,396.81 | 3,432.41 |

UDIN: 24405326BKCDM99446

(Petitioner)



Details of Source wise Fuel for Computation of Energy Charges ¹ (LDO)

For FY2022-23

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

| .No. | Month | Unit | LDO | LDO | LDO |
|----------------------------|---|------------|----------------|----------------|----------------|
| | | | October 2021 | November 2021 | December 2021 |
| | | | LDO | LDO | LDO |
| A) OPENING QUANTITY | | | | | |
| 1 | Opening Quantity of LDO | (kL) | 461.09 | 680.22 | 618.98 |
| 2 | Value of Stock | (Rs.) | 2,34,66,000.00 | 3,42,50,000.00 | 3,15,29,000.00 |
| B) QUANTITY | | | | | |
| 3 | Quantity of LDO supplied by LDO Company | (kL) | 465.00 | 25.00 | - |
| 4 | Adjustment (+/-) in quantity supplied made by LDO Company | (kL) | - | - | - |
| 5 | LDO supplied by LDO Company (3+4) | (kL) | 465.00 | 25.00 | - |
| 6 | Normative Transit & Handling Losses | (kL) | - | - | - |
| 7 | Net LDO Supplied (5-6) | (kL) | 465.00 | 25.00 | - |
| C) PRICE | | | | | |
| 8 | Amount charged by the LDO Company | (Rs.) | 3,10,98,000.00 | 16,72,000.00 | - |
| 9 | Adjustment (+/-) in amount charged made by LDO Company | (Rs.) | - | - | - |
| 10 | Handling, Sampling and such other similar charges | (Rs.) | - | - | - |
| 11 | Total amount Charged (8+9+10) | (Rs.) | 3,10,98,000.00 | 16,72,000.00 | - |
| D) TRANSPORTATION | | | | | |
| 12 | Transportation charges by rail/ship/road transport | (Rs.) | | | |
| 13 | Adjustment (+/-) in amount charged made by Railways/Transport Company | (Rs.) | | | |
| 14 | Demurrage Charges, if any | (Rs.) | | | |
| 15 | Cost of diesel in transporting LDO through MGR system, if applicab | (Rs.) | | | |
| 16 | Total Transportation Charges (12+13+14+15) | (Rs.) | | | |
| 17 | Total amount Charged for LDO supplied including Transportation (1 | (Rs.) | 3,10,98,000.00 | 16,72,000.00 | - |
| E) TOTAL COST | | | | | |
| 18 | Landed cost of LDO (2+17)/(1+7) | Rs./kL | 58,918.93 | 50,937.59 | 50,937.35 |
| 19 | Weighted average cost of LDO | Rs./kL | 58,918.93 | 50,937.59 | 50,937.35 |
| 20 | Weighted Average GCV of LDO as received | (kCall/Kg) | 10,000.00 | 10,000.00 | 10,000.00 |

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(Petitioner)

UPIN: 24405326BKCDMD8508



Details of Source wise Fuel for Computation of Energy Charges ¹ (LDO)

For FY2023-24

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

| .No. | Month | Unit | LDO | LDO | LDO |
|----------------------------|---|-----------|---------------------|----------------------|----------------------|
| | | | October 2022 LDO | November 2022 LDO | December 2022 LDO |
| A) OPENING QUANTITY | | | | | |
| 1 | Opening Quantity of LDO | (kL) | 363.51 | 418.04 | 350.82 |
| 2 | Value of Stock | (Rs.) | 2,39,15,000.00 | 3,14,14,990.19 | 2,63,63,488.74 |
| B) QUANTITY | | | | | |
| 3 | Quantity of LDO supplied by LDO Company | (kL) | 171.00 | - | 99.00 |
| 4 | Adjustment (+/-) in quantity supplied made by LDO Company | (kL) | - | - | - |
| 5 | LDO supplied by LDO Company (3+4) | (kL) | 171.00 | - | 99.00 |
| 6 | Normative Transit & Handling Losses | (kL) | - | - | - |
| 7 | Net LDO Supplied (5-6) | (kL) | 171.00 | - | 99.00 |
| C) PRICE | | | | | |
| 8 | Amount charged by the LDO Company | (Rs.) | 1,62,51,490.00 | - | 90,34,185.60 |
| 9 | Adjustment (+/-) in amount charged made by LDO Company | (Rs.) | - | - | - |
| 10 | Handling, Sampling and such other similar charges | (Rs.) | - | - | - |
| 11 | Total amount Charged (8+9+10) | (Rs.) | 1,62,51,490.00 | - | 90,34,185.60 |
| D) TRANSPORTATION | | | | | |
| 12 | Transportation charges by rail/ship/road transport | (Rs.) | | | |
| 13 | Adjustment (+/-) in amount charged made by Railways/Transport Company | (Rs.) | | | |
| 14 | Demurrage Charges, if any | (Rs.) | | | |
| 15 | Cost of diesel in transporting LDO through MGR system, if applicab | (Rs.) | | | |
| 16 | Total Transportation Charges (12+13+14+15) | (Rs.) | | | |
| 17 | Total amount Charged for LDO supplied including Transportation (1 | (Rs.) | 1,62,51,490.00 | - | 90,34,185.60 |
| E) TOTAL COST | | | | | |
| 18 | Landed cost of LDO (2+17)/(1+7) | Rs./kL | 75,146.38 | 75,148.29 | 78,692.98 |
| 19 | Weighted average cost of LDO | Rs./kL | 75,146.38 | 75,148.29 | 78,692.98 |
| 20 | Weighted Average GCV of LDO as received | (kCal/Kg) | 10,000.00 | 10,000.00 | 10,000.00 |

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UDIN: 24405326BKCDME3253 (Petitioner)



Computation of Energy Charges
Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)

For FY2022-23 For FY2023-24

| | | FY 22-23 (From 5th Sept 2022 to 31st Mar 2023) | FY 23-24 |
|-------------------------|----------|--|----------|
| No. of days in the year | Days | 208.00 | 366.00 |
| Sp. Oil Consumption | ml/kWh | 0.50 | 0.50 |
| Auxiliary Consumption | % | 6.25% | 6.25% |
| Heat Rate | Kcal/kWh | 2,348.85 | 2,348.85 |
| Capacity | MW | 600.00 | 600.00 |
| Dedicated line loss % | % | 0.63% | 0.63% |

Computation of Energy Charges

| | | |
|---|----------|----------|
| 1 Rate of Energy Charge from Sec. Fuel / Alternate Fuel (p/kwh) (REC) _s = (Q _s) _n X P _s | 2.680 | 3.816 |
| 2 Heat Contribution from SFO / Alternate Fuel (H) _s = (Q _s) _n X (GCV) _p | 5.00 | 5.00 |
| 3 Heat Contribution from coal (H) _p = GHR - H _s | 2,343.85 | 2,343.85 |
| 4 Specific Primary Fuel Consumption (Q _p) _n = H _p /(GCV) _p | 0.73 | 0.71 |
| 5 Rate of Energy charge from Primary fuel (p/kwh) (REC) _p | 244.397 | 232.269 |
| 6 Rate of Energy charge ex-bus (p/kwh) (REC) = ((REC) _s + (REC) _p / (1-AUX)) | 263.549 | 251.825 |
| 7 Rate of Energy charge ex-bus and including dedicated line loss (p/kwh) REC/(1 - line loss%) | 265.209 | 253.411 |

| Coal | | 3rd Month (Oct 21) | 2nd Month (Nov 21) | 1st Month (Dec 21) | Wtd. Avg. |
|---|---------|--------------------|--------------------|--------------------|-----------------|
| Wtd. Avg. Price of Coal | Rs./MT | 3,312.74 | 3,332.45 | 3,399.72 | 3,348.30 |
| Wtd. Avg. GCV of Coal as received | kcal/Kg | 3,259.15 | 3,280.89 | 3,348.34 | 3,296.13 |
| Wtd. Avg. GCV of Coal as received after adjustment of 85 kcal/kg | | | | | 3,211.13 |
| Sec. Oil (LDO) | | | | | |
| Wtd. Avg. Price of Secondary Fuel (LDO) | Rs./kL | 58,918.93 | 50,937.59 | 50,937.35 | 53,597.96 |
| Wtd. Avg. GCV of Secondary Fuel (LDO) | kcal/L | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |

| Coal | | 3rd Month (Oct 22) | 2nd Month (Nov 22) | 1st Month (Dec 22) | Wtd. Avg. |
|---|---------|--------------------|--------------------|--------------------|-----------------|
| Wtd. Avg. Price of Coal | Rs./MT | 3,330.01 | 3,274.52 | 3,250.23 | 3,284.92 |
| Wtd. Avg. GCV of Coal as received | kcal/Kg | 3,370.30 | 3,396.81 | 3,432.41 | 3,399.84 |
| Wtd. Avg. GCV of Coal as received after adjustment of 85 kcal/kg | | | | | 3,314.84 |
| Sec. Oil (LDO) | | | | | |
| Wtd. Avg. Price of Secondary Fuel (LDO) | Rs./kL | 75,146.38 | 75,148.29 | 78,692.98 | 76,329.21 |
| Wtd. Avg. GCV of Secondary Fuel (LDO) | kcal/L | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |

| Computation of Variable Charges | | | |
|--|--------------|--|----------------|
| | | FY 22-23 (From 5th Sept 2022 to 31st Mar 2023) | FY 23-24 |
| Heat Contribution from SFO/ Alternate Fuel | kCal/kWh | 5.00 | 5.00 |
| Heat Contribution from coal | kCal/kWh | 2,343.85 | 2,343.85 |
| Specific Primary Fuel Consumption | kg/kWh | 0.730 | 0.707 |
| Variable Charge (Coal) | p/kWh | 260.691 | 247.754 |
| Variable Charge (Oil) | p/kWh | 2.859 | 4.071 |
| Total | p/kWh | 263.549 | 251.825 |
| Variable Charge (including dedicated line loss) | p/kWh | 265.209 | 253.411 |

Computation of Fuel Expenses for calculation of IWC

| | | | |
|-----------------------------|----------|-----------|-----------|
| ESO in a year | MU | 4,188.38 | 4,199.85 |
| ESO for 50 Days | MU | 573.75 | 573.75 |
| Cost of coal for 50 Days | Rs. Lakh | 14,957.13 | 14,214.88 |
| Cost of oil for 2 months | Rs. Lakh | 199.55 | 284.95 |
| Energy Expenses for 45 Days | Rs. Lakh | 13,694.72 | 13,085.48 |

| | | | |
|---|-----------------|------------------|------------------|
| Energy Expenses (Annual) | Rs. Lakh | 111,079.39 | 106,428.61 |
| Capacity Expenses (Annual) | Rs. Lakh | 73,236.76 | 73,243.52 |
| Total Capacity and Energy Expenses (45 Days) | Rs. Lakh | 22,723.91 | 22,090.84 |

(Petitioner)

Details of Capital Spares

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)
Financial Year FY2023 (5th September 2022 to 31st March 2023)

| S.No. | Details of Capital Spares and Expenses | | Claimed as a part of additional Capitalisation | Funded through compensatory allowance (If Applicable) | Funded through Special allowance (If Applicable) | Claimed as a part of stores and spares | Justification |
|-------|--|--------------------|--|---|--|--|---|
| | Name of spare | Amount in Rs. Lakh | | | | | |
| 1 | Bull Ring Segments,F/Mil,XRP-1043,BHEL | 22.43 | No | No | No | No | In order to meet the customers demand and maintain high machine availability at all times by the instant station, units/ equipment are taken under overhaul/ maintenance and inspected regularly for wear and tear. During such works, spare parts of equipment which became damaged/ unserviceable are replaced/ consumed so that the machine continue to perform at expected efficiency on sustained basis. Further as per Regulation 35(6) capital spares are admissible separately as part of O&M expenses. Therefore it is prayed that the capital spares consumed by the instant station during the period may please be allowed by the Hon'ble Commission. |
| 2 | PILOT VALVE ASSY,TDBFP CV,BHEL | 3.34 | No | No | No | No | |
| 3 | DIFFUSER 2ND STAGE,BFP-FK4E36 | 5.48 | No | No | No | No | |
| 4 | CS END RING G SEGMENT,PCD:9088/R4544,T12 | 22.22 | No | No | No | No | |
| 5 | GEAR SEGMENT,NICKLE-CHROME,D10262624,FLS | 4.58 | No | No | No | No | |
| 6 | HYDRAULIC CYLINDER,DRG:SK-3749,M:REXROTH | 3.77 | No | No | No | No | |
| 7 | HYDRAULIC CYLINDER,DRG:SK-3750,M:REXROTH | 4.28 | No | No | No | No | |
| 8 | KICK-OFF PLATE,CRUSHER,PART NO:80/26 | 7.55 | No | No | No | No | |
| 9 | TENSIONING BOLT,PN19,RA147007206,THYSSEN | 1.65 | No | No | No | No | |
| 10 | SCREEN PLATE,PN:70/4,1800TPH | 6.90 | No | No | No | No | |
| 11 | CROSS & BEARING ASSY,W-18,PN:46002010,SA | 2.40 | No | No | No | No | |
| 12 | HMDC SPUR GEAR,PN:11,DRG:20210005-101 | 1.31 | No | No | No | No | |
| 13 | DIFFUSER VALVE,300X250NB,WITHOUT PNE.CYL | 3.87 | No | No | No | No | |
| 14 | DISC & SEAT,DIFFUSER VALVE,300X250NB | 7.55 | No | No | No | No | |
| 15 | Drive Shaft with rolled shaft for CG | 1.37 | No | No | No | No | |
| 16 | Driven Shaft with rolled shaft for CG | 1.37 | No | No | No | No | |
| 17 | THRUSTER BREAK,D:100MM,415VAC,18KG,EHT10 | 1.41 | No | No | No | No | |
| 18 | GEAR HELICAL SET,P:10.83,M:36GB,PAHARPUR | 4.80 | No | No | No | No | |
| 19 | GEAR SPIRAL SET,PN:10.83,M:36GB,PAHARPUR | 3.29 | No | No | No | No | |
| 20 | FILL PACK ASSY,MC67,PVC,1219X914X305MM | 75.70 | No | No | No | No | |
| 21 | Impeller With Nut,Model No.-AR 200/550 | 7.29 | No | No | No | No | |
| 22 | WEAR PLATE,(B.SIDE),MODEL: AR 200/550 | 1.08 | No | No | No | No | |
| 23 | WEAR PLATE,(S.SIDE),MODEL: AR 200/550 | 1.29 | No | No | No | No | |
| 24 | BARE VACCUME PUMP,SS304,TYPE:C,MN:PL2250 | 38.73 | No | No | No | No | |
| 25 | BUMPER,HCSD ABEL PUMP,ET11264B | 2.28 | No | No | No | No | |
| 26 | VALVE CONE INSERT,HCSD PUMP,ET11264B | 1.87 | No | No | No | No | |
| 27 | SLURRY PUMP,SUBMERSIBLE,TYP:100 NZE 22KW | 15.35 | No | No | No | No | |
| 28 | SLURRY PUMP,SUBMERSIBLE, 100 ANZE 30KW | 16.83 | No | No | No | No | |
| 29 | AIR CIRCUIT BREAKER,800A,415V,SCHNEIDER | 7.97 | No | No | No | No | |
| 30 | MOVING&FIXED CONTACT,3TF53,205A,SIEMENS | 1.51 | No | No | No | No | |
| 31 | NGR 3.5kV 50Hz 300A.10/15MVA transformer | 2.29 | No | No | No | No | |
| 32 | NGR 11.5kV 50Hz 300A60/55MVA transformer | 3.64 | No | No | No | No | |
| | Total | 285.41 | | | | | |

(Petitioner)

Details of Capital Spares

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)
Financial Year FY2024

| S.No. | Details of Capital Spares and Expenses | | Claimed as a part of additional Capitalisation | Funded through compensatory allowance (If Applicable) | Funded through Special allowance (If Applicable) | Claimed as a part of stores and spares | Justification |
|-------|--|--------------------|--|---|--|--|---------------|
| | Name of spare | Amount in Rs. Lakh | | | | | |
| 1 | MDV BODY WITH FLAP,XRP1043,BHEL | 2.36 | No | No | No | No | |
| 2 | BARE PUMP MODEL D3S 40/56, 40LPM@35 BARf | 2.09 | No | No | No | No | |
| 3 | PILOT VALVE ASSY,TDBFP CV,BHEL | 3.34 | No | No | No | No | |
| 4 | PISTON ROD,DRG:103.232.307.200,GHZ125 | 4.72 | No | No | No | No | |
| 5 | INTERMEDIATE ROD,DRG:103.232.307.200,GHZ | 3.78 | No | No | No | No | |
| 6 | COUPLING,DRG:103.232.307.200,GHZ125 | 2.06 | No | No | No | No | |
| 7 | MANHOLE COVER,A 266,526x424x100MM,GR:II | 1.61 | No | No | No | No | |
| 8 | 1STSTAGEIMPELLER for Model No. SHR21850 | 9.07 | No | No | No | No | |
| 9 | 2NDSTAGEIMPELLER for Model No. SHR21850 | 7.76 | No | No | No | No | |
| 10 | WHEEL GRP SHAFT,EN24,D95,L:4050,20107920 | 2.83 | No | No | No | No | |
| 11 | CS END RING G SEGMENT,PCD:9088/R4544,T12 | 38.82 | No | No | No | No | |
| 12 | GEAR SEGMENT,NICKLE-CHROME,D10262624,FLS | 20.01 | No | No | No | No | |
| 13 | BRAKE SHAFT,PN: 001630014E,POCLAIN | 1.25 | No | No | No | No | |
| 14 | BRAKE HOUSING,PN:005243137M,POCLAIN | 1.01 | No | No | No | No | |
| 15 | FREEWHEELING BLOCK ASSY,#A28946N/A28944L | 9.79 | No | No | No | No | |
| 16 | LOCK LEVER,LH&RH,D:30068149&30061339 | 3.20 | No | No | No | No | |
| 17 | TOP CLAMP ARM HEAD,MS,DRG:10328242 | 1.31 | No | No | No | No | |
| 18 | REMOTE MOUNTING KIT,MN:500LC,LUBRICATION | 6.96 | No | No | No | No | |
| 19 | STAR VRIO DRIVE SYSTEM,MN:P5 LC 500,ALS | 6.32 | No | No | No | No | |
| 20 | GUIDE ROLLER,LENTH:175MM,DIA:88.9MM | 2.01 | No | No | No | No | |
| 21 | Radiator fan for PST 1320 | 3.56 | No | No | No | No | |
| 22 | Suspension Bar for Ring Granulator | 1.64 | No | No | No | No | |
| 23 | Breakerplate-RHPart70/3 for1800TPHThysse | 3.76 | No | No | No | No | |
| 24 | END DISC,CRUSHER,PN:20/2,RHM-1831,THYSEN | 3.91 | No | No | No | No | |
| 25 | MIDDLE DISC-1,PN:20/3,RHM-1831,THYSEN | 14.96 | No | No | No | No | |
| 26 | MIDDLE DISC-2,PN:20/4,RHM-1831,THYSEN | 14.96 | No | No | No | No | |
| 27 | BREAKER PLATE,LH PART 70/2,1800TPH | 3.92 | No | No | No | No | |
| 28 | BREAKER PLATE,RH PART 70/3,1800TPH | 3.92 | No | No | No | No | |
| 29 | PUMP ELEMENT,ZPU,505-30405-3,LINCOLN | 1.05 | No | No | No | No | |
| 30 | BWSR SLEW SHAFT,DIA.190 MM,LEN.199.5MM | 3.23 | No | No | No | No | |
| 31 | FLAP GATE,FG1/2,FLAP DIM.1468MMX1550MM" | 2.10 | No | No | No | No | |
| 32 | STARTING MOTOR,PN:3636821,CUMMINS | 1.29 | No | No | No | No | |
| 33 | HMDC SHAFT,EN8,PN:09,DRG:20210005-101 | 2.19 | No | No | No | No | |
| 34 | DIFFUSER VALVE,300X150NB,PEM-144-E-0068 | 2.57 | No | No | No | No | |
| 35 | Drive Shaft with rolled shaft for CG | 5.76 | No | No | No | No | |

In order to meet the customers demand and maintain high machine availability at all times by the instant station, units/ equipment are taken under overhaul/ maintenance and inspected regularly for wear and tear. During such works, spare parts of equipment which became damaged/ unserviceable are replaced/ consumed so that the machine continue to perform at expected efficiency on sustained basis. Further as per Regulation 35(6) capital spares are admissible separately as part of O&M expenses. Therefore it is prayed that the capital spares consumed by the instant station

| S.No. | Details of Capital Spares and Expenses | | Claimed as a part of additional Capitalisation | Funded through compensatory allowance (If Applicable) | Funded through Special allowance (If Applicable) | Claimed as a part of stores and spares | Justification |
|-------|--|--------------------|--|---|--|--|--|
| | Name of spare | Amount in Rs. Lakh | | | | | |
| 36 | Driven Shaft with rolled shaft for CG | 5.76 | No | No | No | No | during the period may please be allowed by the Hon'ble Commission. |
| 37 | Shaft Sleeve for CG | 1.12 | No | No | No | No | |
| 38 | JET PUMP ASY,ALLOY CI,8"JPL-PEM144-E0058 | 3.05 | No | No | No | No | |
| 39 | OUT BOARD MOTOR, 50HP ,4STROKE,Tohatsu | 5.88 | No | No | No | No | |
| 40 | Casing Covers[C.I. with SS-304 lining] | 2.82 | No | No | No | No | |
| 41 | Casing C.I. with SS-304 lining | 3.63 | No | No | No | No | |
| 42 | V-Pulley 4 SPC 764mmPumpSidePiplot Bore | 1.63 | No | No | No | No | |
| 43 | IMPELLER 1ST STAGE-ECO WATER PUMP,2U13 | 1.63 | No | No | No | No | |
| 44 | IMPELLER 2ND STAGE-ECO WATER PUMP;MD2U13 | 1.63 | No | No | No | No | |
| 45 | Link,PN:20,MN-15H6,Flowmore | 1.15 | No | No | No | No | |
| 46 | VALVE HOLDER,HCS D ABEL PUMP,ET11264B | 3.43 | No | No | No | No | |
| 47 | BUMPER,HCS D ABEL PUMP,ET11264B | 1.06 | No | No | No | No | |
| 48 | CONE VALVE,HCS D ABEL PUMP,ET11264B | 5.80 | No | No | No | No | |
| 49 | MEMBRANE,SLURRY SIDE,HCS D PUMP,ET10942B | 18.29 | No | No | No | No | |
| 50 | SLURRY PUMP,SUBMERSIBLE,TYP:100 NZE 22KW | 15.35 | No | No | No | No | |
| 51 | Bare Shaft Machine assembly UGRK 220 | 2.71 | No | No | No | No | |
| 52 | VCB WITH TROLLEY,MN:3AK6532A,1250A,SIEME | 5.75 | No | No | No | No | |
| 53 | STARTER PANEL,415V,55KE,METAL BOX | 2.83 | No | No | No | No | |
| | Total | 282.65 | | | | | |

(Petitioner)

Non-Tariff Income

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)

(Amount in Rs Lakh)

| S. No. | Parameters | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|--------|---------------------------------------|------------------|---------|---------|---------|-------------------------------------|--------------|
| 1 | Income from rent of land or buildings | | | | | - | - |
| 2 | Income from sale of scrap | | | | | 17.26 | 99.73 |
| 3 | Income from advertisements | | | | | - | - |
| | Total | | | | | 17.26 | 99.73 |

(Petitioner)

Details of Water Charges

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)

Name of the Generating Station Seoni TPP (1x600 MW)

(Amount in Rs Lakh)

| S.No. | Details of Water charges (excluding water cess) | | Quantity allocated | Normative consumption at 85% PLF | Rate specified (as per govt. notification or agreement) | Spillage of water (in percentage) | Amount Claimed (from MPPMCL) |
|---|---|-----------------|--------------------------------------|----------------------------------|--|-----------------------------------|------------------------------|
| | Name of source and quantity | Amount | Unit (cum) | Unit (cum) | | | |
| FY 2022-23 (5th Sep 22 to 31st March 23) | Rani Awanti Bai Lodhi Sagar (Bargi) Dam | 704.22 | 16.00 MCM per Year / 43835 Cum / day | 8.91 | Rs. 5.5/Cum Till May'22 & thereafter Rs. 8.4/Cum till Dec'22 and thereafter Rs. 8.82/Cum | - | 246.48 |
| FY 2023-24 | Rani Awanti Bai Lodhi Sagar (Bargi) Dam | 1,289.36 | 16.00 MCM per Year / 43835 Cum / day | 15.64 | Rs. 8.82/Cum till Dec'23 and thereafter Rs. 9.26/Cum | - | 451.27 |
| | Total | 1,993.58 | | | | | 697.75 |

Note: The amount claimed represents MPPMCL's proportionate share of water charges reimbursed from both PPAs (1. FC+VC (30%) and 2. VC (5%))

(Petitioner)

Details of Statutory Charges

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)

(Amount in Rs Lakh)

| Particulars | Unit Rate | No of Units | Amount Claimed |
|--|-----------|------------------|-----------------|
| FY 2022-23 (from 5th Sep 2022 to 31st March 2023) | | | |
| Electricity Duty | 0.859 | 48,108,227.72 | 413.25 |
| Cess on APC & Supply to MP | 0.150 | 788,768,524.58 | 1,183.15 |
| Total (A) | | | 1,596.40 |
| FY 2023-24 | | | |
| Electricity Duty | 0.870 | 83,000,606.21 | 722.11 |
| Cess on APC & Supply to MP | 0.150 | 1,354,399,066.71 | 2,031.60 |
| Total (B) | | | 2,753.70 |
| Total A+B | | | 4,350.11 |

Note: The above calculations are for both the PPAs 1. FC+VC (30%) and 2. VC (5%)

(Petitioner)

Details of Assets De-capitalized during the period

**PART 1
FORM- I**

Name of the Petitioner
Name of the Generating Station
Region: North

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)
State: Madhya Pradesh

District: Seoni

FY 2023-24

(Amount in Rs. Lakh)

| S. No. | Name of the Asset | Nature of decapitalization (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 | Whether earning RoE at the normal rate of weightage average rate of interest on loan |
|---------------|--|--|---|------------------------|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Plant & Machinery - capitalised on COD | Claimed under Additional Capital Expenditure | 920.24 | 2016-17 | 360.15 | Normal rate |
| 2 | Plant & Machinery - capitalised post COD | Claimed under Additional Capital Expenditure | 7.72 | 2020-21 | 1.27 | Normal rate |
| | | | 927.95 | | 361.42 | |

** Note: The original/historical value of de-capitalised assets in the financial statements is different from this amount. For the purpose of this form, we have considered only the proportionate value based on approved vis-à-vis claimed amount by Hon'ble MPERC. Refer Para 42 and 43 of the tariff petition for detailed workings

(Petitioner)

Reconciliation of capitalisation claimed vis-à-vis books

PART 1
FORM- J

Name of the Petitioner
Name of the Generating Station
COD

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)
03-May-16

(Amount in Rs. Lakh)

| S. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|--------|---|---------|---------|---------|-------------------------------------|----------|
| | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Closing Gross Block as per IND AS | | | | 4,88,662 | 4,90,569 |
| 2 | Add/Less: Adjustments (Lease accounting as per IND AS 116) | | | | - | (59) |
| 3 | Closing Gross Block as per IGAAP | | | | 4,88,426 | 4,88,662 |
| 4 | Opening Gross Block as per IND AS | | | | - | - |
| 5 | Add/Less: Adjustments | | | | 4,88,426 | 4,88,662 |
| 6 | Opening Gross Block as per IGAAP | | | | 236 | 1,907 |
| 7 | Total Additions as per books (G = 3 - 5) | | | | - | - |
| 8 | Less: Additions pertaining to other Stages | | | | | |
| 9 | Net Additions pertaining to instant project / Unit / Stage | | | | 236 | 1,907 |
| 10 | Less: Exclusions (items not allowable / not claimed) ** | | | | - | (259) |
| 11 | Net Additional Capital Expenditure Claimed (on accrual basis) | | | | 236 | 2,166 |
| 12 | Less: Un-discharged Liabilities (as per IGAAP) | | | | 4 | 143 |
| 13 | Add: Discharges of un-discharged liabilities, corresponding to admitted assets/works (as per IGAAP) | | | | 1,313 | 29 |
| 14 | Net Additional Capital Expenditure Claimed (on cash basis) | | | | 1,545 | 2,052 |

Note:

** Note: The original/historical value of de-capitalised assets in the financial statements is different from value claimed to be de-capitalised. Financial statements considers full historical value of the de-capitalised assets, however we have considered for this filing only the proportionate value based on approved vis-à-vis claimed amount by Hon'ble MPERC. The amount here represents difference between approved and claimed value of the de-capitalised assets. Details are explained in Para 42 & 43 of instant petition.

(Signature)
(Petitioner)

UDIN: 24405326BKCDME4088



Statement showing items/assets/works claimed under Exclusions:

**PART 1
FORM- K**

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Station Seoni TPP (1x600 MW)
COD 03-May-16

(Amount in Rs. Lakh)

| S. No. | Head of Work / Equipment | ACE Claimed under Exclusion | | | | Justification |
|--------|--|-----------------------------|--|-------------|------------------------|---------------|
| | | Accrual basis | Un-discharged Liability included in col. 3 | Cash basis | IDC included in col. 3 | |
| 1 | 2 | 3 | 4 | (5 = 3 – 4) | 6 | 7 |
| 1 | Plant & Machinery - capitalised on COD | 258.34 | 258.34 | - | | ** |
| 2 | Plant & Machinery - capitalised post COD | 0.24 | 0.24 | - | | ** |
| | | 258.58 | 258.58 | - | - | |

** Note: The original/historical value of de-capitalised assets in the financial statements is different from value claimed to be de-capitalised. Financial statements considers full historical value of the de-capitalised assets, however we have considered for this filing only the proportionate value based on approved vis-à-vis claimed amount by Hon'ble MPERC. The amount here represents difference between approved and claimed value of the de-capitalised assets. Details are explained in Para 42 and 43 of instant petition.

(Petitioner)

Statement of Capital cost
(To be given for relevant dates and year wise)

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

PART 1
FORM- L

(Amount in Rs. Lakh)

| S. No. | Particulars | FY2023 (5th September 2022 to 31st March 2023) | | | FY2024 | | |
|--------|--|--|---------------------------|------------|---------------|---------------------------|------------|
| | | Accrual Basis | Un-discharged Liabilities | Cash Basis | Accrual Basis | Un-discharged Liabilities | Cash Basis |
| A | a) Opening Gross Block Amount as per books | 488,662 | 12,812 | 475,850 | 488,898 | 50 | 488,848 |
| | b) Amount of IDC in A(a) above | 143,476 | | 143,476 | 143,476 | | 143,476 |
| | 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 | 27,776 | | 27,776 | 27,776 | | 27,776 |
| | | | | | | | |
| B | a) Addition in Gross Block Amount during the period (Direct purchases) | 236 | 4 | 232 | 1,179 | 143 | 1,037 |
| | b) Amount of IDC in B(a) above | | | - | | | - |
| | c) Amount of FC in B(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) | | | - | 1,914 | | 1,914 |
| | b) Amount of IDC in C(a) above | | | - | | | - |
| | c) Amount of FC in C(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 | | | - | 1,187 | | 1,187 |
| | b) Amount of IDC in D(a) above | | | - | | | - |
| | c) Amount of FC in D(a) above | | | - | | | - |
| | d) Amount of FERV in D(a) above | | | - | | | - |
| | e) Amount of Hedging Cost in D(a) above | | | - | | | - |

| S. No. | Particulars | FY2023 (5th September 2022 to 31st March 2023) | | | FY2024 | | |
|--------|--|--|---------------------------|------------|---------------|---------------------------|------------|
| | | Accrual Basis | Un-discharged Liabilities | Cash Basis | Accrual Basis | Un-discharged Liabilities | Cash Basis |
| | f) Amount of IEDC in D(a) above | | | - | | | - |
| E | a) Closing Gross Block Amount as per books | 488,898 | 50 | 488,848 | 490,805 | 165 | 490,641 |
| | b) Amount of IDC in E(a) above | 143,476 | | 143,476 | 143,476 | | 143,476 |
| | c) Amount of FC in E(a) above | - | | - | - | | - |
| | 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 | 27,776 | | 27,776 | 27,776 | | 27,776 |

** Note: Amount of un-discharge liability includes such liability for Addition in Gross Block Amount during the period (Transferred from CWIP) as well

(Petitioner)

Name of the Petitioner
Name of the Generating Station

Jhabua Power Limited (JV of NTPC Limited)
Seoni TPP (1x600 MW)

PART 1
FORM- M

Statement of Capital Woks in Progress
(To be given for relevant dates and year wise)

(Amount in Rs. Lakh)

| S. No. | Particulars | FY2023 (5th September 2022 to 31st March 2024) | FY2024 |
|--------|--|--|---------------|
| | | Accrual Basis | Accrual Basis |
| A | a) Opening CWIP as per books | 771.09 | 1,069.70 |
| | 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 | 854.86 | 948.03 |
| | b) Amount of IDC in B(a) above | - | |
| | c) Amount of FC in B(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) Transferred to Gross Block Amount during the period | - | 1,914.37 |
| | b) Amount of IDC in C(a) above | - | |
| | c) Amount of FC in C(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 CWIP during the period | 556.25 | |
| | b) Amount of IDC in D(a) above | - | |
| | c) Amount of FC in D(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 CWIP as per books | 1,069.70 | 103.36 |
| | b) Amount of IDC in E(a) above | - | |
| | c) Amount of FC in E(a) above | - | |
| | 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 | - | |

** Note: For Amount of un-discharge liability, refer Form-L

(Petitioner)

Calculation of Interest on Normative Loan

Name of the Petitioner

Jhabua Power Limited (JV of NTPC Limited)

PART 1

Name of the Generating Station

Seoni TPP (1x600 MW)

FORM- N

(Amount in Rs. Lakh)

| S. No. | Particulars | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|-----------|--|------------------|---------|---------|---------|-------------------------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | Gross Normative loan – Opening | | | | | 301,545.40 | 302,627.17 |
| 2 | Cumulative repayment of Normative loan up to previous year | | | | | 128,241.00 | 140,032.68 |
| 3 | Net Normative loan – Opening | | | | | 173,304.40 | 162,594.49 |
| 4 | Add: Increase due to addition during the year / period | | | | | 162.47 | 2,065.63 |
| 5 | Less: Decrease due to de-capitalisation during the year / period ** | | | | | - | (334.16) |
| 6 | Less: Decrease due to reversal during the year / period | | | | | - | - |
| 7 | Add: Increase due to discharges during the year / period | | | | | 919.30 | 19.99 |
| 8 | Normative loan - Closing | | | | | 174,386.17 | 164,345.95 |
| 9 | Repayment of loan during the year | | | | | (11,791.68) | (20,770.13) |
| 10 | Net Normative loan - Closing | | | | | 162,594.49 | 143,575.82 |
| 11 | Average Normative loan | | | | | 167,949.45 | 153,085.16 |
| 12 | Weighted average rate of interest | | | | | 8.50% | 8.50% |
| 13 | Interest on Loan | | | | | 14,275.70 | 13,012.24 |
| 14 | Interest on Loan (proportionate for FY23 (05.09.2022-31.03.2023)) | | | | | 8,135.20 | 13,012.24 |

****Note:** Decrease in loan due to de-capitalisation have been calculated considering the date of capitalisation, ratio of capitalisation claimed vis-à-vis approved by Hon'ble MPERC and Debt:Equity Ratio allowed by Hon'ble MPERC. Please refer Para 42 and 43 of the tariff petition for further workings.

(Petitioner)

Calculation of Interest on Working Capital

**PART 1
FORM- O**

Name of the Petitioner

Jhabua Power Limited (JV of NTPC Limited)

Name of the Generating Station

Seoni TPP (1x600 MW)

(Amount in Rs. Lakh)

| S.No. | Particulars | Existing 2018-19 | 2019-20 | 2020-21 | 2021-22 | From 5th Sept 2022 to 31st Mar 2023 | 2023-24 |
|-------|---|------------------|---------|---------|---------|-------------------------------------|------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 | Cost of Coal ¹ | | | | | 14,957.13 | 14,214.88 |
| 2 | Cost of Main Secondary Fuel Oil ¹ | | | | | 199.55 | 284.95 |
| 3 | Fuel Cost ² | | | | | | |
| 4 | Liquid Fuel Stock ² | | | | | | |
| 5 | O & M Expenses | | | | | 1,504.86 | 1,556.33 |
| 6 | Maintenance Spares | | | | | 3,611.65 | 3,735.20 |
| 7 | Receivables | | | | | 22,723.91 | 22,090.84 |
| 8 | Total Working Capital | | | | | 42,997.09 | 41,882.20 |
| 9 | Rate of Interest | | | | | 10.50% | 12.00% |
| 10 | Interest on Working Capital | | | | | 4,514.69 | 5,025.86 |
| 11 | Interest on Working Capital (proportionate for FY23 (05.09.2022-31.03.2023)) | | | | | 2,572.76 | 5,025.86 |

Note:

1 For Coal based/Lignite based generating stations

2 For Gas Turbine/Combined Cycle generating stations duly taking into account the annual mode of operation (last available)

(Petitioner)

Statement of Liability Flow

PART 1
FORM- S

Name of the Petitioner Jhabua Power Limited (JV of NTPC Limited)
Name of the Generating Seoni TPP (1x600 MW)
Station

(Amount in Rs. Lakh)

| Party | Asset / Work | Year of actual capitalisation | Original Liability | Liability as on 31.03.2019 | Opening | | Additions in Liability (Year wise) # | | Discharges (Year wise) | | Reversal (Year wise) ** | | Closing | |
|---|--------------|-------------------------------|--------------------|----------------------------|---------------|-------------|--------------------------------------|------------|------------------------|-----------|-------------------------|-----------|-------------|-------------|
| | | | | | FY2022-23 | FY2023-24 | FY2022-23 | FY2023-24 | FY2022-23 | FY2023-24 | FY2022-23 | FY2023-24 | FY2022-23 | FY2023-24 |
| a) For assets eligible for normal RoE | | | | | | | | | | | | | | |
| Allowed items | | | | | 12,812 | 68 | - | 129 | 1,292 | 15 | 11,452 | - | 68 | 181 |
| Total | | | | | 12,812 | 68 | - | 129 | 1,292 | 15 | 11,452 | - | 68 | 181 |
| b) For assets eligible for RoE at weightage average rate of interest on loan | | | | | | | | | | | | | | |
| Allowed items | | | | | - | (17) | 4 | 14 | 21 | 13 | - | - | (17) | (17) |
| Total | | | | | - | (17) | 4 | 14 | 21 | 13 | - | - | (17) | (17) |
| Grand Total | | | | | 12,812 | 50 | 4 | 143 | 1,313 | 29 | 11,452 | - | 50 | 165 |

Note:

Addition in Liability represents addition in Gross Block on accrual basis

** Amounts in FY 2022-23 represents reversals/write-offs due to implementation of Resolution Plan.

(Petitioner)

Summary of issue involved in the petition

**PART 1
FORM- T**

| | | |
|-----------|--|---|
| 1. | Petitioner: Jhabua Power Limited | |
| 2. | Subject | True up petition for FY2023 (5th September 2022 to 31st March 2023) and FY2024 |
| 3. | <p>Prayer:</p> <p>i. Approve the trueing-up of tariff for the generating station for the period from 05.09.2022 to 31.03.2023 and 01.04.2023 to 31.03.2024 as per the CERC Tariff Regulations, 2019 based on the approved capital cost by Hon'ble MPERC;</p> <p>ii. Approve the additional capitalization for FY 2022-23 (05.09.2022 onwards) and FY 2023-24;</p> <p>iii. Allow O&M expenses for dedicated transmission line in addition to the O&M expenses for the generating station;</p> <p>iv. Allow Energy Charge Rate to be grossed up by dedicated transmission line loss (0.63% or actual losses) on month to month basis in the billing;</p> <p>v. Allow to recover Electricity Duty and cess on Auxiliary Power Consumption, cess on power supply to MPPMCL, WRLDC fees & charges and any other taxes, if any, levied by the Statutory Authorities from the beneficiaries on submission of documentary evidence</p> <p>vi. Allow to recover the fees paid to the Hon'ble Commission from the beneficiaries on submission of documentary evidence;</p> <p>vii. Allow to recover the fees paid on account of publication expenses from the beneficiaries on submission of documentary evidence</p> <p>viii. Allow to recover loss on retirement of assets for FY 2023-24;</p> <p>ix. Allow the Petitioner to approach the Hon'ble Commission to revise the tariff petition depending on the outcome of proceedings on pending issues at Hon'ble APTEL;</p> <p>x. Condone any inadvertent omissions/errors/rounding off differences/shortcomings and permit the Petitioner to add/alter this filing and make further submissions as may be required;</p> <p>xi. Pass such further and other Orders, as the Hon'ble CERC may deem fit and proper, keeping in view the facts and circumstances of the case.</p> | |
| 4. | Respondents | |
| | Name of Respondents | |
| | a. | Madhya Pradesh Power Management Company Ltd. |
| | b. | Madhya Pradesh Poorv Kshetra Vidyut Vitaran Co. Ltd. Jabalpur |
| | c. | Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd Bhopal |
| | d. | Madhya Pradesh Paschim Kshetra Vidyut Vitaran Ltd. Indore |
| 5. | Project Scope | 600 MW Coal Based Station |
| | Cost | 03.05.2016 |
| | Commissioning | |
| | Claim | |
| | AFC (FY23-24) | 73,592.78 |
| | Capital cost (FY23-24) | 406,128.89 |
| | Initial spare (FY23-24) | 834.01 |
| | NAPAF (Gen) | 85% |
| | Any Specific | NA |

(Petitioner)

ANNEXURE - 1

GOVERNMENT OF INDIA
MINISTRY OF COMPANY AFFAIRS

West Bengal

Nizam Palace, 2nd MSO Building, 234/4, 2nd Floor, Acharya Jagdish Chandra Bose Road,
Kolkata - 700020, West Bengal, INDIA

Corporate Identity Number : U40105WB1995PTC068816

**Fresh Certificate of Incorporation Consequent upon
Change of Name**

IN THE MATTER OF M/s KEDIA POWER LTD

I hereby certify that KEDIA POWER LTD which was originally incorporated on TWENTY THIRD day of FEBRUARY NINETEEN NINETY FIVE under the Companies Act, 1956 (No. 1 of 1956) as KEDIA POWER LTD having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A05852839 dated 04/01/2007 the name of the said company is this day changed to JHABUA POWER LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Kolkata this FOURTH day of JANUARY TWO THOUSAND SEVEN.

42.A. Shakespeare Sarani
6B. Express Towers,
Kolkata. 700017


(DEBASISH BANDYOPADHYAY)

By Registrar of Companies
West Bengal

কম্পানী রজিষ্ট্রার

Registrar of Companies

কম্পানী রজিষ্ট্রার, কলকাতা


Gagan Deep Gupta
गगन दीप गुप्ता
Company Secretary
कम्पनी सचिव
Jhabua Power Limited
(A Joint Venture of NTPC Limited)
झाबुआ पावर लिमिटेड
(एनटीपीसी लिमिटेड का संयुक्त उद्यम)



प्राप्त नं० आ०

Form I. R.

निगम का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

नं० No 21-68616 का मं० of 1995

मैं एतद्वारा प्रमाणित करता हूँ कि आज

कम्पनी अधिनियम 1956 (1956 का 1) के अन्तर्गत निगमित की गई है और यह कम्पनी बंदित है।

I hereby certify that ... Kedia Power Limited.

is this day incorporated under the Companies Act, 1956 (No 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज तारीख

Given under my hand at Calcutta

का दिनांक

this Twentythird

day of February, One thousand nine hundred and Ninety five



C.D. PAIK.

कम्पनियों का रजिस्ट्रार

Registrar of Companies

WEST BENGAL.

नं० एच० एच०-1
J.S.C-1.

Gagan Deep Gupta

गगन दीप गुप्ता

Company Secretary

कम्पनी सचिव

Jhabua Power Limited

(A Joint Venture of NTPC Limited)

झाबुआ पावर लिमिटेड

(एनटीपीसी लिमिटेड का संयुक्त उद्यम)



कारबार प्रारम्भ करणे के लिए प्रमाण-पत्र
Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149(3) के अनुसारण में
 Pursuant of Section 149(3) of the Companies Act, 1956

21-68616

ने एवमद्वारा प्रमाणित करता है कि.....

.....
 जो कम्पनी अधिनियम, 1956 के अधीन तारीख..... को नियमित की गई
 थी और जिसने आज बिलित प्रकृत में धर्म्यक रूप से स्थापित प्रमाण फाइल कर की गई है कि
 उक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/139(2) (क) से लेकर (ग)
 तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की हकदार है।

I hereby certify that the..... **Kodia Power Limited.**

.....
 which was incorporated under the Companies Act, 1956, on the..... **twentyninth**
 day of..... **February**..... 19 **95** and which has this day filed a duly verified decla-
 ration in this prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (c)
 of the said Act, have been complied with is entitled to commence business.

.....
 मैंने हस्ताक्षर से यह तारीख..... को.....

.....
 से किया गया।

Given under my hand at..... **Calcutta**.....

this..... **First**..... day of..... **March**..... one thousand nine hundred
 and..... **Ninetyfive**.....



(**C.D. PAIK.**)
 कम्पनियों का रजिस्ट्रार
 Registrar of Companies
WEST BENGAL.

प्रस. सी.-10
 S. C.-10

प्रमाणित किया जाता है कि.....
 प्रमाणित किया जाता है कि.....

Gagan 12/2/95
Gagan Deep Gupta
 गगन दीप गुप्ता
 Company Secretary
 कम्पनी सचिव
Jhabua Power Limited
 (A Joint Venture of NTPC Limited)
झाबुआ पावर लिमिटेड
 (एनटीपीसी लिमिटेड का संयुक्त उपक्रम)




Gagan Deep Gupta
 गगन दीप गुप्ता
 Company Secretary
 कंपनी सचिव
Jhabua Power Limited
 (A Joint Venture of NTPC Limited)
झाबुआ पावर लिमिटेड
 (एनटीपीसी लिमिटेड का संयुक्त उपक्रम)

(THE COMPANIES ACT,2013)

COMPANY LIMITED BY SHARES

**MEMORANDUM AND ARTICLES
OF ASSOCIATION**

OF

JHABUA POWER LIMITED



(I)

THE COMPANIES ACT, 2013

A COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

JHABUA POWER LIMITED

- I. The name of the Company is Jhabua Power Limited**
- II. The registered office of the Company shall be situated in the state of West Bengal**
- III. The objects for which the Company is established are as under:-**

A. Main objects to be pursued by the Company on its incorporation are:-

1. To establish and manage power houses in India or elsewhere for generation and supply of electrical energy from both conventional and non-conventional sources such as Hydel, Coal, Steam, Diesel, Naphtha, Wind, Solar, Magnetic, Human waste, Sewage disposal, Nuclear, Petroleum and Petro-products, Chemicals etc. and transmission of such energy in any specified areas and/ or buy and supply electrical energy, to establish power houses and supply technical know-how on turnkey and non-turnkey basis and to operate and maintain such generating stations, tie-lines, substations and main transmission lines as are assigned to it by the competent government or governments.

B. The objects incidental to the attainment of the main objects:

2. To obtain and acquire plants, machinery and other fixed assets or circulating assets, land and buildings for the Company on payment in cash or kind or partly in cash or partly on credit and to enter into an agreement for acquiring the same on search terms of credit as are considered suitable and to arrange for requisite security or guarantee there off for supplier of such plant and machinery and other fixed or circulating assets.



3. To apply for and acquire contracts, permits, licenses, letters of intent, and court rights from the Government of India or from State government or such government or semi government, corporations, companies, forms, local authorities and effectively undertake the main objectives of the Company.
4. To apply for and take out, purchase or otherwise acquire by way of license or otherwise any patterns, pattern rights, inventions, trademark, rights, copyrights for Secret processes, technical lead or know-how which may be useful for the Company's objects and to obtain license to use the same.
5. To extend or develop the business of the Company from time to time by purchase, acquisition, exchange or otherwise taking on lease for the purpose of the Company in any part of India or elsewhere any land (whether freehold, leasehold or otherwise without or with buildings standing there) On any machinery, plant or other property including trade mark, trade name and good will of every description (movable or immovable) necessary or expedient for any business Objects or prospective business requirement of the Company and any estate or interest in or right over any such property and by erecting, construction and maintaining on any lands of or in the possession of the Company buildings, structures, works, machinery, plants and let on hire and improve, and extend repair and alter, enlarge and remove all or anything for the time being the property of the Company and to expand for such purpose from time to time touch money as the Company may deem necessary or expedient subject to law in force
6. To enter into partnership form with internal intention to take it over with all Assets and liabilities and/ or to take over business of such forms against consideration and/ or to enter into any agreement for sharing of profit, amalgamation, Union of interest, Corporation, joint venture, reciprocal concession or otherwise with any person, firm for Company carrying on or engaging or carry on or engage in any business, or transaction, which Company is authorised to carry on or engage in or any business, undertaking or transaction which may seem capable of being conducted as to directly or indirectly benefits this Company or to amalgamate with any other Company having object similar or in path similar to those of this Company and to lend money, to guarantee the contracts of or otherwise assist any such person firm for Company to take or otherwise acquire or to be interested in



holding dealing disposing of shares stocks, debentures and other securities of any such Company.

7. To promote firm and register in the promotion, formation and registration of any Company or companies subsidiary or otherwise for the purpose of Acquiring all or any of the property, rights, assets and liabilities of this Company, or for any purpose which may seem directly or indirectly in or to take or acquire, hold, sell or otherwise dispose of shares, stocks debentures and other securities in law of such Company and to subsidise or otherwise assist such Company and to undertake the management or other work duties and business of such Company on such terms as may be arranged
8. To enter into any contract, arrangement or collaboration, financial or technical know how which may seem conducive to the object of the Company with any Government Body, Authority, Company or person either Indian or foreign, any rights, privileges and concessions which the Company may think desirable to obtain to carry out, execute and comply with such arrangements, rights, privileges and concessions
9. To do all or any of the above as principals, agents, contractors, trustees, leasees, licensee, or otherwise and by or through trustees, agents or otherwise and either as one or in conjunction with others and to do all such other things as are incidental to/ as the Company may think conducive to the attainment of the above objects or any of them
10. Subject to the provisions of section 73 of the Companies Act 2013 and the rules made there under and directives of Reserve Bank of India, to raise or to borrow money for any of the purposes of the Company by receiving advances of any sum or sums of money with or without security upon such terms as the Directors may deem expedient and in particular by taking deposits from or open current accounts with any individual or firms including the Agent of the Company or any banks or bankers (with or without giving the security) or be mortgaging or selling or receiving advances on the sale of any land building machinery goods other property of the Company or by issue of the debentures or debenture stock perpetual or otherwise charges upon all or any of the Company's properties (both present and



future) including its uncalled capital or by such other means as the directors may in their absolute discretion deem expedient

11. To draw, make accept endorse discount execute and issue promissory notes bills of exchange and hundies bill of lading warrants debentures and other negotiable instruments and to buy sell and deal in the same
12. To sell or in any other manner deal with or dispose of the properties or undertaking of the Company or any part thereof of for such consideration as the Company may think fit in particular for shares, stocks, debentures and other securities of any other Company having object similar or in path similar to those of this Company
13. To adopt such means for making known the business of the Company as may seem expedient and in particular by advertisement, circular purchase and exhibition of works of art of interest publication of books and periodicals and by granting prizes, rewards and donations or holding exhibition
14. To establish and maintain agencies at any place in India or other parts of the world for the conduct or the business of the Company or for the purchase and sale of any machineries merchandise commodities goods ware materials, produce, products, articles and things required for or dealt in or manufactured by the Company
15. To apply for purchase or otherwise acquire and protect and renew in any part of the world any patent right, brevets, invention, trademarks, formulas designs licences, concessions and the like concerning any exclusive or non-exclusive or limited right to their uses or any secret or any other information of any invention which may seem capable of being used for any of the purposes of the Company or acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account any property, rights or informations or improving any such patterns, inventions or rights.
16. To apply, receive, obtain and secure membership or privilege either in the name of the Company or its nominee in any association, exchange, market, club or other institution in India or any part of the world for furtherance of any business, trade or industry in which this Company is interested.



17. To apply for promote and obtain any charter, privilege concession, licence, authorisation, or registration from any Government Municipality Association, Union of Federation, provisional order or Licencee or any authority for enabling Company to carry on any of its objects into effect or for extending any of the powers of the Company or effecting any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to or for any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest
18. To purchase or otherwise acquire and undertake the whole or any part of any interest in the business, goodwill, property, rights and liabilities of any Company, firm or person carrying on any business, which this Company is authorised to carry on.
19. To invest and deal with the surplus moneys and funds belonging to or entrusted to the Company in lands, buildings, bullion commodities, articles, goods, negotiable instruments, advances against any property, goods, Government and Municipal Bonds and securities or any other bonds and securities, shares, stocks, debentures, bonds in such other investments and in such manner as may from time to time be determined, and to vary such investments and transactions, and to lend money to such persons, and on such terms and with or without security as may seem expedient and in particular to customers and to others having dealings with the Company and to obtain guarantee for the performance of contracts by any such persons.
20. To lend or advance money or to give credit to any person firm or Company and on such terms and conditions as may seem expedient and in particular to customer's members and others having dealings with the Company and give undertakings, guarantee or to become sureties for any such person, firm or Company but however the Company shall not carry on the business of Banking as defined under the Banking Regulation Act 1949.
21. To ensure with any person or Company or corporations against losses damages risks and liabilities of any kind which may affect the Company either wholly or partly.
22. To refer to or agree to refer any claim, demand, dispute or any other question against or for the Company or in which Company is interested concerned and whether



between the Company, the member or members of his or their representative between the Company and the third parties to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds, matters and things to agree to carry out or enforce the words

23. To receive commission, brokerage remuneration, fees, service charges etc. for the work done by the Company
24. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to formation and registration of the Company or the issues of its capital including brokerage and commission for obtaining application for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company and to accept, endorse and ratify bindingly any contract entered into by promoters before registration of the Company which the Directors deem fit and proper.
25. To remunerate (in cash or in kind or by allotment of fully or partly paid shares debentures debenture stocks or securities of this or any other Company or in any other manner whether out of the Company's Capital or profits or otherwise) to any person or persons for services rendered or to be rendered in purchase or sale of any property or introducing any business to the Company or for any other reason which the Directors may think proper.
26. To create any depreciation fund, reserve fund, sinking fund, insurance fund, provident fund, superannuation fund, gratuity fund, welfare fund or any special or other fund whether for repairing improving extending or maintaining any of the properties of the Company or for reduction of debentures or redeemable preferential shares or workers welfare for any other purpose whatsoever which is conducive to the interest of the Company
27. To provide for the welfare of the directors or ex directors employees or ex-employees of the Company or its predecessors in business and the wives, widows and families or the dependents or connections of such persons by constructing or by contributing to the construction of the house or by grants of money pensions allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing towards place of



instruction and recreation, hospitals and dispensaries medical and other assistance as the Company shall think fit and to subscribe or contribute or otherwise assist or to gift money to charitable religious, scientific, national, public or other useful institutions and parties or objects or purposes to any individual or body, subject to the provisions of section 182 of the Companies Act 2013.

28. To distribute among the members in special any property of the Company or the proceeds of the sale disposal of any property of the Company is subject to the provisions of the Companies Act 2013 in the event of winding up
29. Subject to provisions of the Indian Trust Act and rules framed there under to become one of the beneficiaries of any family trust or trusts in India or in any part of the world and to become trustee or trustees thereof or to do such other act that may be requisite thereof
30. To undertake, carry out, promote and sponsor rural development programme including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner without prejudice to the generality of foregoing "Program of Rural Development" shall also include any programme for promoting social and economic welfare of or the uplift of the public in any rural area to promote and assist rural development and that the words "rural area" shall include such areas as may be regarded to the rural development for the time being in force and in order to implement any of the above mentioned objects or purposes to transfer without consideration or as such fair or concessional value and divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any public institution or Trusts as may be approved in this regard
31. To undertake, carryout, promote and sponsor or assist any activity for the promotion and growth of national economy any for discharging social and moral responsibilities of the public as also any activity to promote national welfare of social, economic or moral uplift of the public or any section of the public and to undertake, carryout, promote and sponsor any activity for the publication of any



books literature, newspaper etc. or for organising lectures or seminars likely to advance these objects of, for giving merit award, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institution fund trust etc. having any one of the aforesaid object as one of it is object by giving donations or otherwise in any other manner in order to implement any of the above mentioned objects of officers to transfer without consideration or as such fair or concessional value and diverse the ownership of any property of the Company to order in favour of any public or local body or a 30 or central or State government or any public institution or trust approved in this regard

32. To establish provide maintain and conduct or otherwise substitute research Laboratories and experimental workshop for scientific and Technical research has experiments and test of all kinds and to promote studies and researchers were scientific and Technical investigations and invest inventions by providing subsidies in diving or assisting Laboratories workshops libraries let shows meetings and conferences and by providing for the operation of scientific and Technical professors for such teachers and by providing the award of exhibitions scholarships prize and grants to students or otherwise and generally to encourage promote and reward studies researchers investigations or any kind that may be considered likely To assist any of the businesses which the Company is authorised to conduct
33. To carry on the business as manufacturers producers of Transformers of all sizes shapes and every description voltage regulators batteries electrical storage systems battery parts electrical control panels or ports switches switch gears, poles battery chargers battery eliminators voltage stabilizer conductors pipe other tubes and structures fittings And Fixtures fabric case letters and for producers of all articles which are generally used in the aforesaid business or capable of being used in the business aforesaid and to act as engineers designers Consulting Engineers Electrical engineers and contractors in connection with or similar business and to do all acts and things which are ancillary or incidental to the carrying on of aforesaid business

To carry on the business of manufacturers of and dealers in wires cables and life of all kinds of insulating cables and wires rubber insulated wires and cables cab tyred



sheeted wires P.V.C cable and flexible paper rubber bitumen insulated lead covered power cables according to ISS or BSS long distance cables, signalling cables, bare copper and busbars of aluminium wires for armatures of dynamos, ship wiring, And to act as electricians and constructors and manufacturers of wires for try a electric train mechanical and chemical engineers and dealers in all operators and things required for capable of being used in connection with the generation accumulation distribution supply and Employment of electricity or other energy for lighting heating sound and power off or any of them compressed air gas team oil or any of them or otherwise and for that purpose to setup install purchase or otherwise acquire all plants machinery and equipment and manufacture of buy sell import export all such goods and plant and machinery and equipment in India and elsewhere to carry on the business of and electric light and power Company in all its branches and in particular to lay down construct and carry out all necessary cables wires lines accumulators lamps and works and to generate accumulate distribute and supply electricity for all purposes and to do all other acts and things which are in such as incidental or ancillary to the carrying on the office of the aforesaid business

35. To undertake establishment on turnkey basis or otherwise and to render technical know-hows.
36. To carry on trade or business of manufacturers, fabricators, buyers, sellers importers, exporters, dealers of all kinds of electrical switches relays, alarms indicators controllers regulator's electrical and electronic mechanical accessories other mechanical and electrical gadgets component parts of all the above products tools accessories productivity gadgets metal and other types of components, laminations, stampings, finished devices and spare parts and for that purpose to setup install purchase or otherwise acquire all plant and machinery and equipment factories workshops buildings spaces for the manufacture production repair maintenance of all the above or there likes or improvements and design engineer manufacture produce maintain fabricate improve all such machinery equipment and related facilities in India and elsewhere to buy sell import export and generally deal in the same and to do all acts and things which are incidental or ancillary to the aforesaid business

C. Other objects not included in object A and B above are:



1. To deal in assemble import by cell higher let out referred repair improve exchange build an altar plant care engines machines tools, equipment, motor parts and vehicle
2. to carry on the business of investments in all its aspects and branches and to subscribe take purchase or acquired by gift exchange or otherwise to hold issue Re issues cell deal in or otherwise dispose of shares (whether fully paid or partly paid) stock debentures depend stock bonds notes obligations and securities issued or guaranteed by any government servant rulers Commissioner Office public body or authority is Supreme dependent Municipal local or otherwise in any part of the world immovable property is freehold or leasehold to lend money with or without security to under right shares debentures stocks bonds notes
3. To carry on all or any of the business of printers, stationers lithographers type founders publishers and dealers in or manufacturers of any other kind articles or things of a kind similar or analogous to the foregoing or any of them or connected therewith
4. To carry on business as Publishers of printers of journals magazines books or other works related to agriculture industry commerce and scientific technical or allied matters
5. To carry on in India and in any part of the world the business of insurance agents finances Company promoters merchant contractors guarantee brokers careers charters wharfingers warehouseman Commission agents forwarding agents muccaudums and brokers.
6. To carry on in any of their respective branches all or any of the business of quarry proprietors, stone and granite merchants contractors Commission agents dealers and exporters and to mine excavate search for get win raise make market use cell and cut to size dispose of granite stone cold Coke line by product Minerals and mineral substances and product within or under any property licences formation or control of the Company and to process prepare and manufacture cement cement blocks bricks saving law to mix process and utilise tar macadam bituminous Road materials any or all and others of the materials of things which the Company may manufacture process acquire or which may be useful incidental and necessary to carry on any of the above mentioned business function or trade



7. to carry on the business of manufacturers of and dealers in rayon cotton Silk woolen linen jute and other plants of all kinds of fabrics manufactured from such Yarns and all kinds of imitation leather and rubber and also waterproof goods and articles manufactured therefrom dress preserves dress lining book lining trunk lining umbrellas parcels flags tents picture frames artificial flowers and surgical appliances folders clothes table cloths and American clothes
8. To purchase sell import export manufacturer pack, replace or otherwise be in all types of toothpaste toothbrush face powder face cream face Foundation skin cream hair dyes shaving soaps and cream shaving brushes blends and raises after shave soap medicated soap leather soap abrasive cleaners elastic bandages and combinations thereof quill, pens toothpicks brushes toilette requisites and preparations lipstick eyeliners hair removers, mascara, hair oil, sprays, perfumes and other cosmetics
9. To establish maintain manage and operate restaurant refreshment room buffet cafeterias and Hotel of every description and carry on the business of general profession merchant licence victuallers, wine and spirit Merchant and tobacconist
10. To raise, win, get, quarry, crush, smelt, refine amalgamate and prepare for market the produce of any mine whether the property of the Company or not and whether in India or elsewhere and to carry on any other metallurgical operations and to sell dispose of an deal and such produce and any materials or substances resulting from or to be obtained in the process of melting refining or manufacturing the same and either feed from or in combination with other substances
11. To purchase manufacture or acquire or otherwise vehicles for public transport for passengers of Courts in India and elsewhere and to carry on the business of public transportation of passengers and goods and to maintain garages with all the plant and machinery equipment for the maintenance of the vehicles used for the purpose of the Company or otherwise and to buy and sell all parts and accessories fittings furnishings required for the use of such transport system and rooms and other lodging place for the safety of passengers and godown for storage of goods for carrying on the business of transport business and do all such other things which are conducive to the attainment of the business of road transport



12. To carry on trade or business of manufacturing, assembling engineering, designing, developing, importing, exporting, buying, selling and stocking, hiring, renting all kind of each moving and agricultural machines and equipment and attachments thereto and their accessories and components whether mobile or otherwise and all other types and kinds of agricultural machinery of every description which is generally used in agriculture including water pumps, tubewell equipment or which is capable of being so used in agriculture and nil stores and spare parts and for thru purpose to set, erect, purchase or otherwise acquire, factories, workshops and other related facility for the manufacture, production, assembly of all the above and the like machinery and equipment and to buy, sell, Import and export and generally deal in the same.
13. To carry on the business and trade of saw mill proprietors, timber and wood merchants, growers and debtors of all types of timber for any use or purpose, manufacturers of goods and all kinds of furnitures, doors, planks, reffers, boards, platforms, building materials and articles of every description, made out of timber or plywood or from other types of mixture or ingredients or partly made of any wood and any fibre or other material coatings, laminations or fusions bricks, cement, glass, stone, tiles, suppliers for production of any type of such goods or articles, and for that purpose to install, set up, purchase or otherwise acquire saw mills, planting, moulding, turning mills any timber estates in India and elsewhere to carry on the aforesaid trade or business and to act as suppliers of all such articles, Importers and exporters, contractors, commission agents for such business including acting as carpenters, carriers, haulers, builders, painters, decorators, wood carvers, office and shop and other outfitters and owners of bruges, rafts, boat docks, other vessels for haulage of timber by land, sea, river and other waters and suppliers of all shutters, scaffolding for building purpose and acting as contractors tor such work anywhere.
14. To carry on trade or business of manufacture, production preparation of vegetable oils of every type and every description' nod or extraction of Oil by\means of any process whatsoever, from rice bran, oil cakes, oil seeds, nuts and grasses or other substances yielding oil or essence and to manufacture alternate types of crude pits therefrom, refine or double refine the same and to manufacture, deal, prepare, pack,



distribute or otherwise, deal in, export and import all oils or raw materials and chemicals for the manufacture of all types of oils.

15. To purchase or otherwise acquire on lease, agricultural land and/or to give, let out, lease, exchange, any of the lands or a part thereof of the Company, to cultivators for setting up farms, agricultural houses, orchards, gardens, for tilling and cultivating and/or for growing crops and/or vegetables, fruits, flowers, seeds, plants and all other types of cash crops, agricultural dairy and horticultural produce and its by-product and to set up industries based on agricultural produce and to grow, raise, produce, buy, import, export, sell, trade, process, grind, and deal, in all the aforesaid business usually trade in and/or enter into contracts with cultivators for acquiring purchase, barter, grant, exchange or otherwise the crops and other produce grown or cultivated by them and to give loans, advances, credits, subsidies, to such cultivators, who are lessees, licensees, grantees of such Company's land for earning on all such aforesaid business and incidental to the agricultural activities.
16. To apply for tender, purchase or otherwise acquire contracts, subcontracts, licences and concessions, to carry on trade or business as contractors for the construction of all types of buildings, stadiums, monuments and structures of all types of building, stadiums, monuments and structures including houses and shopping complexes and works of every type and description on any land in India or in any parts of the world and to pull down, construct, repair, alter, rebuild, improve existing facilities in buildings, warehouses, structures and/or providing other facilities like roads, lighting, waterworks, sewage system, air conditioning and or heating gardens, parks, markets, conveniences required for such structure building and housing schemes and for that purpose or otherwise to purchase, to take on lease, rent, licence & concessions otherwise acquire or to carry on the manufacture of bricks, metal (stone), fabrication, prestressed materials, precast, R.C.C. or other building material of any kind whatsoever and all implements, machinery, bulldozers, tractors, engines, transport vehicles, scaffolding and all things used by builders, civil, mechanical, structural, and electrical contractor, and/or engineers and generally to take on hire, exchange, lease deal in suit properties, buildings structures and complexes of all kinds and of every description, and in act as property and estate dealers, landlords,



developers, auctioners, receivers trustees of lands, tenures, estates for any person whosoever.

17. To carry on the business of construction contractors and engineers (mechanical, structural, electronics, electrical, canal, civil, erection, tiny nr in nil of its branches) and to enter into any contracts in relation to and to erect, lay out, develop, construct, build, demolish, re-erect, alter, repair, remodel, supervise, control, mintage, restore, in any part of India or in liny purl of (he world nr otherwise assist, contribute, subsidise, associate, collaborate, to take part or participate in the construction, maintenance, development, workings, control and management thereof or do tiny other work in connection with any building or building scheme either individually or jointly with any other Company or companies, person or persons, works of all description including roads, highways, ducks, ships, sewers, drainages, bridges, canals, wells, springs serais shafts, water works, courses, dams, power plants, power generators, harbours, wharves, ports, swimming pools, labour quarters, offices, reservoirs, embankments, tramways, tunnels, barracks, Irrigations, reclamations, improvements, sanitary, water, gits, electric, tights, telephonic, telegraphic and power supply works, furnaces, mills, crushing mills, factories, electrical works, industrial estates or any other structural or architectural work of any kind whatsoever and for such purpose to prepare estimates, designs, plans, specifications & models etc.
18. To carry on trade or business in India or elsewhere of manufacturing, producing, preparing, fertilizers of all type and of every description, heavy chemicals, heavy water and their by-products all organic and inorganic chemical compounds and their derivatives and mixtures thereof and all by-products thereof and for that purpose to set up all plants, machinery and equipment and to manufacture, product, mainbun, repair, hire and otherwise deal in ail such plants including their import and export and to research and development both in respect of the fertilizers to be used under Indian conditions or any of the countries of the world and to undertake the technical and economic feasibility studies far any person Central or State Governments in Indian or any other body of authority municipal, district board or otherwise or for any foreign national of foreign governments subject to Applicable Law and to act as agents for the purchase, sale, import and export of all types of fertilizers and to



carry on all and every act and thing which is incidental or ancillary to the foregoing business.

19. To act as Consultants, Advisors, planners,, designers investigators, analyses, technical, management, financial, industrial, trading,, commercial, medical, accounting and legal Advisors in India or abroad for planning, designing, erecting, fab fabric, constructing, advising, executing, commissioning, civil, electrical, mechanical, metallurgical, hydraulic ecological, environmental, structural, agricultural, dairy farming, wood and or forest based products, water sewage and effluent treatment, water, air and control generation Steel plants, mining, chemical, fertilizer, ferrous and non-ferrous metallurgical industry, ceramics Railways Wagon building, bogeys building, structurals, Road, ship, air or any other type of transport, means of communication, auxiliary and ancillary implements, land reclamation, water supply, pipes, tubes, gas cylinder of any kind.
20. to undertake, add, remote, assist, participate, co-ordinate, project studies, advise clients on the On the comparative merits or otherwise, arrange collaborations, extend technical assistance and Consultancy Services, prepare schemes, project reports, estimates, commissioning of the unit on turnkey basis, market research and studies, arrange technicals & financial agreements, set-up production techniques, assist in finding out markets for the finished goods, secure investments of foreign capital in Indian undertakings and enterprises; design, manufacture and deal Irf equipment for and on behalf of the clients, provide personnel recruitment services, carry on business of industrial consultants and for the above purposes establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshop for the scientific technical and otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist the said services to the clients.
21. To carry on the business of manufacturer of and dealers including importers and pulp, and photographic paper, pasteboard, curd hoards, straw and straw boards and pulp boards, leather boards, millboard, corrugated boards, duplex and triplex boards, bard boards, plywood boards soda pulp, sulphide pulp, chemical and semi-chemical pulp, including such palpus is manufactured from all types of raw



- materials such as timber, bamboos, grasses, sugarcane, bugnssee, cotton linters, lint cotton waste and any kind of coated papers with all types of materials resins and plastics and to manufacture tiny other articles which can be manufactured out of compressed paper or paper stock and to buy and sell in either raw or partially prepared state all such fibers, fibrous substances or materials as may Furnish materials for paper manufacture and to cultivate and prepare the same for use.
22. To manufacture and deal in calcium carbide, caustic soda, bleaching agents and products and by-products of the soda chlorine electrolytic process and to manufacture, process and deal in lime, clay, suit, chemicals and materials required the manufacture process and deal in lime, clay salt chemicals and materials required in the manufacture of pulp, paper and board and connected therewith.
23. To carry on the business as manufacturers, producers, refiners exporters and importers and dealers in sulphur, sulphur sludge, sulphur power, sodium sulphate, copper sulphate, iron sulphate, alums of all grades, zink sulphate, lime powder, calcium carbonate ail types of acids, pesticides, pharmaceutical, resins, coal tar, chemicals like nephthalene, creosote oil, Naphtha and its all other allied products, solvents, polymers dyes, detergents, dytis intermediaries, detergents and all raw materials and compounds required for the manufacture of above products, made from or use of any of the bye-products thereof.
24. To carry on the business of manufacturers, refiners, importers and exporters of and dealers ami merchants in copra, cottonseeds, linseed, casirosced, salseed, ground nuts or any oilier nut or feed or oil bearing substance whatsoever and oils & cakes manufactured therefrom and to carry on the business of extracting oil either by crushing or by chemical or solvent, extraction process or any other process from the groundnut, copra cottonseed, till-seed, rape-seed, sal-seed, safflowers, tobacco seed, kamni seed, mahua linseed, caster seed, soyabeans, rice bran or from any other nuts & seed, oil-cake or other oil heating substances whatsoever.
25. To set up steel furnaces, arc furnaces, continuous casting units, rolling mills, forging shops and all other related plants and mills- In order to Carry on the business of moulding or ferrous and non- ferrous metals, including cast iron, aluminium, brass, special steels, alloy steels, all type of steel Castings, malleable steel and castings



5.C. Iron castings, high manganese steel castings, precious castings, nickel based castings, special castings, heat resistant, anticorrosive alloy castings, forgings, till types, of forged components, light or heavy forgings of all types, rough or machined, grinding machines of every description whether forged or cast or otherwise. Steel smelters, steel processors, sheet fabricators, drawers, rollers, re-rollers, forgers, structural, converters, steel shapers, mechanical, Civil, electrical, and general engineering repairs, coal meters, tool makers, metal-workers, railway tracks and wagons components accessories and for the aforesaid buy, purchase, take on lease or hire, take over, acquire, participate, import, export, manufacture, process, repair, convert, sell, let on hire or otherwise deal in and distribute such products, their raw materials, stores, packing materials by products and allied commodities, machineries, rolling stocks, implements, tools, utensils, ground tools, materials, and conveniences of all kinds and generally to carry on the said business in all its forms or in any of its branches, and to carry on all or any other business of iron and steel, manufacture, refine, smelt, machine, metal working and garage men, smithy, metallurgical, gas making, wire, drawing, tube, making, plating, galvanising, japanning, enameling, electroplating, polishing, packing, welding manufacturing of shafts, wheels, axles and other parts required for assembly, alloys, nut bolts, rivets, steel rounds, nails, tools, fasteners, and other products finished or semi-finishing having steel contents and for the aforesaid activities net as traders, brokers, merchants, hirers, hire purchase, dealers, repairers, exporters, importers industrialists, financiers, commission agents, clearing and forwarding agents, carriers and haulage contractors, auctioneers, warehouseman stores.

26. To carry on the business of manufactures of and dealers in air conditioning and refrigeration equipment, consumer & domestic appliances, radios and transistors, electronic equipment including television and computers, oxygen and acetylene, electrodes, weighing scales, cement, refractories, batteries, agricultural equipment, thermometers, flashlight, detonators and explosives starch and by-products, wire ropes, linoleum, vinyl tiles, glass, calculators, typewriters, and all forms of office equipment, magnets, gauges and precision instruments, conductors, rectifiers, capacitors, meters, matches grinding and abrasive equipment, potteries.



27. To manufacture all kinds of electrical conducted and insulated wire for power generation, transmission and distribution to manufacture, deal, trade, export, machines and plants equipment and accessories' for manufacture of electrical conductors and transformers, insulated wires and electrical equipment and to do all kinds of business in all varieties of electrical conductors, cables, insulated wires and other equipment.
28. To carry on the business of electric supply in all its branches and in particular to construct, laydown, establish, fix and carryout all necessary power stations, cables, wire lines, accumulators, harps and works and to develop and accumulate at places for which license may be obtained and to transmit, distribute and supply throughout the area of supply named therein and without prejudice to the generality of the above to transmit, distribute and supply such power to and for the purpose of feeding the plants of the Company and generally to develop and accumulate power at any such places and to transmit, distribute and supply such power for lawful purpose.
29. To carry on the business of manufacturer or dealers in, hirers, repairers, cleaners, runners, caterers, stores and warehouses of motorcycles, cycle, cars, motor, scooters, cycle (tractors, trucks, three wheelers, bicycles and carriage, lifts, forklifts and handling equipment; launches boats; vans, aeroplane, helicopters, hydroplanes any other conveyances of all descriptions (all hereinafter comprised motor and other thing) whether propelled or assisted by means of petrol, spirit, gas, electricity, animal power and of engines, tyres, fuel injection equipment, chassis telehosts, bodies component - parts, accessories, fittings, and other things, used for, in or connection with motors and other things their manufactures maintenance and working thereof including engine valves, tyre valve brake linings.
30. To carry on the business as manufacturers spinners, weavers packers, importers, exporters, buyers, sellers, brokers and dealers in polythene woven sacks of every description such as high density polythene woven sacks, H.D. 16, polyester staple fibers, polypropylene, polyester polypropylene staple, fibre, polypropylene filament polyacrylonitrile, staple fibre, H.P.P.E./ P.P. woven sacks on circular looms, P.V.C, sheets, plastics, nylon, filament yarn, viscose polymers, chemical and synthetic



fibre, cellulose, cotton, jute, silk, artificial silk, rayon hessian, twills including jute bags, nylon bags, carpels, twines and ropes of every description.

31. To carry on the trade and business its producers manufacturers processors, refiner, importer, exporter, and dealers, whether in wholesale or retails, brokers, agent, stockists, distributors, suppliers of all kinds of cement whether ordinary, white, coloured portland, pozzol and, alumina, blast furnace, silica, concrete, mortar or otherwise and cement products of every kind including hydrated lime, sago, plaster of paris, fireclay powder, fire bricks, lead proof compounds hollow cement bricks asbestos sheets pipes, poles slabs, blocks, tiles concrete prefabricated structural concrete, railway sleepers, garden wares, and other-wise and articles, thing, compounds and preparations connected with the aforesaid products and in connection therewith to erect, construct, establish, work operate, tank on lease or acquire and maintain cement factories, quarries, mines, workshops and other works such as crushing of various minerals e.g. redoxide, orchesslennas, baryles, calicite, gypsum, limestone, china clay, soap, stone, quartz and silica.
32. To carry on trade and business of a manufacturer', purchaser, dealers, importers, exporters and processors of all types of mineral wool and other insulating materials used for insulation purpose to check heat tosses.
33. To manufacture, buy, let on hire, repair, alter electric pole, telephone poles, tubeless structures, steel furniture and alternate kinds of tubes through electric resistance welding process and or any of other process; sanitary, structural, cycle steel, tubes, conduit tubes and other allied machinery though welding; galvanising or fabrication of ferrous and non ferrous metals and chemicals.
34. To undertake and acquire by purchase or otherwise or to establish works for the business of brewers, distillers and manufacturers of and merchants and dealers in bear, wines, spirits, aerated waters and liquors of every description whether intoxicating or not and to carry on the business of bottlers, canners, preservers, co-opers, dehydrators, maltsters, manufactures, dealers, merchants of fruits, herbs, vegetables, plants and liquors, of every description including Indian made foreign liquor, Country Liquor, by products therefrom, tonics, vinegars, acetic acid, glucose, porter, maltshops, carbonic acid gas, mustard, pickles, sauces and all or



any other commodity and things which may be conveniently used or manufactured in conjunction with any of the above business.

35. To carry on the business of electrical engineers and manufacturers and dealers of all and every kind of electrical plant and machinery, equipment and apparatus and accessories including lamps, engines, meters, dynamos, batteries, voltage stabilizers, bulbs, sockets, shades and other manufacturers for use in any electrical or mechanical equipment or apparatus.
 36. To carry on the business of manufacturers of all types and of every description of electronic equipment, appliances and apparatuses and maintenance thereof, dealers in such equipment, appliances and apparatuses including radios, television, telecommunication equipment and researches, and development of electronic goods of every description and manufacture of plants, machinery and tools for all the business as aforesaid.
- IV. The liability of the members is limited.
- V. **The Authorised Share Capital** of the Company is Rs.1550,00,00,000/- (Rupees One Thousand Five Hundred and Fifty Crores Only) divided into 155,00,00,000 (One Hundred and Fifty Five Crores) Equity Shares of Rs. 10/- each.



THE COMPANIES ACT, 2013

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

JHABUA POWER LIMITED

I. PRELIMINARY

1. Subject as hereinafter provided, the regulations contained in Table 'F' in schedule 'I' of the Companies Act, 2013 as amended shall apply to the Company.
2. The following expressions shall have the following meanings unless there be something in the subject or context inconsistent therewith:

"Acceptance Notice" has the meaning ascribed to it in Article 47B(b).

"Acceptance Notice Period" has the meaning ascribed to it in Article 47B (e).

"Act" means the Companies Act, 2013 as amended from time to time and shall include any statutory replacement or re-enactment thereof.

"Affiliates" of the Company or any Shareholder means (i) in the case of the Company or any Shareholder other than a natural person, any other Person that, either directly or indirectly, through one or more intermediate Persons, Controls, is Controlled by or is under common Control with such Party; (ii) in the case of the Company or any Shareholder that is a natural person, (A) any other Person that is a relative of such Person; and (B) any Person that is directly or indirectly, through one or more intermediate Persons, Controlled by, or under common Control of such Person;

"Applicable Law" means and includes (but is not limited to), all applicable:

- (a) administrative interpretation, writ, injunction, order, direction, ruling,



directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with or issued by any governmental authority or recognized stock exchange or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or at any time thereafter;

- (b) statutes, enactments, acts of legislature or parliament, laws, regulations, ordinances, rules, by-laws, circulars, notifications, or policies of India or of any other jurisdiction to which the Company or NTPC or the Trustee is accustomed and obliged to comply; and
- (c) international treaties, conventions and protocols, as may be in force in India from time; to time.

"Articles of Association" or "Articles" shall mean these set of regulations that govern the functioning of the Company, and any individual "Article" shall refer to the regulations appearing against the said number.

"Board" shall mean the board of directors of the Company as constituted from time to time.

"Board Meetings" means a meeting of the Board, duly convened and held with quorum as provided in Article 93.

"Bonafide Third Party" means a Person who is not an Affiliate or a Related Party of such Person.

"Bonafide Third Party Sale Period" has the meaning ascribed to it in Article 47B(f).

"Business Day" means a day on which commercial banks in New Delhi (India) are open for the conduct of general banking business.

"CEO" has the meaning ascribed to it in Article 103B

"CFO" has the meaning ascribed to it in Article 103B.

"Chairman" has the meaning ascribed to it in Article 95.



"Company" means **Jhabua Power Limited**

"Control" shall have the meaning ascribed to it in the Act

"Deadlock Event" has the meaning ascribed to it in Article 109B.

"Deed of Adherence" means the deed of adherence in the form and manner attached as Schedule B to the Articles.

"Directors" means the Directors for the time being of the Company, or as the case may be, the Directors assembled at a Board meeting.

"Dividend" includes bonus.

"Effective Date" means the Transfer Date on which payments are made by NTPC under the approved Resolution Plan.

"Equity Securities" means Equity Shares or any other securities which are convertible into Equity Shares

"Equity Shares" shall mean voting equity shares in the Company of face value Rs. 10 as may be authorized, issued, subscribed or paid up from time to time.

"Equity Share Capital" means the paid-up share capital of the Company taking into account only the fully paid up Equity Shares.

"In Writing" and **"Written"** include printing, lithography, and other modes of representing or reproducing words in a visible form.

"Lock in" has the meaning ascribed to it in Article 47A.

"Memorandum of Association" means the Memorandum of Association of the Company.

"Month" means calendar Month.

"Non-Selling Shareholder" has the meaning ascribed to it in Article 47B (a).

"Notice of Arbitration" has the meaning ascribed to it in Article 109E.



“NTPC” means NTPC Ltd., a Company limited under the Companies Act, 1956 and having its registered office at NTPC Bhavan, SCOPE Complex, Institutional Area, Lodhi Road, New Delhi – 110003 and shall include its successors-in interest, permitted assigns and permitted transferees.

“NTPC Nominee Directors” has the meaning ascribed to it in Article 76A

“Office” means the Registered Office for the time being of the Company.

“Ordinary Course of Business” means the ordinary course of business consistent with any business, custom and practice of the Company.

“Proposed Issuance” has the meaning ascribed to it in Article 5A (a).

“Proposed Issuance Notice” has the meaning ascribed to it in Article 5A (c).

“Person” means any individual, body corporate, partnership, association, Company, joint venture, Company, trust (including a discretionary trust), general partnership, limited liability partnership, limited liability Company, unincorporated organization or any other enterprise, or governmental authority and **“Persons”** shall be construed accordingly

“Public Holiday” means a public holiday within the meaning of the Negotiable instruments Act, 1881; provided that no day declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.

“Referral Deadline” has the meaning ascribed to it in Article 109B.

“Register” means the Register of Members to be kept pursuant to the Act.

“Registrar” means the Registrar of Companies of the State in which the Office is situated.

“Related Party” means, in relation to a company: (i) any shareholder of that company holding 2% (two per cent) or more of the paid up equity share capital of that company; (ii) any director of that company; (iii) any officer of that company;



(iv) any Relative of a shareholder, director or officer of that company; (v) any Person in which any aforesaid shareholder, director or officer of that company has any interest, other than a passive shareholding of less than 1% (one per cent) in a publicly listed company; (vi) any other Affiliate of that company or of a shareholder of that company; and/or (vii) a related party within the meaning of any accounting standards.

“Reserved Matters” means and includes:

- (a) Buy back of securities of the Company.
- (b) Payment of dividend by the Company.
- (c) Merger, amalgamation, demerger or any other form of corporate restructuring of the Company.
- (d) Any decision pertaining to voluntary winding up/ insolvency/ liquidation of the Company.
- (e) Any amendment to the articles of association and the memorandum of association of the Company.
- (f) Any decision pertaining to change in the nature of business or starting of a new business by the Company.
- (g) Raising further indebtedness and creation of further security interest over the assets of the Company in connection with such indebtedness; provided that any indebtedness raised towards meeting the capital expenses as envisaged under the Resolution Plan will not be covered under this provision.
- (h) Further issuance of shares of the Company in one or more tranches.
- (i) Disposal of assets of the Company, when the total value of such assets exceeds 5% of the net worth of the Company; or disposal of an undertaking of the Company where the total investment in the undertaking exceeds 5% of the net worth of the Company or if the undertaking generates more than 5% of the total income of the Company.
- (j) Grant of any loans or advances to anybody corporate or person or provide any security in connection with a loan to any other body corporate or person except in the Ordinary Course of Business.
- (k) Any decision pertaining to creation of Subsidiary.



- (l) Change in accounting and tax policies other than as may be required under the Applicable Law.
- (m) Making any investment in any Person.
- (n) Undertaking any related party transaction.

“Right to Match Acceptance Notice” has the meaning ascribed to it in Article 47B(f)

“Right to Match Sale Period” has the meaning ascribed to it in Article 47B(f).

“ROFO Notice” has the meaning ascribed to it in Article 47B (a).

“ROFO Notice Period” has the meaning ascribed to it in Article 47B (b).

“ROFO Terms” meaning as prescribed in Article 47B (c).

“Sale Shares” has the meaning ascribed to it in Article 47B(a).

“Sale Shares Transfer Period” has the meaning ascribed to it in Article 47B (e).

“Seal” means the Common Seal for the time being of the Company.

“Secured Financial Creditors” means the financial creditors whose details are set out in Schedule A of the Articles.

“SHA” means the Shareholders Agreement dated September 5, 2022 executed amongst the Shareholders.

“Selling Shareholder” has the meaning ascribed to it in Article 47B(a).

“Shareholder(s)” means any person who owns Equity Shares of the Company

“Shareholder Quorum” has the meaning ascribed to it in Article 57.

“Shareholders Meeting” means a meeting of the Shareholders, duly convened and held with Shareholder Quorum;

“Subsidiary” of a Person means an entity whose 100% paid-up share capital (including any beneficial interest therein) is owned by that Person or a listed entity which is Controlled and whose more than 50% of paid-up share capital (including



any beneficial interest therein) is owned by the Person, provided that in case of a listed entity, the balance shareholding should not be held by a joint venture partner or an investor having special rights in the entity;

“Tag Along Right” has the meaning ascribed to it in Article 47C(b).

“Tag Notice” has the meaning ascribed to it in Article 47C (a).

“Tag Offerer” has the meaning ascribed to it in Article 47C (a).

“Tag Recipient” has the meaning ascribed to it in Article 47C (a)

“Tagged Shares” has the meaning ascribed to it in Article 47C (b).

“Third Party” means any Person other than the Company or the Shareholders or their respective Affiliates;

“Transfer” means and includes any direct or indirect sale, assignment, lease, transfer, pledge, gift, encumbrance or other disposition of or the subjecting to an Encumbrance of, any property, asset, right or privilege or any interest therein or thereto.

“Transfer Date” means the date on which payments are made by NTPC under the approved Resolution Plan.

“Trustee” means Axis Trustee Services Limited, who is the trustee of Lender’s Equity Trust settled by the Company for the benefit of the Secured Financial Creditors as set out in Schedule A of the Articles, acting on behalf of and for the benefit of the Secured Financial Creditors entered into the SHA. The Company shall not be obliged to entertain any instructions or other communication on behalf of the Secured Financial Creditors from any Person other than the Trustee.

“Trustee Nominee Directors” has the meaning ascribed to it in Article 76A.

Words importing the singular number also include the plural number and vice versa.

Words importing the masculine gender also include the feminine gender. Words importing persons include corporations.



Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

The marginal notes, if any, are inserted for convenience and shall not affect the construction of these Articles.

II. CAPITAL

(1) Share capital

3.1. The authorised share capital of the Company shall be such as may be prescribed under Clause V of the Memorandum of Association of the Company from time to time and shall be capable of being increased in accordance with these presents and the provisions of the Act for the time being in force in that behalf with the powers to divide the share capital, whether original or increased into several classes and conditions in such a manner as may for the time being be provided by these presents and allowed by the Act.

3.2 The Company may, from time to time by an ordinary resolution increase the authorized share capital of the Company by such sum to be divided into shares of such amount and of such classes with such rights and privileges attached thereto as the general meeting shall direct by specifying the same in the resolution and if no directions be given, as the Directors may determine.

3.3. Subject to the provisions of Section 61 of the Act, the Company may by an ordinary resolution:

- a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- b) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

c) re organize or sub divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, so



however, that in the sub division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

d) cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish, the amount of its share capital by the amount of the shares so cancelled.

3.4. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law its share capital, any capital redemption reserve account or any share premium account, and

3.5. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

To every such separate meeting, the provisions of these articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

The rights conferred upon the holders of the shares of any class issued with preferred or other right shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

3.6. The shares shall be under the control of the Directors who may, subject to Applicable Law, the provisions of the Act and these Articles, issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and at such time as the Directors think fit and with full power to give to any person the option to call for any shares, either at par



or at a premium.

3.7. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

3.8. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act and the applicable rules framed under the Act, the Company may purchase its own shares or other specified securities.

3.9. Left Blank.4. Dematerialization of shares:

4.1. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its shares and to offer shares in a dematerialized form pursuant to the Depositories Act, 1996. Accordingly, the provisions of the Act and the relevant rules made thereunder which are applicable to a company issuing shares in dematerialized form shall apply to the Company.

4.2. Left Blank. 4.3. Left Blank.

4.4. Left Blank.4.5. Left Blank.4.6. Left Blank.4.7. Left Blank.4.8.
Left Blank.4.9. Left Blank.4.10. Left Blank.4.11. Left
Blank.5. Left Blank.

5A. Issuance Of Further Equity Securities

(a) In the event the Board decides that the Company requires further infusion of capital (“**Proposed Issuance**”), the Company shall provide a right of first offer to the Shareholders to participate in any Proposed Issuance on rights issue basis.

(b) NTPC shall be offered Equity Securities up to 50% or pro-rata to its then existing shareholding (on Equity Share Capital basis) and the Trustee (for the benefit of the Secured Financial Creditors) shall be offered Equity Securities up to 50% or pro-rata to its then existing shareholding (on Equity Share Capital basis).



- (c) Subject to the requirements under Applicable Law, the Company shall give written notice of any such Proposed Issuance to NTPC and the Trustee (for the benefit of the Secured Financial Creditors) and such notice (“**Proposed Issuance Notice**”) shall specify:
- (a) the number and class of Equity Securities proposed to be issued;
 - (b) the price per Equity Securities payable for subscribing to the Proposed Issuance;
 - (c) the manner and time of payment of the subscription amount; and
 - (d) the date of the Proposed Issuance.
- (d) NTPC and the Trustee shall communicate in writing whether or not they would participate in the Proposed Issuance within 30 (thirty) days from the date on which it received the written notice referred to in Article 5A (c). If the Trustee chooses not to exercise or waives its rights the Company shall offer the unsubscribed portion of the Proposed Issuance to NTPC, who shall be required to respond within 45 (forty-five) Business Days from the date on which it received a notice to subscribe to the unsubscribed portion of the Equity Securities,. It is hereby clarified that if NTPC elects to subscribe to the unsubscribed portion of the Equity Securities, it shall subscribe for all and not a part of the unsubscribed Equity Securities.
- (e) NTPC shall have the right to designate any of its Subsidiary to subscribe to any Equity Securities in its place, provided that the Subsidiary agrees and undertakes to be bound to the terms and conditions of the SHA and executes the Deed of Adherence. The Proposed Issuance when consummated shall be allotted to the subscribers at a price not lower than the price specified in the Proposed Issuance Notice.

6. Left Blank.

7. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.



8. Left Blank. 9. Left Blank. 10. Left Blank. 11. Left Blank. 12. Left Blank. 13. Left Blank. 14. Left Blank.

(3) Joint-holders of Shares

15. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint-owners with benefit of survivorship subject to the provisions following and to the other provisions of these Articles relating to joint-holders.

- (a) The Company shall not be bound to register more than four persons as the joint-holders of a share.
- (b) The joint-holders of share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share.
- (c) On the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit.
- (d) Only the person whose name stands first in the Register as one of the joint holders of any share shall be entitled to service of notices by the Company, payment of dividend, issuance of bonus shares and all or any other matters connected with the Company, save and except those in relation to which anything to the contrary has been provided in these Articles.

(4) Calls

16. Subject to the provisions of the Act and subject to the terms on which any shares may have been issued, the Board may from time to time make such calls as they think fit upon the members in respect of all monies unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium) respectively, and not by the conditions of allotment thereof made payable at fixed times, A call may be revoked or postponed at the discretion of the Board. Provided



that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. 18. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
19. Left Blank. 20. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent (10%) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 20A. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. Left Blank. 22. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance. No member paying any such sum in advance shall be entitled to any



voting rights, dividend or right to participate in profits in respect of money so advanced by him until the same would but for such payment become presently payable.

(5) Forfeiture and Lien

23. If any member fails to pay any call or installments on the day appointed for the payment of the same, the Board may, at any time thereafter, during such time as any part of the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued.
24. The notice shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made e) and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
25. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect...

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

26. Left Blank 27. Left Blank. 28. Left Blank.
29. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. 30. Left Blank.

A duly verified declaration in writing that the declarant is a Director or the manager or the secretary of the Company and that certain shares in the Company have been



duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. Such declaration and the receipt of the Company for the consideration if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares.

31A. The provisions of these Articles as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

32. (i) The Company shall have a first paramount lien

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

33. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or



(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

34. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

35. **Left Blank.(6) Transfer and Transmission of Shares and Debentures**

36. Left Blank

37. Left Blank.38. Left Blank.39. Left Blank.40. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

Left Blank.42. Left Blank.43. Left Blank.



44. Left Blank.
45. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. Nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons
46. Any person becoming entitled to shares or to transfer shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title as the Directors think sufficient may with the consent of Directors (which they shall not be under any obligation to give) be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. This Article is hereinafter referred to as 'The Transmission Article'. Subject to any other provisions of these Articles, if the person so becoming entitled to shares under this or the last preceding Article shall elect to register himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the shares to some other persons he shall execute an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitations, restrictions and provisions of the Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
47. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:



Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

47A. **Lock in Period**

The Shareholders shall not transfer its shareholding in the Company to any Person for a period of 3 (three) years from the date of Transfer Date ("**Lock-in**"); provided that, the Lock-in will not apply in case - (i) NTPC transfers its entire or a part of its shareholding to a Subsidiary, provided that such Subsidiary executes a Deed of Adherence to be bound by the terms of the SHA; or (ii) NTPC transferring Equity Shares to nominees to meet the minimum shareholding requirement for public companies as prescribed under the Act, subject to such nominees executing a Deed of Adherence.

Inter-se transfer of beneficial interest in the Trust between the Secured Financial Creditors shall be permitted during the term of the SHA. Provided that, no new party shall be added as beneficiary of the Trust during the term of the SHA.

47B **Right of First Offer on Expiry of Lock-in**

- (a) After the expiry of the Lock-in, if NTPC or the Trustee ("**Selling Shareholder**") intends to sell all their Equity Shares (and not less than all Equity Shares) ("**Sale Shares**") to a Bonafide Third Party, the Selling Shareholder shall give a written notice ("**ROFO Notice**") of its intention to sell to the other Shareholder, i.e. NTPC or the Trustee as the case may be (Non-Selling Shareholder). Any Transfer of Equity Shares by NTPC or the Trustee (either all or in part) will not be allowed to any Person who does not qualify as a Bonafide Third Party.
- (b) Upon receipt of the ROFO Notice, the Non-Selling Shareholder shall have the right (but not the obligation), within 60 (sixty) Business Days of the receipt of the ROFO Notice ("**ROFO Notice Period**") to offer to acquire all Sale Shares by providing a written notice to the Selling Shareholder ("**Acceptance Notice**").



- (c) The Acceptance Notice shall set out the fair value of the Sale Shares as determined by a valuer, appointed by the Non-Selling Shareholder using internationally recognised methodology, the price at which the Non-Selling Shareholder is willing to acquire the Sale Shares (which can be equal to or higher than the fair value of the Sale Shares), the payment mechanism and all other terms and conditions, that are reasonable and customary to the proposed transaction, under which Non-Selling Shareholder is willing to purchase such Sale Shares ("**ROFO Terms**"). The Acceptance Notice shall be irrevocable upon receipt of the same by the Selling Shareholder.
- (d) In the event that the Non-Selling Shareholder does not respond to the ROFO Notice within the ROFO Notice Period, the Non-Selling Shareholder, shall cease to have the right of first offer to purchase the Sale Shares.
- (e) Within a period of 60 (sixty) Business Days from Non-Selling Shareholders delivering the Acceptance Notice ("**Acceptance Notice Period**"), in the event that Selling Shareholder is agreeable to the ROFO Terms set forth in the Acceptance Notice, the Selling Shareholder shall inform the Non-Selling Shareholder in writing and shall have the obligation to Transfer the Sale Shares to the Non-Selling Shareholder and the Non-Selling Shareholder shall have the obligation to purchase the Sale Shares as per the ROFO Terms, within 60 (sixty) Business Days of the expiry of the Acceptance Notice Period ("**Sale Shares Transfer Period**").
- (f) In the event the Selling Shareholder is not willing to Transfer the Sale Shares to the Non-Selling Shareholder at the ROFO Terms, the Selling Shareholders shall be free to approach the Bonafide Third Parties for purchase of the Sale Shares within the Sale Share Transfer Period. In case the Selling Shareholders receive an offer from a Bonafide Third Party for purchase of the Sale Shares within the Sale Share Transfer Period and for a price which is +5% (five percent) or more of the price offered by the Non-Selling Shareholder in the ROFO Terms, it shall provide a written notice of the same to the Non-Selling Shareholder within 2 (two) Business Days of receipt of such offer from a Bonafide Third Party Buyer. The Non-Selling Shareholder shall have the right to match the price and inform the Selling Shareholder whether it intends to exercise such right to match within a period of 7 (seven) Business Days of the receipt of the notice from the Selling Shareholder (Right to Match Acceptance Notice). In the event the Right to Match



Acceptance Notice is provided by the Non-Selling Shareholder, the Selling Shareholder shall be under an obligation to Transfer the Sale Shares to the Non-Selling Shareholder and the Non-Selling Shareholder shall have the obligation to purchase the Sale Shares, within a period of 30 (thirty) Business Days from the receipt of the Right to Match Acceptance Notice (Right to Match Sale Period). In the event the Right to Match Acceptance Notice is not provided by the Non-Selling Shareholder within the aforesaid timeline, the Selling Shareholder shall be free to Transfer the Sale Shares to the Bonafide Third Party Buyer within a period of 60 (sixty) Business Days from the expiry of the last day on which the Right to Match Acceptance Notice could be provided by the Non-Selling Shareholder (Bonafide Third Party Sale Period).

- (g) The Selling shareholder shall comply with the process of right of first offer to the Non-Selling Shareholder in the event the Sale Shares are not sold to the Bonafide Third Party Buyer within the Bonafide Third Party Sale Period.
- (h) The time period under this Article shall be extended to cover the time taken for any regulatory approvals required in connection with the Transfer of the Sale Shares. This Article in relation to sale or Transfer shall be observed in letter and spirit and form an essential understanding between the Company and Shareholders for the execution of the SHA. The Shareholders shall not circumvent such provisions through any indirect Transfer or sale including but not limited to Transfer of ownership in an entity held by any Shareholder, which owns the Equity Shares in the Company.
- (i) This Article shall not apply in the event NTPC transfers all or a part of its Equity Shares to a Subsidiary provided that such Subsidiary executes a Deed of Adherence to be bound by the terms of the SHA.
- (j) The Right of First Offer shall continue to remain with the Shareholder till it holds 10% of the Equity Share Capital.

47C. Tag Along Right

- (a) In case of a proposed Transfer of Sale Shares by NTPC (“**Tag Offerer**”) to a Bonafide Third Party in terms of Article 47B above, the Trustee (“**Tag Recipient**”) shall have a right to tag along all its Equity Shares along with the Sale Shares. The Tag Offerer shall give a written notice to the Tag Recipient



stating the intention to transfer its Equity Shares to a Third Party and offering the right to tag along ("**Tag Notice**").

- (b) In case the Tag Recipient who would like to exercise its tag along right, it shall respond to the Tag Notice by serving a written notice to Tag Offerer prior to the expiry of 60 (sixty) Business Days from the date of receipt of the Tag Notice intimating their acceptance of the terms of the Transfer as set out in the Tag Notice and requesting the Tag Offerer to call upon the Bonafide Third Party to purchase, in addition to the Sale Shares, any or all of their respective Equity Shares held by such members of the Tag Recipient (collectively referred to as the "**Tagged Shares**") on the same terms and at the same price as set out in the Tag Notice ("**Tag Along Right**").
- (c) In the event, the Tag Recipient decides to exercise its Tag Along Right, the Tag Offerer shall cause the Bonafide Third Party to purchase from such members of the Tag Recipient, the Tagged Shares, on the terms and conditions not less favourable than those offered to the Tag Offerer (including the price). In the event the Tag Recipient do not accept or reject the Tag Notice within 60 (sixty) Business Days from the date of receipt of such notice, the Tag Notice shall be deemed to be rejected. In the event the Tag Recipient rejects the Tag Notice or the Tag Notice is deemed to be rejected, the Tag Offerer shall be entitled to Transfer its Equity Shares to the Bonafide Third Party on terms no more favourable than those offered in the Tag Notice.
- (d) Upon the exercise of the Tag Along Right, the Tag Offerer shall not be entitled to sell the Sale Shares to the Bonafide Third Party, unless the Bonafide Third Party simultaneously purchases the Tagged Shares in accordance with the provisions of the SHA and this Article; provided that, the provisions of this Article shall not be applicable in the event of wilful delay on the part of any of the Tag Recipient in transferring the Tagged Shares after accepting the Tag Notice.
- (e) The Trustee shall not be required to provide any representations, warranties and indemnities in relation to Transfer of the Tagged Shares pursuant to this Tag Along Right other than for representations and warranties in relation to the title of its Tagged Shares.
- (f) The Tag Along Right of the Trustee shall remain available to the Trustee even if it holds below 10% of the Equity Share Capital.



47D. Transfer of shareholding by any Shareholder shall be permissible only in terms of Articles 47B and 47C above. No partial transfer of shareholding is permissible by either NTPC or the Trust, except wherein NTPC transfers a part of its shareholding to a Subsidiary or to its nominees as provided in Article 47A above.

Any Bonafide Third Party to whom Sale Shares are transferred after complying with the process set out in Articles 47B and 47C above, shall be required to undertake to be bound by the terms and conditions of SHA and shall be required to execute the Deed of Adherence.

48. Left Blank.(8) Stocks

49: The Company may exercise the power of conversion of its shares into stock. Where shares are converted into stock,—

(a) The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b)The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c)The regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively



Loan and Debentures

50. Subject to the provisions of Sections 73, 179 and 180 of the Act and of these Articles, the Board may, from time to time at its discretion, accept deposits from members, either in advance of call or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in general meeting.
51. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by issue of bonds, notes, convertible redeemable or otherwise, perpetual or redeemable debentures or debenture-stock or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
52. Any debentures, debenture-stock, bonds and other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, or conversion, appointment of Directors or otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equity between the Company and the person to whom the same may be issued. Provided that debenture stock or bonds, with the right of allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.
53. Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise. If, the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the



Company the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

(10) Reserves

54. The Board may before recommending any dividend set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as



a reserve.

(11) Capitalisation of Profits

54A. The Company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in Article 54B amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

54B. The sum aforesaid shall not be paid in cash but shall be applied either in or towards—

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (e) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

54C Whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to



be capitalised thereby, and all allotments and issues of fully paid shares if any;
and

(b) generally do all acts and things required to give effect thereto.

54D. The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.

III. GENERAL MEETING

(1) Convening of Meetings

55. An Annual General Meeting of the Company ("AGM") shall be held each year as per the provisions of the Act. There may be convened from time to time other General Meetings of the Company, other than the AGM, which shall be known as Extra Ordinary General Meetings ("EGM"). Save as otherwise provided hereunder, such EGMs shall be convened and conducted as per the provisions of the Act.

56. (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting provided however, if at any time there are not Directors capable of acting who are sufficient in number to form quorum in India any Director may call an Extraordinary General Meeting in the same manner as nearly as



possible, as that in which such a meeting may be called by the Board.

(b) Each Director shall be entitled to attend and speak at any general meeting of the Company.

56A. A minimum of 21 (twenty-one) clear Business Days prior written notice shall be given to all the Shareholders of any Shareholders Meeting accompanied by the agenda for such meeting; provided that, a shorter period of notice may be permitted subject to compliance with Applicable Laws.

Each notice of a meeting shall contain, among other things, the date, time and venue of the proposed meeting of the Shareholders and also an agenda specifying, in reasonable detail, the matters to be acted upon at the relevant meeting and shall be accompanied by all appropriate supporting information. All meetings of the Shareholders and materials shall be in English. Such notice of every meeting shall be given in writing to the Shareholders at their usual address, or such address as may have been expressly notified by them to the Company.

No meeting of the Shareholders shall be considered to be validly constituted unless the proper notice as contemplated in this Article has been served or waived to the extent permitted by the Articles and the Act.

(2) Proceedings at General Meetings

57. The quorum of the Shareholders meeting shall be as provided in Section 103 of the Act. ("**Shareholder Quorum**") No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business..

58. The Chairman of the Board shall act as the Chairman of all general meetings. The Chairman or any other Director/ officer as may be authorised by the Board shall call general meetings of the Shareholders of the Company as directed by the Board and include as agenda items for meetings of the Shareholders items specified by the Board. The Shareholders may call special meetings of the Shareholders to the extent permitted by the Articles and the Act

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60. If at a Shareholders Meeting no Shareholder Quorum is present, then the meeting shall stand adjourned to a venue in the same city, on the same day, at the same time of the following week. Provided that, no discussions on the Reserved Matters can take place at a Shareholders Meeting in absence of the Trustee and a representative of NTPC. .

NTPC and the Trustee shall use all reasonable efforts to ensure the existence of a Shareholder Quorum at any meeting of the Shareholders

61. Subject to Article 60 and Article 109A and the provisions of the Applicable Law, at a duly called Shareholders Meeting with the requisite quorum, all decisions shall be approved if passed only with the affirmative vote of Shareholders present and voting at the meeting and representing more than 50% (fifty per cent) of the Equity Shares held by all Shareholders present at the meeting, unless the provisions of the Act requires any matter to be approved with the affirmative vote of Shareholders present and voting at the meeting and representing more than 75% (seventy five percent) of the Equity Shares. .

62. The chairman of a general meeting may adjourn the same, from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting or of the business to be transacted at an adjourned meeting. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

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64A Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

(3) Voting

65. 65A. Shareholders may participate and vote in the meetings by video conferencing or any other means of contemporaneous communication, in the



manner permitted under Applicable Laws from time to time.

66. Subject to the provisions of the Articles, any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that seventy two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 66A. If any member be a lunatic, idiot or non-compose-mentis he may vote whether on a show of hands or at a poll by his committee, curator bonis or other person recognized by the Company as entitled to represent such member and such last mentioned persons may give their votes by proxy. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy
67. Where there are joint-holders of shares the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.
- 67A. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
68. The instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.69. The instrument appointing a proxy and the power of



at attorney or other authority, if any, under which it is signed or a notorised certified copy of that power or authority shall be deposited at the Office not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

70. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the proxy was executed, or transfer of the share in respect of which the proxy is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the Office or by the chairman of the meeting before the vote is given. Provided nevertheless, that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
71. Left Blank. 72. No member shall be entitled to vote on any question either personally or by proxy or as a proxy for another member at any general meeting or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and payable presently to the Company in respect of any of the shares of such member.
73. No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.

IV. DIRECTORS

(1) **General Provisions**

74. The Board shall comprise a maximum of 4 (four) Directors.

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76. A Director need not hold any shares in the capital of the Company to qualify himself to act as a Director of the Company.

76A. For as long as each of NTPC and the hold 50% of Equity Shares in the Company, each of NTPC and the Trustee shall have the right to nominate 2 (two) Directors on the Board of the Company (“NTPC Nominee Directors” or “Trustee Nominee Directors”, as applicable). In the event that the Equity Shares of NTPC or the Trustee in the Company falls below 50% (fifty percent) but remains equal to or more than 10% (ten percent), then 1 (one) NTPC Nominee Director or 1 (one) Trustee Nominee Director, as the case may be, shall resign. Further, if the Equity Shares of NTPC or the Trustee in the Company falls below 10% (ten percent), the remaining 1 (one) NTPC Nominee Director or the Trustee Nominee Director on the Board, as the case may be, shall resign. It is clarified that in the event that the Equity Shares of NTPC or the Trustee in the Company increases to 75% (seventy five percent) or above, NTPC or the Trustee shall be entitled to nominate 3 (three) Directors on the Board or the majority of Directors, whichever is higher. The NTPC Nominee Directors and Trustee Nominee Directors shall vote in favour of resolution for appointment of such number of independent directors as may be required under the Applicable Law.

77. (a) Each Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services in attending board or committee meeting such sum as may be fixed by the Directors from time to time but not exceeding such sum as may be prescribed by or under the Act or the Central Government from time to time for every meeting of the Board of Directors or committee thereof attended by him. The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day

(b)

(b) The Directors shall be entitled to be paid all fees for filing documents which they may be required under the Act and all travel, accommodation and other incidental expenses of the Directors’ for attending any meeting of the Board or committees of the Board or general meetings of the Company in person



or otherwise incurred in the execution of their duties as Directors. shall be borne by the Company. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company the Directors shall be entitled to remunerate such Director in any manner as may be determined by them in addition to the remuneration above provided.

78. The continuing Directors may act notwithstanding any vacancy in their body, but if the number falls below the minimum above fixed the Directors shall not act, except for the purpose of filling vacancies or for summoning a general meeting, so long as the number is below the minimum.
- 78A. The Company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
79. Left Blank.

(2) Appointment of Directors

80. Subject to the provisions of Section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
81. Subject to Applicable Law, NTPC and the Trustee respectively shall be entitled to nominate an alternate Director for each of the respective Directors they are entitled to nominate, and such alternate Directors shall serve in the absence of the original Directors. The appointment as alternate Director shall take place as the first item of business at the next Board meeting following receipt by the Company of such nomination. Upon his/her appointment as such alternate Director, an alternate Director shall be entitled to constitute the quorum, vote, issue consent and sign



circular resolutions on behalf of the Director for whom he/she is an alternate..

82. Any casual vacancy occurring in the Board may be filled up by the Directors, and the person appointed shall hold office up to the date which the Director in whose place he is appointed would have held the office if it had not been vacated as aforesaid.

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(3) Rotation of Directors

86. Subject to Applicable Laws, the Directors of the Company shall be liable to retire by rotation. In the event that the Director nominated by NTPC or the Trustee retires by rotation in accordance with the provisions of the Act, the Shareholders shall ensure and perform all acts including the exercise of the voting rights as may be necessary to ensure that such Director appointed and/or nominated by NTPC or the Trustee is re-appointed to the Board.

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92. Removal and Replacement of Directors

(a) Each of the Shareholders may at their discretion require a Director nominated by it to resign or be removed and, nominate another individual to the Board for appointment in his or her place, in which event, subject to compliance with the provisions of the Act, the other Shareholders shall exercise their rights and act in a manner so as to ensure the appointment of the individual nominated as aforesaid on the Board. In the event of the resignation, retirement or vacation of office of any Director, the Shareholders who have nominated such Director shall be entitled, to



nominate another Person in place of the Director resigning, retiring or vacating office and subject to compliance with the provisions of the Act, the other Shareholders shall take all actions necessary or advisable to ensure the appointment of the individual nominated as aforesaid.

(b) A Shareholder making an appointment or removal under this Article must do so by giving written notice of appointment or removal to the Company. Subject to Applicable Law, such appointment or removal shall take effect from the time stated in the notice or, if no such time is stated, immediately on delivery of the relevant notice to the Company or as soon as permissible under Applicable Law.(4) **Proceedings of Directors**

93. The Board shall meet at least 4 (four) times in a calendar year and the time period between two intervening Board Meetings should not more than 120 (one hundred twenty) days. The Board Meetings shall take place at such places and in such manner as the Board from time to time reasonably determines are convenient for the Directors. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

A meeting of the Board may be called by the Chairman or any other Director. At least 7 (seven) Business Days' clear written notice shall be given to each of the Directors of any meeting of the Board provided that a shorter period of notice may be permitted, subject to compliance with Applicable Laws. Such written notice shall be given at the usual address of the Director in India. A copy of any document(s) to be reviewed and discussed at such meeting shall accompany such notice. Notices may be provided by electronic mail.

Every notice convening a meeting of the Board shall set out the agenda in full and sufficient details of the business to be transacted thereat and no item or business shall be transacted at such meeting unless the same has been stated in full and sufficient details in the notice convening the meeting; provided that, all matters proposed by NTPC and/or Trustee to be placed on the agenda.



94. Subject to the provisions of the Act, questions arising at any meeting shall be decided by a simple majority (the affirmative vote of greater than 50% (fifty per cent) of the Directors present and voting at a meeting duly called and for which requisite quorum is present as required under the Articles and under the Act. At any Board Meeting, each Director may exercise 1 (one) vote. The Chairman shall have a second and casting vote in relation to any matter subject to Article 109A and the provisions of Applicable Law. The Directors may participate and vote in Board Meetings by telephone or video conferencing or any other means of contemporaneous communication, in the manner permitted under Applicable Laws from time to time.

95. Till NTPC is a Shareholder and has the right to appoint a Director, the chairman for the meetings of the Board (“**Chairman**”) shall always be a NTPC Nominee Director.

The Chairman of the Board shall direct the CEO to prepare the agenda and preside over all Board Meetings. For the avoidance of doubt, it is clarified that any Director of the Company can request the Chairman to call for a Board Meeting. The agenda shall specify, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all appropriate supporting information. The Chairman shall direct the CEO or the Company secretary to deliver such proposed agenda to each Board member by giving a of notice of a regular or special meeting, and any Board member may, by notice to the CEO, add items to such proposed agenda prior to its inclusion in the notice of the Board Meeting, provided that, such items will be included in the proposed agenda with the consent of the Chairman. All meetings of the Board and Board materials shall be in English.

96. Subject to the provisions of the Act, and unless otherwise mutually agreed between NTPC and the Trustee, the quorum for all Board meetings shall be 2 (two) Directors or 1/3rd of the total number of Directors on the Board at any given time, whichever is higher. However, it must be ensured that the quorum should include at least 1 (one) Trustee Nominee Director and 1 (one) NTPC Nominee Director. If within half an hour of the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to a venue in the same city, on the same day, at the same time



of the following week or some other later date as agreed to by the Directors (“**First Adjourned Meeting**”).

In the event the requisite quorum (including 1 (one) Trustee Nominee Director and 1(one) NTPC Nominee Director) is not present within half an hour of the time appointed for such First Adjourned Meeting, the meeting shall stand adjourned to a venue in the same city, on the same day, at the same time of the following week or some other later date as agreed to by the Directors (“**Second Adjourned Meeting**”).

In the event the requisite quorum (including 1 (one) Trustee Nominee Director and 1(one) NTPC Nominee Director) is not present within half an hour of the time appointed for such Second Adjourned Meeting, then the Board members present can proceed with the Board Meeting and its agenda subject to there being a valid quorum as per the provisions of the Act. In such Second Adjourned Meeting, if the regular Chairman is not present, then the other NTPC Nominee Director will act as the Chairman. If there are no NTPC Nominee Directors present at such Second Adjourned Meeting, the Directors present shall elect a Chairman amongst themselves.

97. The Directors may, subject to compliance of the provisions of the Act, from time to time delegate any of their powers to Committees consisting of such members of their body as they think fit and may from time to time revoke such delegation. Such committees shall function within the framework delegated by the Board. Such committees should have at least 1 (one) NTPC Nominee Director and 1 (one) Trustee Nominee Director.

A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

Subject to Applicable Laws, the provisions of Article 96 shall apply equally to meetings of any committee constituted for any purpose relating to the Company



98. All acts done at any meeting of Directors or of a Committee of the Directors or by any person acting as a Director, shall notwithstanding that it afterwards discovered that there was some defect in the appointment of any such Directors, Committees or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person has been duly appointed and was duly qualified. Provided always that nothing in this Article shall be deemed to give validity to acts done by such Directors, Committee or person acting as aforesaid after it has been shown that there was some defect in any appointment or that they or any of them were disqualified.
99. A written resolution circulated to all the Directors or members of committees of the Board, whether in India or overseas and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board or committee of the Board, called and held in accordance with the SHA and the Articles as per the provisions of Applicable Law. 99A. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
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- 100A. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

(5) Powers of Directors

101. The Board shall be responsible for the management and supervision of the Company. The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of any law and of these presents and to any regulations, not being inconsistent with these presents, from time to time made by



the Company in general meeting provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

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103A Each Director shall be entitled to examine the books, accounts and records of the Company and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may require.

103B. The day-to-day management of the Company shall be delegated to the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) of the Company, who shall exercise such powers as may be delegated by the Board subject to the overall supervision and control of the Board. Till NTPC is a Shareholder of the Company, the CEO and the CFO shall be nominated by NTPC and shall be appointed by the Board. Subject to the requirements of the Company, the other key management personnel of the Company shall be also nominated by NTPC.

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Blank.108. Left Blank.109. Left Blank.

(7) Reserved Matters

109A. Till the Trustee (for the benefit of the Secured Financial Creditors) and NTPC hold 10% (ten percent) Equity Shareholding in the Company respectively, no action on the Reserved Matters shall be taken, whether at a meeting of the Board or Shareholders or any adjourned meetings thereof, whether convened in physical form or through circular resolution or through audio-visual/ electronic means (as may be allowed under the Act), without the affirmative consent of a Trustee Nominee Director and NTPC Nominee Director or the Trustee and NTPC (as applicable), respectively.

The provisions of this Article shall apply to meetings of any committees of the



Board formed for any specific purpose(s).

IVA. DEADLOCK RESOLUTION

109B. General

- (b) The resolution of a Deadlock Event shall be only in accordance with the provisions of this Article. A Deadlock Event means where any matter which is not passed at 2 (two) consecutive Board meeting or Shareholders meeting due to not obtaining the required number of votes from the Directors or the Shareholders or due to not obtaining the affirmative consent of the Trustee Nominee Directors(s)/ NTPC Nominee Directors or the Trustee/ NTPC (as applicable).
- (c) Notwithstanding the occurrence of a Deadlock Event, NTPC and Trustee will co-operate with each other in running the business of the Company in normal course and will adhere to all other terms of the SHA and the Articles even during pendency of the resolution of Deadlock Event.

109C. Process

- (a) In the event of a Deadlock Event, either NTPC or Trustee may cause such Deadlock Event to be referred for resolution to a committee consisting of the chairman cum managing director of PFC/ any other Secured Financial Creditor to be identified (acting as authorised representative of the Trust) and NTPC for the purpose of resolution of the Deadlock Event (“**Resolution Process**”) within a period of 15 (fifteen) Business Days (or such extended time as may be agreed to in writing) from the latest Shareholders Meeting (“**Referral Deadline**”) or Board Meeting, as the case may be, causing the occurrence of a Deadlock Event or the date on which NTPC and the Trustee mutually agree that an item of business is a Deadlock Event, as applicable.
- (b) Such Deadlock Event once resolved through the Resolution Process, or if not referred by either by NTPC or the Trustee to the Resolution Process on or prior to the Referral Deadline, shall cease to be a Deadlock Event. NTPC and the Trustee shall, during the Deadlock Event, continue to comply with the terms and conditions of the SHA.
- (c) In the event the Deadlock Event has been resolved pursuant to the above, then



NTPC and the Trustee shall vote at the next meeting of the Shareholders, to give effect to the resolution reached.

109D. Failure to resolve Deadlock Event

If a Deadlock Event is not resolved within 90 (ninety) Business Days from the Referral Deadline (or such extended time as may be agreed to in writing), then the matter shall be referred for mediation by an independent industry expert in power sector for resolution, to be appointed mutually by NTPC and the Trustee. NTPC and the Trustee shall make all reasonable efforts to co-operate with the mediation process. However, in the event the mediation process is unable to resolve the Deadlock Event within a reasonable period of time, NTPC and the Trustee will refer and resolve the Deadlock by referring it to arbitration as per the dispute resolution process given under the Articles.

IVB. DISPUTE RESOLUTION

109E. The Company or its Shareholders shall be entitled to refer the dispute to arbitration (“**Notice of Arbitration**”) to be finally resolved in the manner set out in this Article. The rights and obligations of the Company and the Shareholders shall remain in full force and effect pending the award in such arbitration proceedings.

109F. The arbitration panel shall consist of 3 (three) arbitrators, one to be appointed by NTPC and the second appointed by the Secured Financial Creditors (through the Trustee) both to be appointed within 20 (twenty) Business Days from the Notice of Arbitration and the third arbitrator to be jointly appointed by the two arbitrators appointed by the Parties within 20 (twenty) Business Days of appointment of the second arbitrator. In case of failure of the two arbitrators to appoint the third arbitrator within twenty (20) Business Days of the appointment of the second arbitrator, in that case the third arbitrator shall be appointed in terms of the Arbitration and Conciliation Act, 1996 on application by the Company or its Shareholders.

109G. The seat of the arbitration shall be New Delhi. The language of the arbitration shall be English. The arbitration shall be conducted in accordance with the Arbitration and Conciliation Act, 1996. Subject to arbitration, the Courts at New Delhi shall have exclusive jurisdiction.

109H. The arbitration award of the arbitrator(s) shall be final and binding on the Company



and its Shareholders and shall be enforceable in accordance with its terms. The arbitrator(s) shall state reasons for their findings in writing. The Company and its Shareholders shall be bound thereby and shall act accordingly. The costs of arbitration and the manner of bearing such costs shall be determined by the arbitrator(s) in terms of the Arbitration and Conciliation Act, 1996.

V.MANAGER

110. Subject to the provisions of the Act the Board may from time to time appoint an individual as a Manager of the Company and may determine his powers and duties and fix his remuneration and the period for which and other terms and conditions on which he is to hold such office.

VI. SECRETARY

111. Subject to the provisions of the Act, the Board may, at any time and from time to time, appoint any individual possessing the prescribed qualification to be the Secretary of the Company and may determine his powers and duties and fix his remuneration and the period for which he is to hold such office.
- 111A. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

VII.AUTHENTICATION OF DOCUMENTS

112. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by the Director, the Managing Director, the Manager, the Secretary or other authorized officer of the Company and need not be under its Common Seal.

Further any Director, Manager or the Company Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the



Company or the Board or any committee thereof, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts there from as true copies or extracts: and where any books, records, documents or accounts are elsewhere than at the office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

113. A document purporting to be a copy of a resolution of the Board, any committee thereof and/or general meeting or extract from the minutes of a meeting of the Board, any committee thereof and/or general meeting, which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board, any committee thereof and/or general meeting, as the case may be.

VIII.COMMON SEAL

114. The Board shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. The Board of Directors shall provide a Seal for the purpose of the Company and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity relating to the authority of the Directors to issue and affix the same. The affixation of the Seal shall only be required for the valid execution of such documents as the Board may specify as being required in their relevant resolution pertaining to the execution of such document.



IX. BOOKS OF ACCOUNT AND DIVIDENDS

(1) Books of Account

115. The books of account shall be kept at the office of the Company or at such other place as the Directors think fit.
116. The Board shall, from time to time determine whether and to what extent and at what times and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any books of account or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.
117. (a) A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors' Report and every document required by law to be annexed or attached to the Balance Sheet) or a statement in the prescribed form as may be required shall, as provided by Section 136 of the Act, not less than twenty-one days before the meeting, be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section.
- (b) Every Balance Sheet and Profit and Loss Account when audited and approved by the general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the accounts shall forthwith be corrected and thereforth shall be conclusive, subject to the approval of the Company in general meeting.

(2) Dividends

118. The profits of the Company subject to any special rights relating thereto created or authorized to be created by these Articles, shall be divisible among the members in proportion to the amount of Capital paid-up or credited as paid-up on the shares held by them respectively.

119. When capital is paid-up in advance of calls upon the footing that the same shall



carry interest such capital shall not whilst carrying interest, confer a right to participate in profits.

120. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company
- 120A. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- 120B. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
121. No larger dividend shall be declared than is recommended by the Directors, but the Company in general meeting may declare a smaller dividend.
122. No dividends shall be payable except out of the profits of the Company of the year or any other undistributed profits, and no dividend shall carry, interest as against the Company.
123. The declaration of the Directors as to the amount of the net profits of the Company in any year shall be conclusive subject to the provisions of the Act.
124. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
125. The Directors may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities



or engagements in respect of which the lien exists. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with all the provisions of Section 124 of the Act in respect of all unclaimed or unpaid dividend.

126. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
127. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call made earlier and payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call.
128. Any general meeting may, upon the recommendation of the Directors, resolve that any assets, moneys, investments or other assets forming part of the undivided profits of this Company, standing to the credit of any reserve fund or special account or in the hands of the Company and available for dividend including any profits arising from the same or any part thereof or by reasons of any other accretion to capital assets or representing premium received on the issue of shares and standing to the credit of the share premium account, be capitalised and distributed (in the manner and to the extent permissible under the provisions of the Act) amongst such of the shareholders as would be entitled to receive the same if distributed by the way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any un issued shares, debentures or debenture stock (in the manner and to the extent aforesaid) of the Company which shall be allotted and distributed accordingly or towards payment of the uncalled liability on any issued shares, or debentures or debenture stock and that such distribution or payment shall be accepted by such shareholder in full satisfaction of their interest in the said capitalised sum.



129. For the purpose of giving effect to any resolution under the preceding Article," the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular, may issue fractional certificates or ignore fractions or may vest the same in trust for the persons entitled as may seem expedient to the Directors. A proper contract shall be filed in accordance with the provisions of the Act where necessary and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.
130. Any one of the several persons who are registered as joint-holders of any share may give effective receipts for all dividends and payments on account of dividends in respect of such shares.
131. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.
132. (a) Unless otherwise directed any dividend may be paid by cheque, warrant or postal money order sent through the post to the registered address of the member or person entitled thereto or in the case of joint-holders to the registered address of that one Whose name stands first On the Register in respect of the joint holder or to such person and such address as the member or person entitled to such share, or the first named of such joint- holders, as the case may be, may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (b) Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding anything contained in any other provisions of the Act
- (i) transfer the dividend in relation to such shares to the special account referred to in Section 124 unless the Company is authorised by the



registered holder of such share in writing to pay such dividend to the transferee specified in such instrument of transfer; and

- (ii) keep in abeyance in relation to such shares any offer of rights shares under Clause (a) of sub section (1) of Section 62 and any issue of fully paid up bonus shares in pursuance of Section 123.

133. The payment of every cheque or warrant sent under the provisions of the preceding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof; provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend warrant or postal money-order which shall be sent by post to any member or by his order to any other person in respect of any dividend.

133A. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

X. AUDIT

134. Auditors shall be appointed, their remuneration shall be fixed, their rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be, in accordance with the provisions of Sections 139 to 147 inclusive of the Act.

135. Every balance sheet and profit and loss account when audited and adopted by the Company in general meeting shall be conclusive except as regards any error discovered therein within three months next after the adoption thereof. Whenever such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

XI. SERVICE OF NOTICES AND DOCUMENTS

136. A notice may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by Post under a Certificate of posting or by registered post or by leaving it at its registered office.

The term 'notice' in this and the following clauses shall include summons, notice, requisition, order, judgment or other legal papers and any document.



137. A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.
138. A notice or other document may be given or sent by the Company to its members in accordance with Sections 20 of the Act.
139. Every person who by operation of law, transfer or by other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.
140. Subject to the provisions of Article 138 any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.
141. Any notice given by the Company shall be signed by a Director, or by such officer as the Directors may appoint and the signatures thereto. may be written, printed or lithographed.

XII.MISCELLANEOUS

142. Left Blank
- (2) **Winding-up**
143. Left Blank.
144. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act,



divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability

(3) Indemnity

- 145. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
- 146. The Company shall consistently maintain a Directors and Officers insurance policy for all Directors.

(4) Secrecy

147. Subject to the provisions of these Articles and the Act no member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate.



(5) Related Party Transactions

148. All transactions and dealings between Company and/or its Shareholders and/or members of senior management/ Directors and/or Related Parties of the Parties, will be in compliance with Applicable Laws.



XIII. SCHEDULES

SCHEDULE A

Names and Addresses of the Secured Financial Creditors

| S.No. | Name of Secured Financial Creditors | Address |
|-------|---|---------|
| 1 | Power Finance Corporation | |
| 2.a | Union Bank of India | |
| 2.b | Corporation Bank | |
| 2 | Union Bank of India (Total) <i>(Corporation Bank was merged into Union Bank of India w.e.f April 1, 2020)</i> | |
| 3 | State Bank of India | |
| 4.a | Punjab National Bank | |
| 4.b | Oriental Bank of Commerce | |
| 4.c | United Bank of India | |
| 4 | Punjab National Bank <i>(Oriental Bank of Commerce & United Bank of India merged in Punjab National Bank w.e.f. April 1, 2020)</i> | |
| 5 | Axis Bank | |
| 6 | Rural Electrification Corporation | |
| 7 | UCO Bank | |
| 8 | Bank of India | |
| 9 | Life Insurance Corporation | |



SCHEDULE B

Format of Deed of Adherence

This Deed of Adherence dated 05th September 2022 (this Deed) to the Shareholders Agreement dated 05th September 2022 is made and entered into amongst:

- (A) NTPC Ltd., a Company limited under the Companies Act, 1956 and having its registered office at NTPC Bhavan, SCOPE Complex, Institutional Area, Lodhi Road, New Delhi – 110003, through its authorised representative [insert name of the authorised representative] (hereinafter referred to as NTPC, which expression shall include its successors-in interest and permitted assigns) of the First Part; and
- (B) Axis Trustee Services Limited, for the benefit of the Secured Financial Creditors (hereinafter referred to as Trustee, which expression shall include their successors-in interest and permitted assigns) of the Second Part; and
- (C) Jhabua Power Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Macmet House, 7th Floor, 10B, O C Ganguly Sarani, Kolkata, West Bengal -700020, through its authorised representative [insert name of the authorised representative] (hereinafter referred to as the Company, which expression shall include its successors-in interest and permitted assigns) of the Third Part.

WHEREAS

- A. NTPC, the Trustee (for the benefit of the Secured Financial Creditors) and the Company have entered into a Shareholders Agreement dated [●] (Shareholders Agreement);
- B. The Covenantor is [insert description or general information]; and
- C. [NTPC Trustee] (Transferor) proposes to transfer [●] Equity Shares to the Covenantor and accordingly the Transferor and the Covenantor are executing this Deed or [NTPC intends to nominate the Covenantor to subscribe to shares in the Company as per Section [●] of the Shareholders Agreement].

NOW, THEREFORE THIS DEED WITNESSETH AS FOLLOWS:



1. Consent to the terms of the Agreement by the Covenantor

- (i) The Covenantor hereby covenants, undertakes and agrees that by its execution of this Deed it shall become a party to each of the Shareholders Agreement and it shall assume, keep, observe and perform, duly and punctually, all the terms, rights, entitlements, covenants, undertakings, agreements, provisions and conditions in each of the Shareholders Agreement as are applicable to the Transferor/ NTPC, subject to such conditions as set out in the Shareholders Agreement.
- (ii) Notwithstanding any of the aforesaid, the Covenantor shall not be bound by, and/or liable for any of the liabilities of the Transferor/ NTPC that have arisen on account of any act or omission of the Transferor/ NTPC prior to the date of this Deed, including but not limited to, for breach of any representations and warranties made under the Shareholders Agreement and the Transferor/ NTPC shall continue to be liable for any such liabilities.
- (iii) The Covenantor hereby confirms to the other parties to the Shareholders Agreement that it has received copies of each of the Shareholders Agreement and has fully understood the terms thereof, and that all provisions relating to the duties and obligations of any nature whatsoever applicable to the Transferor under the Shareholders Agreement are incorporated by reference herein and deemed to be part of this Deed to the same extent as if such provisions had been set forth in their entirety herein.

3. Representations and Warranties

Each party to this Deed hereby represents and warrants to the other party that its execution of this Deed has been duly authorised and that such execution or compliance with its terms will not now, or at any time in the future, conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default or require any consent under, any agreement or other instrument they have executed or by which they are bound, or violate any of the terms and provisions of its statutory documents or any judgement, decree or order or any statute, rule or regulation applicable to it.

Governing Law

This Deed shall be governed by and be construed in accordance to the governing



law provided for under the Shareholders Agreement.

5. Definitions

Terms used but not defined herein shall have the meanings assigned to them in the Shareholders Agreement.

IN WITNESS WHEREOF, the Transferor/ NTPC and the Covenantor have entered into this Deed the day and year first above written.

Signed and delivered for and on behalf of [Jhabua Power Limited]

Name:

Title:

We, the several persons, whose names and addresses subscribed have are desirous of being formed into a Company in pursuance of this Articles of Association and we respectively agree to take number of shares in the Capital of the Company set opposite to our respective names:-



| Names, Addresses, Signature, Description & Occupation of Subscribers | Number of shares taken by each Subscriber | Name, Address, Description and Occupation of Witness. |
|---|---|---|
| 1. Kailash Pati Kedia S/o Shri M.P. Kedia 106-A, Shyam Bazar Street Calcutta Sd/ K.P. Kedia Industrialist | 100 (One Hundred) | |
| 2. Ratan Kumar Kedia S/o Lt. Shri Mohan Lal Kedia N-23, Saket Nagar Indore (M.P.) Sd/ R.K. Kedia Industrialist | 100 (One Hundred) | |
| 3. Pradeep Kumar Deora S/o B.N. Deora 31-A, Turf View Appts. Nehru Centre Road, Worli Bombay Sd/ P.K. Deora Industrialist | 100 (One Hundred) | Sd/- |
| 4. Vinay Kumar Kedia S/o Shri Kailash Pati Kedia 106-A, Shyam Bazar Street Calcutta Sd/ V.K. Kedia Industrialist | 100 (One Hundred) | AJAY KUMAR TEKRIWAL 2, Chittaranjan Avenue, Calcutta-700072 (Chartered Accountant) |
| 5. Kedia Distilleries Ltd. 106, Kanchan Bagh Indore (M.P.) Sd/ P.K. Deora Company | 100 (One Hundred) | |
| 6. Manju Devi Kedia W/o Shri K.P. Kedia Kedia Farm (Ametas) Jaunpura New Delhi Sd/ Manju Devi Kedia Industrialist | 100 (One Hundred) | |
| 7. Meera Devi Kedia W/o Shri R.K. Kedia N-23, Saket Nagar Indore (M.P.) Sd/ Meera Devi Kedia Industrialist | 100 (One Hundred) | |
| | 700 (Seven Hundred) | |

Dated : 20th February, 1995



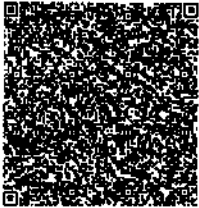
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Government of National Capital Territory of Delhi

₹100

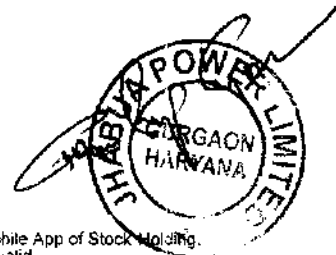
e-Stamp

Certificate No. : IN-DL82685891565318U
 Certificate Issued Date : 02-Sep-2022 04:31 PM
 Account Reference : IMPACC (IV)/ dl942203/ DELHV,DL-DLH
 Unique Doc. Reference : SUBIN-DL94220345782064534489U
 Purchased by : Jhabua Power Limited
 Description of Document : Article 5 General Agreement
 Property Description : Not Applicable
 Consideration Price (Rs.) : 0
 (Zero)
 First Party : Jhabua Power Limited
 Second Party : Axis Trustee Services Limited
 Stamp Duty Paid By : Jhabua Power Limited
 Stamp Duty Amount(Rs.) : 100
 (One Hundred only)



Please write or type below this line

This stamp paper forms an integral part of the Debenture Trust Deed executed between Jhabua Power Limited and Axis trustee services limited dated 05/09/2022



Statutory Alert:

1. The authenticity of this Stamp certificate is subject to the Digital Stamp and e-Stamp Mobile App of Stock Holding Corporation of India website.
2. The onus of checking the legitimacy of the document is on the user.
3. In case of any discrepancy please refer to the website.

INDIA NON JUDICIAL

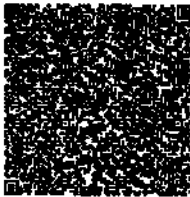


Government of National Capital Territory of Delhi

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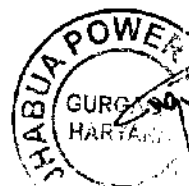
Certificate No.
 Certificate Issued Date
 Account Reference
 Unique Doc. Reference
 Purchased by
 Description of Document
 Property Description
 Consideration Price (Rs.)
 First Party
 Second Party
 Stamp Duty Paid By
 Stamp Duty Amount(Rs.)



₹300

IN-DL80065646539052U

This stamp paper is an integral part of the Debenture Trust deed dated 05/09/2022 executed between Jhabua Power Limited and Axis Trustee Services Limited.



Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shclsestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App 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.

DATED SEPTEMBER 5, 2022

DEBENTURE TRUST DEED

BETWEEN

JHABUA POWER LIMITED

as the Issuer

AND

AXIS TRUSTEE SERVICES LIMITED

as the Debenture Trustee

DEBENTURE TRUST DEED

This **DEBENTURE TRUST DEED** (this "Deed") is made at New Delhi on this 5th day of September 2022 between:

1. **JHABUA POWER LIMITED**, a company incorporated under the Companies Act, 1956, with corporate identity number U40105WB1995PLC068616 and having its registered office at Macmet House, 7th Floor, 10B, O C Ganguly Sarani Kolkata West Bengal - 700020 (hereinafter referred to as the "Issuer", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

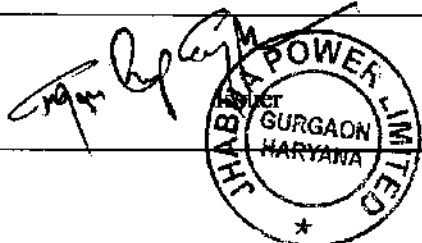

AND

2. **AXIS TRUSTEE SERVICES LIMITED**, a company incorporated under Companies Act, 1956 with corporate identity number U74999MH2008PLC182264 and having its registered office at Axis House, Bombay Dyeing Mills Compound, Pandhurang Budhkar Marg, Worli Mumbai City MH 400025 India and having one of its branch offices at 2nd Floor, 25 - Pusa Road, Karol Bagh, New Delhi - 110005, (hereinafter referred to as the "Debenture Trustee", which expression shall, unless repugnant to the subject or context thereof, include its successors, and permitted assigns).

The Issuer and the Debenture Trustee are collectively referred to in this Deed as the "**Parties**" and individually as a "**Party**".

WHEREAS

- (A) The Issuer is a company engaged in the business of power generation, having a fully operational 600MW of thermal capacity and generating power on a commercial basis.
- (B) The Issuer has undergone a corporate insolvency resolution process under the provisions of the IBC. In terms of the IBC, the Resolution Applicant had submitted a resolution plan dated June 14, 2021 for the Issuer ("**Resolution Plan**"), which has been subsequently approved in terms of Section 31 of the IBC, by the National Company Law Tribunal, Kolkata Bench ("**NCLT**") on July 06, 2022 (the Resolution Plan as approved by the NCLT in accordance with Section 31 of the IBC, is hereinafter referred to as the "**Approved Resolution Plan**").
- (C) The Approved Resolution Plan provides for the issuance of non-convertible debentures to Original Class A Debenture Holders and the Original Class B Debenture Holder in the manner described below:
 - (i) Pursuant to the implementation of the Approved Resolution Plan, an amount of INR 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) forming part of the outstanding debt owed by the Issuer to the Original Class A Debenture Holders is agreed to be settled by way of issuance of non-convertible debentures to be issued by the Issuer to the Original Class A Debenture Holders on the terms and conditions specified therein. In furtherance of the foregoing, the Issuer and the Original Class A Debenture Holders have agreed that the Issuer shall issue Class A Debentures to the Original Class A Debenture Holders in accordance with the terms and conditions set out herein.

| | |
|---|---|
|  | Debenture Trustee  |
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- (ii) Pursuant to the implementation of the Approved Resolution Plan, inter alia, an amount of 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) has been agreed to be infused by the Original Class B Debenture Holder into the Issuer as consideration for issuance of Class B Debentures to the Original Class B Debenture Holder by the Issuer in accordance with the terms and conditions set out herein.

(The Original Class A Debenture Holders and the Original Class B Debenture Holder are collectively referred to as "Original Debenture Holders")

- (D) In furtherance to the foregoing, the Debentures shall be issued by the Issuer to the respective Original Debenture Holders.
- (E) The Issuer has appointed the Debenture Trustee to act as the trustee for the Debenture Holders through the debenture trustee appointment agreement executed on or around the date hereof. The Issuer has obtained the Debenture Trustee's consent pursuant to a letter dated August 12, 2022 in this regard.
- (F) The Issuer and the Debenture Trustee have entered into this Deed to set out the terms and conditions governing the Debentures.

IT IS HEREBY MUTUALLY AGREED BY AND BETWEEN THE PARTIES AS UNDER:

1. DEFINITIONS AND INTERPRETATION

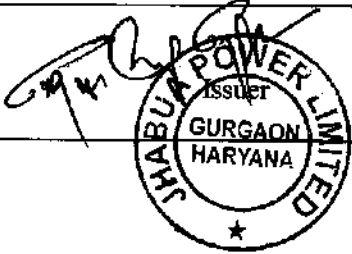

- 1.1 Capitalised terms used in this Deed shall have the meaning ascribed to such terms herein below:

"Accounting Standards" means the generally accepted accounting principles as applicable and in effect in India and as may change from time to time in accordance with the accounting regulations in India.

"Act" means the Companies Act, 2013 including any statutory modification, amendment or re-enactment or replacement thereof, for the time being in force.

"Affiliate" means in relation to any Person, a Person that controls, is controlled by or is under the common control with such Person. For the purpose of this definition, "control", as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of or control over: (a) the board of directors or management of that Person; or (b) the management and policies of that Person, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner, or (c) the ability to appoint directors to the board of directors or management personnel.

"Applicable Laws" means any statute, law, regulation, ordinance, rule, judgment, notification, rule of law, order, decree, bye-laws, permits, licenses, authorizations, approvals, consent, government approval, clearance, directives, guidelines, policy requirement, or any other governmental restrictions or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing, by any Authority having jurisdiction over the subject matter in question, whether in effect as of the date of this Deed or thereafter and in each case as amended.

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"Application Form" means the application forms set out in the Offer Letters for subscribing to the Debentures.

"Approved Resolution Plan" has the meaning ascribed to it in Recital B.

"Auditors" with respect to the Issuer shall mean such firm of chartered accountants appointed as statutory auditors of the Issuer in accordance with Applicable Law.

"Authority" means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, court, tribunal, agency or entity, central bank, securities exchange or body or authority regulating securities exchange in each case in India.

"Authorisation" means any consent, registration, filing, agreement, notarization, certificate, license, approval, permit, authority or exemption from, by or with any Authority, whether given by express action or deemed to be given by failure to act within any specified time period and all corporate, creditors', shareholders', board of directors' and committee of directors' approvals or consents in relation to anything which will be fully or partly prohibited or restricted if a 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.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business generally in New Delhi.

"Chairman" has the meaning ascribed to it under paragraph (a) of Clause 7 of Schedule III (*Provisions for the meetings of the Debenture Holders*).

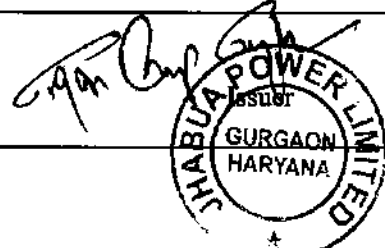
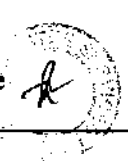
"Charter Documents" means the memorandum of association, articles of association and certificate of incorporation of the Issuer.

"Class A Debenture Holder" means a Person whose name is registered as the holder of a Class A Debenture in the register of Debenture Holders maintained pursuant to Clause 2.8 (*Register of Debenture Holders*).

"Class B Debenture Holder" means a Person whose name is registered as the holder of a Class B Debenture in the register of Debenture Holders maintained pursuant to Clause 2.8 (*Register of Debenture Holders*).

"Class A Debentures" means 5,99,99,994 unlisted, redeemable, non-convertible debentures in the denomination of Rs. 100 (Rupees One Hundred only) each in the aggregate principal amount of Rs. 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) issued by the Issuer and subscribed by the Original Class A Debenture Holders in accordance with the terms and conditions set out in the Class A Debentures Offer Letter and this Deed and for the time being outstanding or, as the context may require, a specific number or principal amount of them.

"Class B Debentures" means 5,99,99,994 unlisted, redeemable, non-convertible debentures in the denomination of Rs. 100 (Rupees One Hundred only) each in the aggregate principal amount of Rs. 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) issued by the Issuer and subscribed by the

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Original Class B Debenture Holder in accordance with the terms and conditions set out in the Class B Debentures Offer Letter and this Deed and for the time being outstanding or, as the context may require, a specific number or principal amount of them.

“Closing Date” means the date on which the last of the Conditions Precedent are satisfied, as evidenced by the CP Completion Certificate.

“Coercive Practice” means impairing or harming or threatening to impair or harm, directly or indirectly, any person or the property of the person, to influence improperly the actions of that person.

“Collusive Practice” means an arrangement between two or more persons designed to achieve an improper purpose, including influencing improperly the actions of another person.

“Conditions Precedent” means the conditions set out in Schedule IV.

“Corrupt Practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another person.

“Coupon Rate” means 8.5% p.a. payable on the nominal value of the Debentures on each Coupon Payment Date.

“Coupon Payment Date” means the last date of every financial quarter (i.e. last day of the month of March, June, September & December) starting from the financial quarter of the issue of the Debentures.

“Coupon Period” means (i) for the first Coupon Period, the time period commencing from the Deemed Date of Allotment to the last date of the financial quarter in which the allotment of the Debentures has taken place i.e. the first Coupon Payment Date; and (ii) for every Coupon Period thereafter, a financial quarter commencing on the day immediately following the Coupon Payment Date of the previous quarter and ending on next Coupon Payment Date.

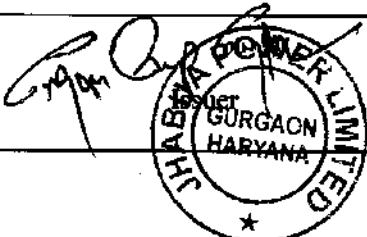

“CP Completion Certificate” has the meaning ascribed to it in Clause 4.1 (*Conditions precedent*).

“Debentures” means the Class A Debentures and the Class B Debentures issued by the Issuer and subscribed by the Original Debenture Holders, collectively in accordance with the terms and conditions set out in the Offer Letters and this Deed and for the time being outstanding or, as the context may require, a specific number or principal amount of them.

“Debenture Holders” means the Class A Debenture Holders and the Class B Debenture Holders, collectively.

“Debenture Trustee Agreement” means the agreement entered into between the Debenture Trustee and the Issuer on or about the date of this Deed for the appointment of the Debenture Trustee as trustee for the Debenture Holders.

“Deemed Date of Allotment” means the date on which the Issuer issues and allots the Debentures in accordance with the subscription process set out in Clause 4.2 (*Subscription*).

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"Depository" shall mean Central Depository Services Limited ("CDSL") or National Securities Depository Limited ("NSDL"), as relevant.

"DRR" has the meaning ascribed to it in Clause 2.10 (*Debenture redemption reserve*).

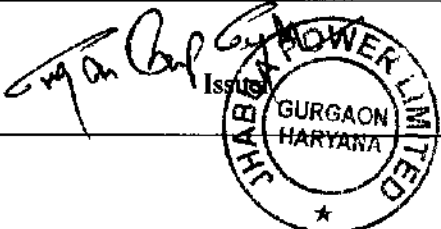

"Event of Default" has the meaning ascribed to it in Clause 6.1 (*Events of Default*).

"Equity Share" or "Share" means the fully paid-up, unencumbered, freely transferable equity shares of the Issuer.

"Financial Creditors" shall have the meaning ascribed to it under Section 5(8) of the IBC.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any amount raised under an acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standards, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement or any liability under an advance or deferred purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any preference shares having a remaining term to maturity ending prior to the final Scheduled Redemption Date;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (j) any arrangement pursuant to which an asset sold by the Person and agreed to be reacquired by it (whether following the exercise of an option or otherwise);
- (k) any amount of liability under any guarantee, put option, keep fit letter or letter of comfort;

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- (l) any liabilities (contingent or otherwise) contracted by whatever means; and
- (m) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

“Financial Year” or **“FY”** means the accounting year of Issuer commencing each year on April 1 and ending on the following March 31, or such other period as the Issuer, with the consent of the Debenture Trustee, from time to time designates as its accounting year.

“Financing Documents” means and includes the following:

- (a) this Deed;
- (b) the Offer Letter(s);
- (c) the Security Documents;
- (d) all agreements, instruments, undertakings, indentures, deeds, writings and other documents executed or entered into, or to be executed or entered into, by the Issuer or, any other person, in relation to the transactions contemplated by, or under this Deed, that is so designated by the Debenture Trustee; and
- (e) Debenture Trustee Agreement.

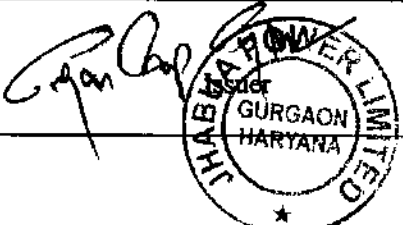

“Financing of Terrorism” means the act of providing or collecting funds with the intention that they be used, or in the knowledge that they are to be used, in order to carry out terrorist acts.

“Fuel Supply Agreement” means the agreement in respect of long term coal linkages to be executed in accordance with the policy documents issued by Coal India Limited, within a period of 24 months from the date of Letter of Assurances dated 2.08.2008 and 6.06.2009 issued by South Eastern Coalfield Limited and Letter of Assurance dated 11.06.2009 issued by Mahanadi Coalfield Limited respectively.

“Good Industry Practice” shall mean the practices, methods, techniques, designs, standards, skills, diligence, efficiency, reliability and prudence which are generally and reasonably expected from a reasonably skilled and experienced operator engaged in similar business and which would be expected to result in the performance of its obligations by the Issuer and implementation in accordance with this Deed, the Financing Documents and Applicable Law in a reliable, safe, economical and efficient manner.

“IBC” means the Insolvency and Bankruptcy Code, 2016, including all the rules and regulations issued under it, as amended from time to time.

“Implementation Agreement” means the implementation agreement dated 14.01.2008 entered into between the Issuer and Government of Madhya Pradesh (GoMP) pursuant to which the Borrower was granted the permission to set up a 600 MW thermal power project in Jhabua district of Madhya Pradesh under the terms and conditions contained therein (which expression shall include all schedules, annexures, appendices, amendments and modifications thereto

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carried out from time to time)

"Indemnified Parties" has the meaning ascribed to the term in Clause 10.13.

"INR" or "Rupee" or "Rs." means the lawful currency of India.

"Insurance Contracts" means the insurance contracts and policies obtained by the Issuer in connection with the buildings, plants, machineries, asset, loss of profit, etc. of the Issuer in consonance with Good Industry Practice, keeping in view the nature of the business of the Issuer.

"Letter of Allotment" means the letter of allotment issued by the Issuer in favour of the relevant Original Debenture Holder in respect of the Debentures issued to such Original Debenture Holder.

"Majority Resolution" has the meaning ascribed to it in Clause 26 of Schedule III (*Provisions for the meetings of the Debenture Holders*).

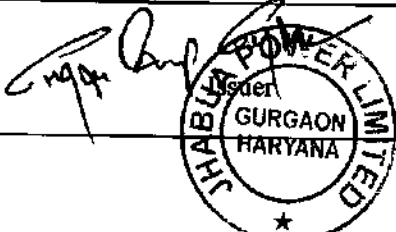
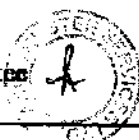
"Management and Administration Rules" means the Companies (*Management and Administration*) Rules, 2014, as may be amended from time to time.

"Material Adverse Effect" means, in the reasonable and sole determination of the Debenture Holders, the effect or consequence of an event, fact, change, development, circumstance, occurrence or condition, pending or threatened litigation, investigation or proceeding, which, individually or in aggregate, has or could reasonably be expected to have an adverse effect on:

- (a) the ability of the Issuer to perform any of its obligations under any of the Financing Documents or the financial condition of the Issuer;
- (b) the validity, legality or enforceability of any Financing Document;
- (c) the rights or remedies of the Debenture Trustee under any Financing Document;
- (d) the value, effectiveness, priority or ranking of the Security Interest as expressed under the Financing Documents; or
- (e) the business, condition (financial or otherwise), operations, performance, assets, prospects or credit standing or business activities of the Issuer.

"Money Laundering" means:

- (a) the conversion or transfer of property, knowing it is derived from a criminal offence, for the purpose of concealing or disguising its illegal origin or of assisting any person who is involved in the commission of the crime to evade the legal consequences of its actions;
- (b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property knowing that it is derived from a criminal offence; or

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|  Issuer JHARKHAND POWER LIMITED GURGAON HARYANA |  Debenture Trustee |
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- (c) the acquisition, possession or use of property knowing at the time of its receipt that it is derived from a criminal offence.

"NCLT" has the meaning ascribed to it in Recital B.

"Obligations" means any and all the amounts payable by the Issuer to the Debenture Trustee and/or the Debenture Holders including but not limited to the principal and coupon of the Debentures and all other monies (including any fees, costs and/or expenses) payable by the Issuer to the Debenture Trustee and/or the Debenture Holders arising out of or in connection with the Financing Documents.

"Offer Letter" means the offer letters issued by the Issuer to the each of the Original Debenture Holders inviting them to subscribe to the Debentures.

"Original Class A Debenture Holders" means the Persons set out in Schedule I.

"Original Class B Debenture Holder" means the Resolution Applicant.

"Original Debenture Holders" means the Original Class A Debenture Holders and the Original Class B Debenture Holder, collectively.

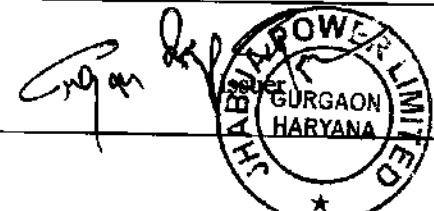
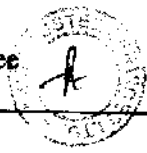
"Package Contract" means the agreement to be executed by the Issuer with the Package Contractor(s) for supply of major equipment & services, including but not limited to boiler package, steam turbine generator package and civil works, and for design, engineering, procurement, construction, improvement and completion of the Project.

"Package Contractor" shall mean the person(s) who have pursuant to the Package Contract agreed to design, procure, execute, complete and commission the Project.

"Payment Account" means, in respect of a Debenture Holder, the account of that Debenture Holder which that Debenture Holder has notified to the Debenture Trustee for crediting all payments required to be made in respect of the Debentures under this Deed, and as notified by the Debenture Trustee to the Issuer.

"Person" shall mean any natural person, corporation, company (including a limited liability company), partnership (whether limited or unlimited), firm, voluntary association, joint venture, trust, unincorporated organization, other enterprise (whether incorporated or not), HUF, union, association of persons, government (central, state or otherwise), or any agency, department, Authority or political subdivision thereof or any other entity whether acting in an individual, fiduciary or other capacity and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time.

"Power Purchase Agreement" or "PPA" means agreement(s) entered or to be entered into by the Issuer with third party(s) for sale of 70% of net power generated by the Project, on long term basis, including power to be sold to the Government of Madhya Pradesh and/or MPSEB as per the terms of the Implementation Agreement.

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"Power Evacuation Arrangement(s)" means the arrangement entered into with the Power Grid Corporation of India Limited or any other transmission entity, by the Issuer for transmission rights/ long term open access for transmission of power, and such arrangement as may further be amended or supplemented from time to time

"Proceedings" has the meaning ascribed to it in Clause 11.2 (*Jurisdiction*).

"Project" shall mean development, design, engineering, procurement, construction, operation and maintenance and generation and sale of electrical output produced by the power station i.e. a 600 MW thermal power plant and related facilities consisting of a single turbine generator set of 600 MW fed from Steam Generator to be set up by the Borrower near village Barela, Gorakhpur, Tehsil Ghansor, District Seoni in Madhya Pradesh.

"Project Documents" mean Implementation Agreement, Power Purchase Agreement (s), agreements/ arrangements that may be entered by the Borrower, from time to time, for long & short term supply of power; all the contracts; documents related to Fuel Supply Agreement, Package Contract, Power Evacuation Arrangement(s), project management consultancy agreement and other agreement entered into or obtained by the Borrower for raising the equity contribution and sponsor(s) support to the Project; all Governmental Approvals, all performance bonds and other security documents and arrangements furnished by any of the parties under the documents above referred to in favour of or for the benefits of the Borrower; and any other agreement designated as a Project Document by the Debenture Holders. An indicative list of the Project Documents is given in Schedule VII hereto.

"Prospectus and Allotment of Securities Rules" means the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time.

"RBI" means the Reserve Bank of India.

"Record Date" means, in relation to any date on which a payment has to be made by the Issuer in respect of the Debentures, the date that is 15 days prior to that payment date.

"Recoveries" means the aggregate of all moneys and other assets received or recovered (whether by way of payment, repayment, prepayment, distribution, redemption, purchase or defeasance, in cash or in kind or the exercise of any set-off or otherwise) from time to time by the Debenture Trustee, under or in connection with the Debentures.

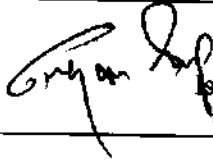


"Redemption Instalment" has the meaning ascribed to it under Clause 2.5(i)(a).

"Redemption Schedule" means the schedule for redemption of Debentures as set out in Schedule II.

"Registrar and Transfer Agent" shall mean RCMC Share Registry Private Limited.

"Relevant Instructions" means in respect of any of the matters listed:

- a) in paragraph (a) of Clause 22 of Schedule III (*Provisions for the meetings of the Debenture Holders*), the written consent obtained from the Debenture Holders representing not less than 66 % (sixty six per cent.) in value of the nominal amount of the Debentures for the time being outstanding or consent by a Super Majority

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Resolution duly passed at the meeting of the Debenture Holders convened in accordance with the provisions set out in Schedule III (*Provisions for the meetings of the Debenture Holders*);

- b) in paragraph (b) of Clause 22 of Schedule III (*Provisions for the meetings of the Debenture Holders*), the written consent obtained from the Debenture Holders representing not less than three-fourth in value of the nominal amount of the Debentures for the time being outstanding or consent by a resolution of majority representing not less than three-fourth in value of the nominal amount of the Debentures for the time being outstanding duly passed at the meeting of the Debenture Holders convened in accordance with the provisions set out in Schedule III (*Provisions for the meetings of the Debenture Holders*);
- c) in paragraph (c) of Clause 22 of Schedule III (*Provisions for the meetings of the Debenture Holders*), the written consent obtained from the Debenture Holders representing not less than one-third in value of the nominal amount of the Debentures for the time being outstanding or consent by a resolution of debenture holders representing not less than one-third in value of the nominal amount of the Debentures for the time being outstanding duly passed at the meeting of the Debenture Holders convened in accordance with the provisions set out in Schedule III (*Provisions for the meetings of the Debenture Holders*); and
- d) in paragraph (d) of Clause 22 of Schedule III (*Provisions for the meetings of the Debenture Holders*), the written consent obtained from the Debenture Holders representing not less than 51% (fifty one per cent.) in value of the nominal amount of the Debentures for the time being outstanding or consent by a Majority Resolution duly passed at the meeting of the Debenture Holders convened in accordance with the provisions set out in Schedule III (*Provisions for the meetings of the Debenture Holders*).

“Resolution Applicant” means NTPC Limited.

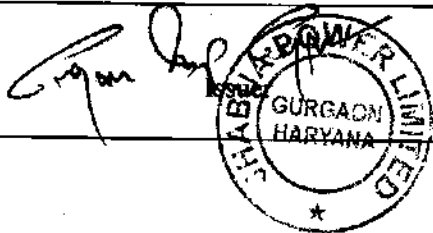

“Resolution Plan” has the meaning ascribed to it in Recital B.

“Scheduled Redemption Date” with respect to each class of Debentures, means the date on which principal amount of such class of Debentures is due and payable in accordance with the Redemption Schedule.

“Share Capital and Debenture Rules” means the Companies (Share Capital and Debentures) Rules, 2014, as may be amended from time to time.

“Secured Assets” means all the assets (whether tangible or movable or immovable) of the Issuer over which Security Interest is created under the Financing Documents.

“Security Documents” means shall mean all documents entered into, or executed and delivered or deposited (or deemed deposited) (or their agents/ representatives) for creating (or recording creation of), effecting, perfecting and maintaining, the Security Interest in favour of the Debenture Trustee, as security for the repayment of the Obligations, including the indenture of mortgage, and any other documents evidencing the creation of equitable mortgage

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“Security” means the security created by or pursuant to the Security Documents to secure the Obligations, as set out in Clause 3(i) hereto.

“Security Interest” means, any mortgage, pledge, equitable interest, trust, guarantee, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, encumbrance, defect in title, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security) or any other encumbrance of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same, executed pursuant to the Approved Resolution Plan.

“Signing Date” means the date of execution of this Deed.

“Successor Trustee” has the meaning ascribed to it in paragraph (i) of Clause 8.2 (*Retirement and Removal of the Debenture Trustee*) of this Deed.

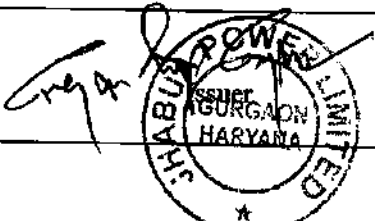

“Super Majority Resolution” has the meaning ascribed to it in Clause 23 of Schedule III (*Provisions for the meetings of the Debenture Holders*).

“Tax” means any present or future taxes, including income tax, corporate tax, sales tax, stamp duty, customs and import duties, levy, impost, octroi, duty imposed and/or levied, withholding obligations, and other charges of whatever nature, due, payable, levied, imposed upon or claimed by any Authority and wherever and whenever charged, levied or imposed together with any interest and penalties in relation thereto.

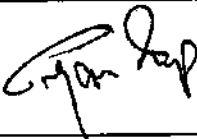


1.2 Principles of Interpretation

1.2.1 In this Deed, unless the context otherwise requires:

- (i) a reference to an “amendment” includes a supplement, modification, amendment, novation, accession, replacement or re-enactment and “amended” is to be construed accordingly;
- (iii) any reference to a public organisation or government entity shall be deemed to include a reference to any successor to such public organisation or government entity or any organisation or entity which has taken over the functions or responsibilities of such public organisation;
- (iv) the singular includes the plural and vice versa;
- (v) the words ‘hereof’, ‘herein’, and ‘hereto’ and words of similar import when used with reference to a specific Clause in, or Schedule to, this Deed shall refer to such Clause in, or Schedule to, this Deed, and when used otherwise than in connection with specific Clauses or Schedules, shall refer to this Deed as a whole;
- (vi) headings and the use of bold typeface shall be ignored in its construction;

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- (vii) references to this Deed shall be construed as references also to any separate or independent stipulation or agreement contained in it;
 - (viii) reference to a "month" or "Month" shall, unless the context otherwise requires, mean a period beginning at 00:00 hours of the first day of the calendar month of a Gregorian Year and ending at 24:00 hours on the last day of such calendar month;
 - (ix) the words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
 - (x) references to the word "includes" or "including" are to be construed without limitation;
 - (xi) references to an agreement shall include all schedules, annexures and exhibits of such agreement and all of such schedules, annexures and exhibits shall be deemed to be an integral part of such agreement;
 - (xii) all references to agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreement, document or instrument as amended, supplemented, substituted, novated or assigned from time to time;
 - (xiii) words importing a particular gender includes all genders; and
 - (xiv) words and abbreviations, which have, well known technical or trade/commercial meanings are used in this Deed in accordance with such meanings.
- 1.2.2 "repayment" includes "redemption" and vice-versa and repaid, repayable, repay, redeemed, redeemable and redemption shall be construed accordingly.
- 1.2.3 Unless the contrary intention appears, a reference to a "week" or "weeks" is a reference to a period starting on one day in a calendar week and ending on the 7th (seventh) immediately succeeding calendar day.
- 1.2.4 Reference to an "agreement" or "document" shall mean such agreement or documents as amended, modified or supplemented from time to time in accordance with the provisions thereof.
- 1.2.5 Unless the contrary intention appears, a reference to a "quarter" or "quarters" is a reference to a period starting on one day in a calendar quarter and ending on the numerically corresponding day in the next calendar quarter or the calendar quarter in which it is to end.
- 1.2.6 Unless the contrary intention appears, a reference to a "year" or "years" is a reference to a period starting on one day in a calendar year and ending on the numerically corresponding day in the next calendar year or the calendar year in which it is to end.
- 1.2.7 "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.
- 1.2.8 Unless the contrary is specified in this Deed, any reference to "threatened" shall be construed to mean a situation where any notice has been received in relation to such event.

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|   | Debenture Trustee  |
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- 1.2.9 Determination of reasonability or materiality shall be made by the Debenture Trustee (acting on the instructions of the Debenture Holders) or the Debenture Holders in their sole discretion.
- 1.2.10 In the event of any disagreement or dispute between the Issuer and the Debenture Trustee regarding the materiality or reasonableness of any matter, the opinion of the Debenture Trustee, as to the materiality or reasonableness of any of the foregoing shall prevail.

2. ISSUE OF DEBENTURES

The Issuer shall issue and allot the Debentures in accordance with the provisions of this Deed. The terms and conditions set out in this Deed shall be binding on the Issuer, the Debenture Trustee, the Debenture Holders and all Persons claiming by, through or under any of them and the Debenture Trustee shall be entitled to enforce the obligations of the Issuer under or in connection with this Deed and any other Financing Document.

Notwithstanding anything to the contrary contained in this Deed, neither the entry into and delivery of this Deed by the Issuer nor the terms of this Deed are intended as an offer or an invitation to subscribe to any of the Debentures in any manner or form whatsoever under Section 42 of the Act or otherwise and accordingly, shall not in any way be interpreted or construed by any Person to be an offer or invitation to subscribe for any of the Debentures. Any such offer or invitation to subscribe for any of the Debentures by the Issuer to the Debenture Holders shall be made solely pursuant to, and in terms of, the Offer Letters.

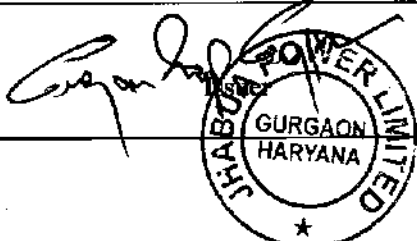
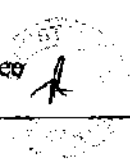
2.1 Issue of the Debentures

Towards the settlement of an amount of INR 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) (forming a part of the total outstanding debt) owed to the Original Class A Debenture Holders by the Issuer, the Issuer and the Original Class A Debenture Holders have agreed that the Issuer shall issue Class A Debentures to the Original Class A Debenture Holders, on the terms and conditions set out in the Deed.

In consideration of receipt by the Issuer of an amount of INR 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) from the Original Class B Debenture Holder, the Issuer and the Class B Debenture Holder have agreed that the Issuer shall issue the Class B Debentures to the Original Class B Debenture Holder, on the terms and conditions set out in the Deed.

2.2 Settlement of trust

- (i) At the request of the Issuer, Axis Trustee Services Limited has agreed to act as the Debenture Trustee for the Debenture Holders in respect of the Debentures on the terms and conditions set out in this Deed and for the remuneration set out in the Debenture Trustee Agreement. The Debenture Trustee confirms that it has, *vide* the Debenture Trustee Agreement, accepted its appointment and has agreed to act as Debenture Trustee in respect of the issuance of the Debentures.
- (ii) The Issuer hereby settles in trust with the Debenture Trustee the sum of INR 1,000 (Rupees One Thousand Only). The Debenture Trustee has accepted the above amount of INR 1,000 (Rupees One Thousand Only) in trust declared and agrees to: (i) act as trustee for the benefit of

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|  | Debenture Trustee  |
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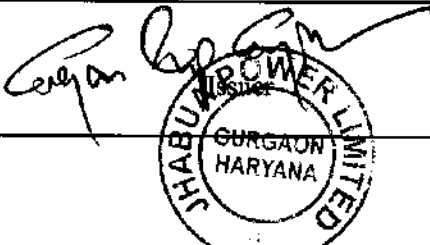

the Debenture Holders on the terms and conditions set out in this Deed and the other Financing Documents; and (ii) to hold on trust for the Debenture Holders all the Recoveries. The Issuer also hereby declares that all the beneficial right, title and interest in and to the trust shall be vested in the Debenture Trustee and held for the benefit of the Debenture Holders in accordance with the terms of this Deed and their respective interests as provided for herein.

- (iii) The Debenture Holders shall, by signing the Application Form under the Offer Letter and without any further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee and its agents and authorized representatives to do, *inter alia*, all acts, deeds and things necessary in respect of the Debentures being offered for subscription under this Deed. Any subsequent debenture holders purchasing from the Debenture Holders shall be deemed to have irrevocably given such consent to the Debenture Trustee and its agents and authorized representatives immediately upon being registered as a Debenture Holder in the register of Debenture Holders maintained in respect of the Debentures.
- (iv) Notwithstanding anything contained herein or any other Financing Document, the Debenture Trustee agrees and confirms that it is authorized:
- (a) to execute and deliver this Deed, the other Financing Documents and all other documents, agreements, instruments and certificates contemplated by this Deed or the other Financing Documents which are to be executed and delivered by the Debenture Trustee or as the Debenture Trustee shall deem advisable and in the best interests of the Debenture Holders;
 - (b) to perform its duties and obligations as the Debenture Trustee as set out in this Deed, the other Financing Documents and under Applicable Law, subject to the terms and provisions of this Deed, the other Financing Documents and under Applicable Law, to take such other action in connection with the foregoing as the Debenture Holders may from time to time direct; and
 - (c) to take whatever action shall be required to be taken by the Debenture Trustee by the terms and provisions of this Deed, the other Financing Documents and under Applicable Law.

Provided that before initiating any action or exercising any right/discretion or performing any duty or granting any consent / approval under this Deed or any other Financing Documents, the Debenture Trustee shall seek instructions from the Debenture Holders and only upon receipt of such instructions in writing, issued in accordance with the terms hereof shall the Debenture Trustee exercise its rights and perform its duties and obligations under such documents. Notwithstanding anything contained in the Debenture Trustee Agreement or this Deed, in the event of any instruction received by the Debenture Trustee being in violation of this Deed or any other Financing Documents or Applicable Law, the Debenture Trustee shall not be obliged to comply with the terms of such instruction.

- (v) Notwithstanding anything contained in this Deed, the Parties accept and acknowledge that when any consent, instruction or waiver under this Deed or the other Financing Documents is required to be obtained / provided by the Debenture Holders (including consents being sought by the Debenture Trustee from the Debenture Holders), such consent/ instruction/ waiver shall be obtained in the manner set out in Schedule III.

2.3 Nature and form of the Debentures

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|  | Debenture Trustee  |
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- (i) Each Debenture constitutes direct and unconditional obligation of the Issuer without any preference *inter se* whatsoever on account of date of issue or allotment or otherwise. Each Debenture shall *inter se* rank *pari passu* in relation to the rights and benefits attached to it without any preference or privilege whatsoever.
- (ii) The Debentures will be issued solely in dematerialized form in accordance with the relevant provisions of the Act, the Depositories Act, 1996 and other Applicable Law.
- (iii) The Debentures upon issue will be unlisted, redeemable, non-convertible denominated in Indian Rupees and shall bear coupon at the Coupon Rate.

2.4 Covenant to pay

The Issuer irrevocably covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and the other Financing Documents and, in particular but without prejudice to its other obligations, pay to the Debenture Holders and the Debenture Trustee all the Obligations including the principal and coupon of the Debentures together with all other monies payable by the Issuer in accordance with the terms and conditions contained herein and the Financing Documents and the remuneration to the Debenture Trustee in accordance with the Debenture Trustee Agreement and this Deed.

2.5 Redemption of the Debentures

(i) Scheduled Redemption

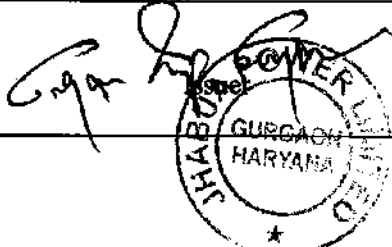

- (a) The Issuer shall redeem the Debentures in 48 equal quarterly instalments over a period of 12 years in accordance with the Redemption Schedule and in compliance with the provisions of Applicable Law, running from the financial quarter immediately following the financial quarter wherein the Deemed Date of Allotment has taken place ("Redemption Instalment").
- (b) With respect to each Redemption Instalment due on each Scheduled Redemption Date, the Issuer shall credit to the Payment Account of each relevant Debenture Holder on the relevant Record Date, in immediately available funds an amount in Indian Rupees that is equal to the pro rata share of the outstanding principal amount of each Debenture held by such Debenture Holder.

(ii) Premature Redemption

At any time prior to the redemption in terms of (i) above, the Debentures may be prematurely redeemed at the option of the Issuer, with not less than 5 (five) days prior written notice to the Debenture Holders.

The Issuer shall issue a prior notice of 5 (five) days to the Debenture Trustee and the Registrar and Transfer Agent prior to carrying out the redemption of the Debentures intimating the proposed date of redemption along with the details of Debentures proposed to be redeemed.

If the Issuer is desirous to redeem the Debentures pursuant to this sub-clause (ii), it must credit to the Payment Account of each relevant Debenture Holder on the relevant Record Date in immediately available funds an amount in Indian Rupees that is equal to the share of the

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outstanding principal and coupon amount (being prepaid) with respect to the Debentures held by that Debenture Holder.

(iii) **Redemption Procedure**

- (a) Any redemption shall be applied towards discharge of the principal amount of the Debentures. The details of allocation of amounts towards the redemption of the Debentures shall be submitted by the Issuer along with the notice of redemption to the Debenture Trustee.
- (b) In the event that the Issuer is required to change the ISIN of the relevant Debentures due to the partial redemption of the Debentures, the Issuer shall promptly take all steps necessary in this regard.
- (c) The Issuer shall take all necessary actions (including obtaining all consents and approvals as may be required under Applicable Law) for undertaking the redemption.

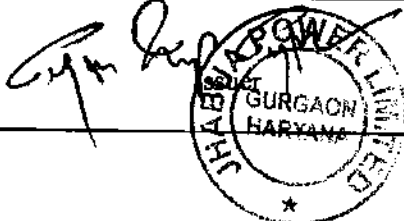

(iv) **General**

- (a) Notwithstanding anything to the contrary contained in this Deed, if any amount paid to any Debenture Holder or the Debenture Trustee in relation to any of the Debentures is held void or set aside on the liquidation, dissolution or winding up of the Issuer or otherwise, such amount shall not be considered to have been paid for the purpose of this Deed and the other Financing Documents and to such extent, the Obligations will be deemed to be unpaid.
- (b) Any redemption of any Debenture under this Deed shall be made together with all amounts payable in respect of that Debenture under this Deed.
- (c) The Issuer may not redeem all or any of the Debentures other than in accordance with the terms of this Deed.

2.6 Coupon

- (i) Coupon shall accrue on the principal amount of the Debentures outstanding from the Deemed Date of Allotment, at a rate that is equal to the Coupon Rate.
- (ii) The Issuer shall pay accrued coupon on the Debentures outstanding to the Debenture Holders on each Coupon Payment Date.
- (iii) During each Coupon Period, the Debentures shall bear coupon at the applicable Coupon Rate for that Coupon Period.
- (iv) The Issuer shall, on each Coupon Payment Date, credit to the Payment Account of each Debenture Holder, on the relevant Record Date in immediately available funds an amount in Indian Rupees that is equal to the coupon accrued on the aggregate principal amount of the Debentures held by that Debenture Holder.

2.7 Payments

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|  | <p>Debenture Trustee </p> |
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- (i) Any payment to be made by the Issuer under this Deed to a Debenture Holder or the Debenture Trustee shall be made for value on the due date in Indian Rupees by electronic transfer to the Payment Account of that Debenture Holder communicated in writing to the Issuer or in case of the Debenture Trustee, in an account communicated in writing to the Issuer by the Debenture Trustee.
- (ii) All payments required to be made by the Issuer under the Financing Documents shall be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.
- (iii) If any of the Debenture Holders at any time receives less than the full amount then due and payable under this Deed, that Debenture Holder may allocate and apply the amount received as the Debenture Holder in its sole discretion determines, notwithstanding any instruction of the Issuer to the contrary.

2.8 Register of Debenture Holders

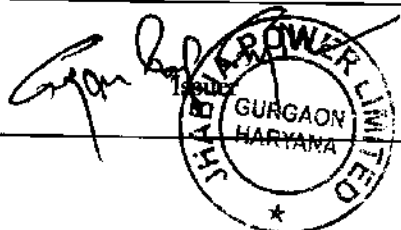

- (i) A register of the Debenture Holders shall be maintained by the Issuer containing necessary particulars, including a list of names and addresses of all Debenture Holders, record of any subsequent transfers or change of ownership of the Debentures, in accordance with Section 88 of the Act and, for so long as the Debentures are in dematerialized form, the register of Debenture Holders maintained by the Depository in accordance with Section 11 of the Depositories Act, 1996, the regulations made under the Depositories Act, 1996 and the regulations made by SEBI from time to time shall be used for this purpose. The Debenture Trustee, each Debenture Holders or any other Person shall, as provided in Section 94 of the Act be entitled to inspect the said register or record and to take copies of or extracts from the same during usual business hours.
- (ii) The Registrar and Transfer Agent shall, at least 5 (five) days prior to any date on which the Issuer has to make a payment under this Deed to the Debenture Holders, obtain from the Depository a list of the beneficial holders of the Debentures as at the relevant Record Date and promptly deliver such list to the Issuer.
- (iii) All amounts payable by the Issuer in respect of each Debenture will be paid to the Person registered as the holder of that Debenture as on the relevant Record Date or, in the case of joint-holders, to the Person whose name stands first in the register of Debenture Holders as on the relevant Record Date.

2.9 Transfer of Debentures

The Debentures shall be freely transferable, at no cost to the Issuer, in accordance with the procedure for transfer of dematerialized securities under the Depositories Act, 1996 and the rules made under the Depositories Act, 1996, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, the by-laws, rules and regulations of the relevant Depositories and depository participants and other Applicable Laws.

2.10 Debenture redemption reserve

- (i) The Issuer shall, if required to do so by law, create and maintain for so long as any Obligations are outstanding, a debenture redemption reserve ("DRR") in accordance with Section 71 of the Act, Rule 18 of the Share Capital and Debenture Rules and other relevant provisions of

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Applicable Laws. Further, if any new law is enacted or the existing law is amended or modified (including, for the avoidance of doubt, pursuant to any clarification or circular or guidelines that are issued) by any Authority under law in respect of the creation and maintenance of a DRR or any similar fund or reserve in connection with the issue of debentures by Indian companies generally, the Issuer shall comply with such law and shall, at its own cost and expense, promptly do all such acts and deeds (including, without limitation, executing any deeds or documents) as may be required by the Debenture Trustee.

- (ii) The Issuer shall, within 5 (five) days from the receipt of request from the Debenture Trustee, deliver to the Debenture Trustee, a certificate duly signed by a director and the chief financial officer confirming that it has complied with all of its obligations under sub-rule (7) of Rule 18 of the Share Capital and Debenture Rules.

2.11 Inconsistency with the Offer Letter

The Issuer covenants to comply with the terms of the Offer Letter. This Deed shall be read in conjunction with the Offer Letter and other Financing Documents and it is agreed between the Debenture Trustee and the Issuer that in case of any inconsistency or conflict between the Offer Letter and this Deed, or, as the case may be, any other Financing Document and this Deed, the provisions of this Deed shall prevail and override the provisions of the Offer Letter or, as the case may be, that Financing Document. The Issuer agrees, upon request in writing by the Debenture Trustee, to promptly enter into any deed or document to amend such other Financing Document or to issue a supplement to the Offer Letter, in each case, to ensure that such document is consistent with the terms and conditions set out in this Deed.

2.12 Debentures free from equity

The Debenture Holders will be entitled to their respective Debentures free from equities or cross claims by the Issuer against the original or any intermediate holders thereof.

2.13 Debenture Holders not entitled to shareholders' rights

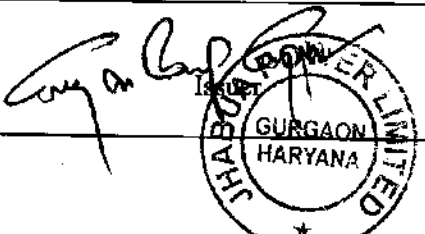

The Debenture Holders will not be entitled to any of the rights and privileges available to shareholders of the Issuer, other than those available to them under law or available to them in the capacity of shareholders.

2.14 When the Debenture Trustee may interfere

Until the occurrence of an Event of Default, the Debenture Trustee shall not be in any manner required to interfere or otherwise be concerned with the management or the affairs of the Issuer or its business or any part thereof.

2.15 Surrender of Debentures on payment

Upon receipt by a Debenture Holder of amounts that discharge in full all of the Obligations in respect of the Debentures held by it, the Debenture Holder shall surrender such Debentures in the form and manner advised to the Debenture Holder by the Issuer. The Debentures issued in dematerialised form shall be cancelled by the Issuer on discharge of the entire Obligations in respect of the Debentures.

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2.16 Computation of interest and other charges

Coupon and all other charges shall accrue from day to day and shall be computed on the basis of the actual number of days in the relevant year to the actual number of days in the relevant Coupon Period.

3. SECURITY

(i) Security for the Obligations

The due repayment/ discharge of the Obligations shall be secured by:

- a) a first ranking mortgage on: (A) all immovable assets (including freehold and leasehold) of the Issuer, (B) all movable assets of the Issuer including plant, machinery, furniture, fixtures, equipment etc., and (C) all current assets (both present and future) of the Issuer; and
- b) a first ranking assignment by way of security of all rights, title, interest and entitlements of the Issuer arising from all the Project Documents,

in favour of the Debenture Trustee.

The Security Interest mentioned above in respect of the Debentures shall be referred to as the "Security".

In terms of the Approved Resolution Plan, the Issuer proposes to have right to undertake further debt (estimated at about Rs. 400 Crores for part funding of additional capex and capex requirements for Flue Gas Desulphurisation ("FGD")). In view of thereof, the Financial Creditors or the Debenture Trustee (as applicable) will not unreasonably withhold their consent with respect to any proposal of the Resolution Applicant to obtain credit facilities for the purpose of abovementioned capital expenditure from any party as per the terms and conditions agreed between the Resolution Applicant and such party

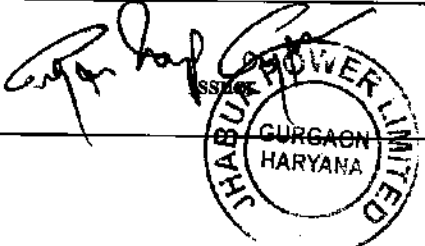

(ii) Security creation

The Security stipulated in Clause 3(i) above shall be created and perfected to the satisfaction of the Debenture Trustee on or prior to the Deemed Date of Allotment. Provided however, the registration with the sub-registrar of assurances should be completed within 30 days from the Deemed Date of Allotment.

(iii) Ranking

The Security to secure the Debentures shall be a first ranking Security Interest in favour of the Debenture Trustee for the benefit of the relevant Debenture Holders (ranking amongst the relevant Debenture Holders being *pari passu without any preference or priority to one over the other*).

The Security shall further rank *pari passu* with the security interest to be created for the non-fund based facilities extended by Axis Bank Limited aggregating to INR 8,29,66,200/- (Rupees Eight Crores Twenty Nine Lakhs Sixty Six Thousand and Two Hundred).

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4. CONDITIONS TO SUBSCRIPTION AND SUBSCRIPTION PROCESS

4.1 Conditions Precedent

The subscription to the Debentures by the Original Debenture Holders under Clause 4.2 below shall be subject to the completion of all the Conditions Precedent to the satisfaction of the Original Debenture Holders.

On the date on which the last of the Conditions Precedent are satisfied, the Issuer shall execute a certificate in the format set out in Schedule VI certifying the due satisfaction of the Conditions Precedent and designating such date as the Closing Date ("CP Completion Certificate").

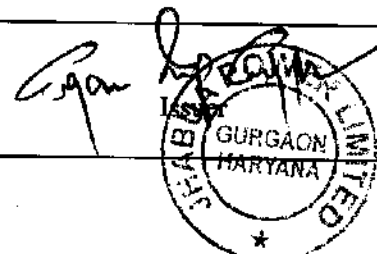

4.2 Subscription

- (i) The Issuer hereby agrees and acknowledges that the Original Debenture Holders shall subscribe to the Debentures specified in the Application Form delivered by them to the Issuer.
- (ii) Upon providing a duly completed Application Form to the Issuer and the Issuer issuing and allotting the Debentures to the Original Class A Debenture Holders in accordance with Clause 4.3 below, the outstanding dues, to the extent of INR 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) payable by the Issuer to the Original Class A Debenture Holders shall be deemed to be settled/discharged as consideration towards the subscription monies with respect to the Debentures issued to the Original Class A Debenture Holders.
- (iii) The Original Class B Debenture Holder shall, as part of the Conditions Precedent, remit the subscription monies to the Issuer with respect to the Class B Debentures through such payment instruments or means as specified by the Issuer in the Offer Letter. Upon provision of the duly completed Application Form to the Issuer and receipt of the subscription monies by the Issuer, the Issuer shall be bound to issue and allot the Class B Debentures to the Class B Debenture Holder.
- (iv) The Issuer shall procure that the Deemed Date of Allotment of the Debentures shall be the Closing Date.

4.3 Allotment of the Debentures

The Issuer shall:

- (i) on the Deemed Date of Allotment,
 - (a) provide evidence of issuance of Letter of Allotment to each Original Debenture Holder;
 - (b) provide the Debenture Trustee/ Debenture Holders with a certified true copy of its register of Debenture Holders, updated to include the Original Debenture Holders;
 - (c) file Form PAS-3 under the Companies Act, 2013 read with the Prospectus and Allotment of Securities Rules with the jurisdictional Registrar of Companies and deliver to the Debenture Trustee a copy of such forms filed.

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- (ii) As soon as practicable and in any event within 2 (two) Business Days from the Deemed Date of Allotment or such other extended time as agreed between Issuer and Debenture Trustee, credit the Debentures in dematerialized form to the demat account of the respective Original Debenture Holders.

4.4 Conditions subsequent

The Issuer shall comply with the conditions and submit all documents set out in Schedule V (*Conditions Subsequent*) strictly within the timelines specified in that Schedule.

5. ISSUER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations and Warranties

- (i) The Issuer represents and warrants to the Debenture Trustee as follows and confirms that such representations and warranties are true, correct, valid and subsisting as on the Signing Date and shall be repeated, by reference to the facts and circumstances then existing, on each date until the discharge in full of the Obligations:

(a) **Compliance with Applicable Law**

This Deed and each of the other Financing Documents are in proper legal form under the laws of India, for the admissibility as evidence and enforcement thereof in such jurisdiction without any further action.

(b) **Organization and Authority**

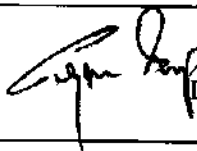


It is a company limited by shares duly incorporated and validly existing under the laws of India and has the corporate power and has obtained all required Authorisations to comply with its obligations under the Deed and the Financing Documents to which it is a party or will, in the case of any Financing Document not executed as at the Signing Date, when that Financing Document is executed, have the corporate power to enter into, and comply with its obligations under, that Financing Document.

(c) **Corporate Action**

All corporate and other action required to authorise the execution, delivery and performance by the Issuer of this Deed and the other Financing Documents, and, in particular, the exercise of rights by the Debenture Trustee and performance of the obligations expressed to be assumed by it hereunder and thereunder, has been duly taken.

(d) **Binding Obligations**

Each Financing Document to which it is a party has been, or will be, duly authorized and executed by it and, constitutes, or will when executed constitute, a valid and legally binding obligation of the Issuer, enforceable in accordance with its terms, and none of the Financing Documents has been, or will be, amended or modified except as permitted hereunder.

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(e) **No Immunity**

The Issuer does not have the benefit of any sovereign immunity or similar immunity from suit, execution, attachment or other legal process in relation to itself or any of its assets in any jurisdiction in regard to the matters set forth in this Deed and the other Financing Documents other than as specified under Section 32A of the IBC.

(f) **No Violation**

The execution, delivery and performance by the Issuer of this Deed and the other Financing Documents and the issuance of the Debentures are being made pursuant to the implementation of the Resolution Plan and are not in violation of any Applicable Law or constitutional document of the Issuer.

(g) **Private and commercial acts**

Its execution of the Financing Documents to which it is a party constitutes, and the exercise of its rights and performance of its obligations thereunder will constitute, private and commercial acts done and performed for private and commercial purposes.

(h) **Admissibility in evidence**

Each of the Financing Documents is admissible in evidence in all appropriate jurisdictions, as provided in such documents.

(i) **Charter Documents**

The Charter Documents, as may be delivered to the Debenture Holders or the Debenture Trustee, are the latest and true version thereof and have been suitably amended, if required, to enable the Issuer to comply with the relevant Financing Documents.

(j) **No Agreements or Instruments**

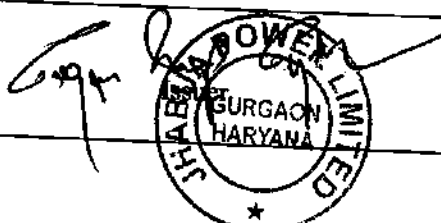

There are no agreements or instruments, which have been executed by the Issuer which have the effect of amending or modifying the Financing Documents.

(k) **Governing Applicable Law and Enforcement**

Subject to any general principles of law limiting its obligations, the choice of law specified in each Financing Document as the governing law of that Financing Document will be recognised and enforced in India.

(l) **Pari Passu**

Its payment obligations under the Financing Documents constitute direct, unconditional and general obligations of the Borrower and rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for any obligations mandatorily preferred under the Applicable Laws applying to companies generally.

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(m) **Compliance**

In relation to this issue of Debentures, the Issuer is in compliance with all laws, rules, regulations and guidelines, as may be in force from time to time during the currency of the Debentures

(ii) The Issuer represents and warrants to the Debenture Trustee as follows and confirms that such representations and warranties are true, correct, valid and subsisting as on the Closing Date and shall be repeated, by reference to the facts and circumstances then existing, on each date until the discharge in full of the Obligations

(a) **Compliance with Applicable Law**

The Issuer is in compliance with all Applicable Law in relation to the conduct of its business and ownership of its assets. The Issuer is in compliance with the provisions of all other subsisting contracts and arrangements to which it is a party and any specific consents/approvals/authorizations (written or otherwise) required to be obtained (or notices/intimations required to be furnished) under such contracts for the validity, execution and delivery hereof, or the performance of the obligations (or unequivocal confirmation/perfection of the rights) under the Financing Documents including security creation pursuant hereto, have been/shall be duly obtained and are/would be in full force and effect.

(b) **Authority**

The Issuer has obtained all required Authorisations to own its assets and conduct its business as presently conducted.

(c) **No Fraudulent Transaction**

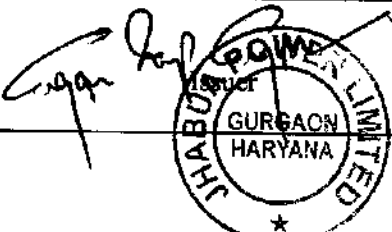
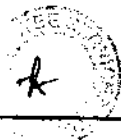
No material act of fraud, embezzlement, misstatement, misappropriation or siphoning off funds or revenues or any other act having a similar effect has been committed by the key management personnel or a director of the Issuer. Further, no transaction or arrangement with any Person motivated by fraudulent considerations has been entered by the Issuer in relation to any projects.

(d) **Event of Default**

No Event of Default has occurred.

(e) **Consents**

- (1) All Authorizations under Applicable Law that are necessary for the conduct of its business and operations;
- (2) all Authorizations of any nature required for the execution, delivery and performance of the Financing Documents; and

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- (3) all Authorizations of any nature required for the legality, validity, binding effect or enforceability of the Financing Documents,

have been obtained and are in full force and effect and the Issuer is in compliance with the terms thereof; and no event has occurred which would render void any of the above.

(f) Security Interest

- (1) the Issuer owns or has good, valid and marketable legal or beneficial interest in the assets over which Security Interest has been/ shall be created in terms of the Financing Documents and, on and from the Closing Date, no other Security Interest exists over any of such assets of the Issuer other than as permitted under the Financing Documents;
- (2) all Security Documents when executed, delivered and registered (where necessary or desirable) and when appropriate forms are filed as required under Applicable Law, shall create the Security Interests expressed to be created thereby over the assets referred therein and such Security Documents shall be valid and enforceable; and the claims of the Debenture Trustee to the proceeds of the security shall rank in the order of priority as may be stipulated in the relevant Security Documents; and
- (3) the Issuer is empowered to assign its rights under the Project Documents, and any consents required to be obtained in this regard have been obtained.

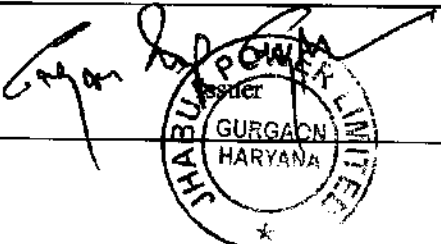

(g) Registration and Filing

All registrations, recordings, filings and notarisation of the Financing Documents have been and shall be made within the prescribed statutory period or the time period prescribed in this Deed and all payments of any Tax or duty relating thereto, including stamp duty and registration charges, which are required to be effected or made by the Issuer in order to ensure the legality, validity, enforceability or admissibility in evidence of such documents have been and shall be made.

Other than registration with the Sub-Registrar of Assurances, the Registrar of Companies, Central Registry of Securitisation Asset Reconstruction and Security Interest and information utilities, it is not necessary that the Financing Documents be filed, recorded or enrolled with any court or other authority in India or that any stamp, registration or similar tax be paid on or in relation to the Financing Documents or the transactions contemplated by the Financing Documents other than stamp duty payable on the Financing Documents in the state of execution or the state of receipt thereof.

(h) Financial Statements

The most recent financial statements of the Issuer are accurate in all respects and represent a true and fair picture of the affairs of the Issuer and its financial condition, and since the date such statements were drawn up, there has been no Material Adverse Effect. Each such statement has been prepared in accordance with Accounting

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Standards consistently applied and has been duly audited by the Auditor, who has not placed any adverse qualifications or remarks in relation thereto.

(i) No Litigation

No litigations have been pending or threatened against the Issuer and the Issuer is not party to any litigation which if adversely determined, would have a Material Adverse Effect.

(j) Tax Return and Payments

The Issuer has complied in all respects with all taxation laws in all jurisdictions in which it is subject to taxation and has filed all tax returns required by Applicable Law to be filed by it and has paid all Taxes payable by it which have become due pursuant to such tax returns or otherwise.

(k) Licenses and Intellectual Property

The Issuer has lawful and valid right to use free and clear of any pending or threatened Security Interest, all licenses, patents, patent applications, trademarks, permits, service marks, brand names, copyrights, trade names, trade secrets, proprietary information and knowledge, technology, computer programs, databases, copy rights, licenses, franchises and formulae, or rights with respect thereto necessary for the implementation, operation and maintenance of its business and operations.

The Issuer does not, in carrying on its business and operations, infringe any intellectual property rights of any person.

None of the intellectual property or intellectual property rights owned or enjoyed by the Issuer, or which the Issuer is licensed to use, which are material in the context of the Issuer's business and operations are being infringed nor, so far as the Issuer is aware, is there any infringement or threatened infringement of those intellectual property or intellectual property rights licensed or provided to the Issuer by any person.

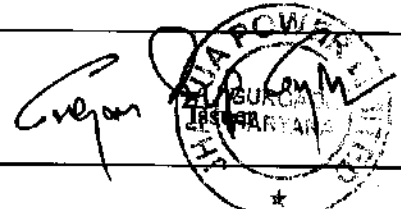

All intellectual property or intellectual property rights owned by the Issuer or which the Issuer is licensed to use are valid and subsisting. All actions (including registration, payment of all registration and renewal fees) required to maintain the same in full force and effect have been taken.

(l) Related Party Contracts

The Issuer hereby confirms that all the Issuer's contracts or agreements with, or any commitments to, any affiliates or group companies (if applicable) are on arms' length basis.

(m) Material Adverse Effect

There are no facts or circumstances, conditions or occurrences, which could collectively or otherwise be expected to result in Material Adverse Effect.

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(n) **Wilful Defaulter**

No director or member of the Issuer has been identified as a 'wilful defaulter' by the RBI or any bank or financial institution; and if any director on the Board of the Issuer is identified as such, the Issuer shall take expeditious steps for removal of such person from the Board of the Issuer.

(o) **No Violation**

The execution, delivery and performance by the Issuer of this Deed and the other Financing Documents and the issuance of the Debentures are not in violation of any mortgage, trust, instrument, agreement or other instrument, arrangement, obligation, duty or any order, writ, injunction or decree of any court or governmental authority, by which the Issuer is bound.

(p) **Insurance**

All Insurance Contracts shall be/ are in full force and effect. The Insurance Contracts cover thereunder such risks as are customarily covered in accordance with Good Industry Practice, adequately and reasonably cover the Issuer's assets. The Insurance Contracts in respect of the Secured Assets are suitably endorsed in favour of the Debenture Trustee and identify the Debenture Trustee as the loss payee with respect to the insurance proceeds. No event or circumstance has occurred nor has there been any omission to disclose a fact which in any such case would entitle any insurer to avoid or otherwise reduce its liability thereunder to less than the amount provided in the relevant policy and insurance coverage provided by such Insurance Contract.

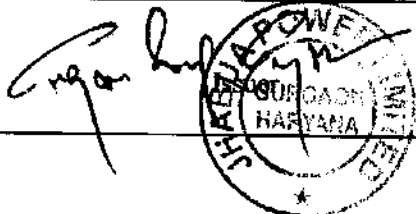

(q) **No Misleading Information/True Disclosure**

- a) Any and all factual information contained in, provided by or on behalf of the Issuer in connection with the Financing Documents was true, correct and complete in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading in any respect.
- b) Nothing has occurred or been omitted from the information so provided and no information has been given or withheld that results in the information provided by or on behalf of the Issuer being untrue or misleading in any material respect at the date when it was made.

(r) **Compliance**

Each of the Financing Documents executed is and those to be executed will, when executed, be in proper legal form under the respective governing laws for the enforcement thereof and all the clearances/ Authorisations required have been or will be obtained in accordance with the Applicable Laws.

(iii) The Issuer acknowledges that the representations and warranties, when they are made or deemed to be made as above, are an integral part of this Deed and each Debenture Holder has

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agreed to subscribe/ hold to the Debentures on the basis of, and in full reliance on, each of such representations and warranties.

- (iv) Each of the representation and warranties are separate and independent and none of the representations and warranties shall, save and except with respect to any disclosures expressly made by the Issuer, be treated as qualified by any actual or constructive knowledge on the part of any Debenture Holder or the Debenture Trustee or any of their agents, representatives, officers, employees or adviser.

5.2 Issuer's Covenants

- (i) **Affirmative Covenants:** So long as its Obligations are redeemed / repaid in full, to the satisfaction of the Debenture Holders, the covenants set out herein shall apply for the benefit of Debenture Holders. Unless the Debenture Trustee otherwise agrees, the Issuer shall:

(a) **Corporate Existence, Clearances and Compliance with Applicable Law**

Maintain its existence, corporate or otherwise, and right to carry on its business and operations and comply in all respects with Applicable Law and the applicable clearances, *inter alia*, in relation to the implementation of the business of the Issuer and shall ensure that the clearances (including those relating to anti-pollution and environmental safeguards, if required) are (at all times) maintained in full force and effect and submit the same to the Debenture Trustee, if required by the Debenture Trustee/ Debenture Holders.

The Issuer shall comply with such other conditions as may be stipulated by the Debenture Trustee/ Debenture Holders from time to time on account of requirement of any Applicable Laws.

(b) **Charter Documents**

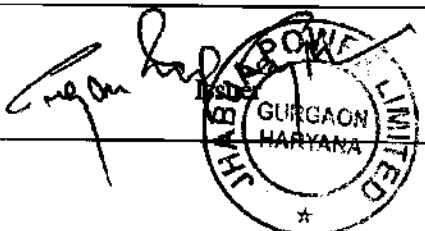
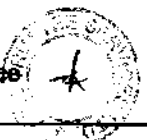
Carry out modifications and alterations to its Charter Documents, if required by the Debenture Trustee, in connection with the effectuation of the transactions contemplated hereby and other Financing Documents and submit to the Debenture Trustee such amended Charter Documents.

(c) **Business Operations**

Carry out its business with due diligence and efficiency. The Issuer shall maintain, preserve and operate all of its assets and other properties necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and in accordance with prudent industry standards and accepted industry practices and replace or rebuild the assets or any of its material property, or any part thereof now or hereafter damaged or destroyed by any event (whether or not insured against or insurable) to ensure that there is no depletion in the value of the Security.

(d) **Performance of Financing Documents**

- (1) Shall take all action to prevent the termination, revocation, suspension or repudiation of any such Financing Documents in accordance with the terms

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thereof and not take any action which may cause termination, revocation, suspension or repudiation of a Financing Document.

- (2) Take or cause to be taken all action required to maintain and preserve the Security Interest created under the Security Documents and the priority thereof. The Issuer shall from time to time execute or cause to be executed any and all further instruments and register and record such instruments in all public and other offices in order to create and maintain valid, perfected and enforceable Security Interest of first priority and ranking over the Secured Asset pursuant to the Security Documents.

(e) **Property Rights**

Shall maintain title to and interest in all of its properties and shall take all actions necessary to create, maintain and perfect at all times, both ownership and leasehold rights, as may be applicable, and shall take all actions necessary to create and perfect interest in any other property forming part of the Secured Asset. The Issuer shall take all actions necessary to maintain good and marketable title / interest to the Secured Assets free and clear of all charges, liens and other Security Interests other than as provided hereunder.

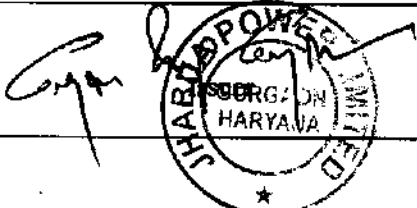
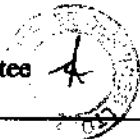
(f) **Auditors**

Appoint and maintain at all times a reputed firm recognised by Institute of Chartered Accountants of India (ICAI) as its Auditors.

In the event that the existing auditors cease to act as the auditors of the Issuer for any reason, promptly inform the Debenture Trustee of the reasons for such cessation and shall appoint another firm of independent chartered accountants, in accordance with Applicable Laws.

(g) **Maintenance of Books of Accounts**

- (1) Keep books of account as required by the Act and in accordance with the Accounting Standards and applicable accounting practices and keep the said books of account and all other books, registers and other documents relating to the affairs thereof at the registered office of the Issuer or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept.
- (2) Install and maintain an accounting and control system, management information system and books of account and other records, which together adequately give a fair and true view of the financial condition of the Issuer and the results of its operations in conformity with the Accounting Standards.
- (3) Furnish to the Debenture Trustee every year a copy (or such number of copies as may be stipulated or requested by the Debenture Trustee/ Debenture Holders) of each of (i) the audited financial statement within 6 (six) months from the end of Financial Year; and (ii) the financial statements required by the

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Debenture Trustee/ Debenture Holders from time to time in addition to the set of statements required to be furnished by the Issuer to the Debenture Trustee/ Debenture Holders as on the date of publication of the Issuer's annual accounts.

- (4) Submit to the Debenture Trustee at regular intervals such statements as may be prescribed by the Debenture Trustee/ Debenture Holders.
- (5) Ensure that any third party liability on the Debenture Trustee/ Debenture Holders due to wrong information/details furnished by the Issuer will be the Issuer's responsibility.
- (6) Not radically change its accounting system without notice to the Debenture Trustee.

(h) Compliance with Laws:

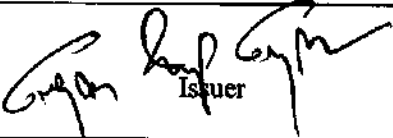

- (1) Conduct its business in compliance with all applicable requirements of law.
- (2) File by the date due all returns, reports and filings in respect of Taxes required to be filed by it and pay, when due, all Taxes due and payable by it.

(i) Material Adverse Effect

Promptly inform the Debenture Trustee of the happening of any event, likely or reasonably expected to have a substantial effect on its profit or business or a Material Adverse Effect, with explanations and the remedial steps taken and/or proposed to be taken.

(j) Insurance

- (1) At all times adopt an adequate insurance and risk coverage programme including *inter alia* against fire, lightning, riots, strikes, floods, cyclones, earthquakes, civil commotion and other natural calamities and all other risks keeping in view the nature and business of the Issuer in consonance with Good Industry Practice with respect to its business and assets, and with respect to the Secured Assets obtain and maintain at its own expense the insurance on the terms as may be stipulated by the Debenture Trustee/ Debenture Holders and for such amount as the Debenture Trustee/ Debenture Holders may consider necessary and keeping in view Good Industry Practice for full market value.
- (2) Ensure either the Insurance Contracts in respect of the Secured Assets shall be in the joint names of the Borrower and the Debenture Trustee or it shall be ensured that the Debenture Trustee's interest is notified to the insurers and noted on all Insurance Contracts and such Insurance Contracts should be suitably endorsed in favour of the Debenture Trustee and shall expressly stipulate the Debenture Trustee as 'sole loss payee'.
- (3) Ensure that the Insurance Contracts are kept alive (current) during the currency of the Debentures and all renewals of the Insurance Contracts should also be

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effected / done by the Issuer.

(k) Payment of Taxes, Duties and Penalties

When so required under Applicable Law, pay all stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay, according to Applicable Law for the time being in force in the State in which its properties are situated or otherwise, in respect of the Financing Document to which it is a party, and in the event of the Issuer failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty, but shall not be bound, to pay the same and the Issuer shall reimburse the same to the Debenture Trustee on demand.

(l) Inspection

Permit the Debenture Trustee/ Debenture Holders and/ or their authorised officers or employees or an external agency appointed by them (at the expense of the Issuer including travel costs and expenses) to visit and inspect its offices, properties and the projects/ plants/ installations of the Issuer to carry out technical, financial and legal inspections; to examine the Issuer's books of records, account and documents; to make copies therefrom; to discuss the Issuer's affairs, finances and accounts with the Issuer's principal officers, engineers and auditors (and by this provision the Issuer authorises such auditors to discuss its affairs, finances and accounts); to examine any plants, installations, sites, works, buildings, properties, equipments, records and documents relevant to the performance by the Issuer of its obligations under this Deed, at all times during the currency of the Debentures as such representative may desire. The Debenture Trustee/ Debenture Holders and their representatives shall receive full cooperation and assistance from the employees of the Issuer.

(m) Arm's Length Basis

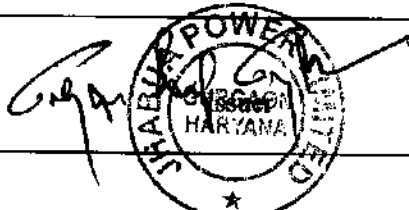

Except as provided under Applicable Law, enter into all transactions with any related party or any other Person on an arm's length basis.

(n) Authorisations

- (I) Obtain and maintain in force (and where appropriate, renew in a timely manner) all material Authorisations which are necessary for carrying out of the Issuer's business and operations generally and compliance by the Issuer with all its obligations under the Financing Documents and Project Documents.
- (II) Comply with all the conditions and restrictions contained in, or imposed on the Issuer by those Authorisations.

(o) Payment Obligations

Punctually pay all sums due from it and otherwise comply with all its obligations under the Financing Documents.

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(p) Payments of Charges, Taxes and Statutory Dues

The Issuer shall promptly pay and discharge all taxes, rates, rents, charges, penalties and statutory dues levied upon the Issuer or its assets, as per Applicable Law.

(q) Security

From time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such further instruments, and undertake such actions, as may reasonably be requested by the Debenture Trustee for perfecting or maintaining in full force and effect the Security or otherwise.

(r) Approved Resolution Plan

Comply with, and at all times act in consonance with, the terms of the Approved Resolution Plan.

(s) Costs and Expenses

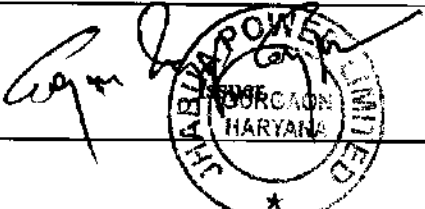

The Issuer shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee/ Debenture Holders, including traveling and other allowances of their officers and any of their advisors, investigation of title to Issuer's properties and projection and preservation of Security Interest and other rights / remedies arising out of this Deed.

(t) Management and Governance

- (1) Appoint technical, financial and other executives of suitable and proper qualification and adequate experience for the key posts and ensure that the organizational set up is adequate enough to ensure smooth implementation and operation of the business of the Issuer.
- (2) Not appoint or retain a person as its director whose name appears on the defaulter list/caution list/specific approval list etc., as applicable, of the RBI/CIBIL/ECGC or is also a director on the board of directors of any other company, which has been identified as a wilful defaulter by any bank or financial institution, as per Applicable Law or the parameters determined by RBI/relevant government authority from time to time. If any such person is already a director, the Issuer shall take expeditious and effective steps for the removal of, or cause to remove, such person from the board.

(u) Further Assurances

- (1) Execute and deliver, from time to time as requested by the Debenture Trustee/ Debenture Holders at the Issuer's expense, such other documents as shall be necessary or that the Debenture Trustee/ Debenture Holders may request in connection with the rights and remedies of the Debenture Trustee/ Debenture Holders granted or provided for by the Financing Documents and to consummate the transactions contemplated therein.

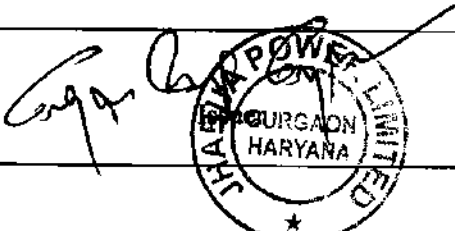

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- (2) Do everything necessary in the judgment of the Debenture Trustee/ Debenture Holders to (i) create and perfect the Security in terms of the Financing Documents (including, without limitation, any further registration of any of the Security Documents in accordance with the requirements of Applicable Laws), (ii) maintain the Security or trusts created by the Security Documents in full force and effect at all times (including the priority thereof), and (iii) preserve and protect the Security and protect and enforce its rights and title, and the rights and title of the Debenture Trustee/ Debenture Holders to the Security or trusts created by the Security Documents. Furthermore, the Issuer shall cause to be delivered to the Debenture Trustee/ Debenture Holders such opinions of counsel and other related documents as may be requested by the Debenture Trustee/ Debenture Holders in connection with this clause.
- (3) Cooperate and do everything necessary to assist the Debenture Trustee/ Debenture Holders in obtaining any approvals that are, in the opinion of the Debenture Trustee/ Debenture Holders necessary to be obtained by them in connection with the transactions contemplated hereby and by the Security Documents.
- (4) If required by the Debenture Trustee/ Debenture Holders, carry out such modifications to its constitutional documents / other relevant agreements as may be deemed necessary in the opinion of the Debenture Trustee/ Debenture Holders to safeguard the interests of the Debenture Trustee/ Debenture Holders under the Financing Documents.

(v) **Assets**

The Issuer shall:

- (1) Maintain and keep in proper order, repair and in good condition the Secured Assets and its other assets. In case the Issuer fails to keep in proper order, repair and in good condition the Secured Assets or its other assets, then the Debenture Trustee may, but shall not be bound to maintain in proper order or repair or in good condition the Secured Assets or the other assets and any expense incurred by the Debenture Trustee and its costs and charges therefore shall be reimbursed by the Issuer.
- (2) Keep all Secured Assets and all equipment and fittings thereon or therein in a good state of repair and condition and permit the Debenture Trustee or such Person, as it shall, from time to time in writing for that purpose appoint, to enter into or upon and to view the state and condition of all the Secured Assets and if the Debenture Trustee shall, for any reason, decide that it is necessary to employ an expert, to pay the fees and all traveling, hotel and other expenses of such expert.
- (3) Pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when the same shall become payable, and, when required by the Debenture Trustee produce the receipts of such payment, make regular tax

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filings and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Issuer in respect of the Secured Assets.

- (4) Forthwith (upon the same coming to the knowledge of the Issuer) give notice in writing to the Debenture Trustee of commencement of any litigation affecting, or in connection with, the Secured Assets.
- (5) Forthwith, when so required under Applicable Law, pay all stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay, according to Applicable Law for the time being in force in the State in which its properties are situated or otherwise, in respect of the Financing Document to which it is a party, and in the event of the Issuer failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty, but shall not be bound, to pay the same and the Issuer shall reimburse the same to the Debenture Trustee on demand.

(w) **Licenses and Intellectual Properties**

The Issuer shall ensure that it has lawful and valid right to use free and clear of any pending or threatened Security Interest, all licenses, patents, patent applications, trademarks, permits, service marks, brand names, copyrights, trade names, trade secrets, proprietary information and knowledge, technology, computer programs, databases, copy rights, licenses, franchises and formulae, or rights with respect thereto necessary for the implementation, operation and maintenance of its business and operations.

- (ii) **Negative Covenants:** So long as any Debentures are redeemed / repaid in full, to the satisfaction of the Debenture Holders, the covenants set out herein shall apply for the benefit of Debenture Trustee. Unless the Debenture Trustee otherwise agrees in writing, the Issuer shall not:

(a) **Merger**

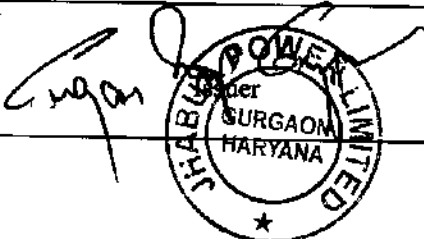

Formulate, undertake or permit any merger, demerger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholders or any scheme of amalgamation or reconstruction or any corporate action of similar nature.

(b) **Voluntary winding up or Liquidation**

Voluntarily wind up or liquidate or dissolve its affairs or take any steps towards the foregoing or make any filing for initiation of corporate insolvency resolution process or liquidation under the IBC or under any other Applicable Law.

(c) **Indebtedness**

Incur, assume or permit to exist any Financial Indebtedness except the non-fund based facilities extended by Axis Bank Limited aggregating to INR 8,29,66,200/- (Rupees

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Eight Crores Twenty Nine Lakhs Sixty Six Thousand and Two Hundred. Provided that in the event the Issuer proposes to raise further debt for funding its additional capex and capex requirements for Flue Gas Desulphurisation (FGD) up to Rs. 400 crore, the Debenture Trustee shall not unreasonably withhold any consent/permissions required by the Issuer to obtain additional debt funding up to such limit for the aforesaid purpose.

(d) Security Interest

Create or permit to subsist any Security or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security), in any form whatsoever on any of its assets whether movable or immovable, tangible or intangible (including over its undertaking, either in whole or part, unencumbered shareholding in subsidiaries, intellectual property and intellectual property rights), in favour of any bank, financial institution, bank, company, firm or Persons except for non-fund based facilities extended by Axis Bank Limited aggregating to INR 8,29,66,200/- (Rupees Eight Crores Twenty Nine Lakhs Sixty Six Thousand and Two Hundred).

(e) Disposal of Assets / Security Creation

Sell, transfer, lease or otherwise dispose of any of its assets, other than inventory, whether in a single transaction or series of transactions.

(f) Guarantee Obligations

Issue or undertake any guarantee obligations or letter of comfort in the nature of guarantee, on behalf of any other company, firm or Person (including its Affiliates, parent or group companies) for an amount exceeding Rs. 50 crores.

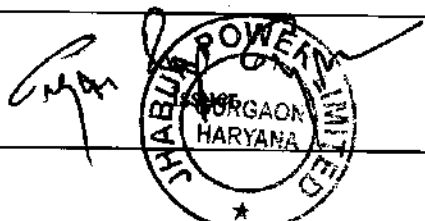

(g) Refund

Other than the Debentures, refund/ repay/ prepay/ redeem/ withdraw/ retire, directly or indirectly, monies brought in by the promoters, members of the promoter group, principal shareholders, directors, depositors or Affiliates of the Issuer or the Resolution Applicants by way of share capital/ deposits/ loans/ advances.

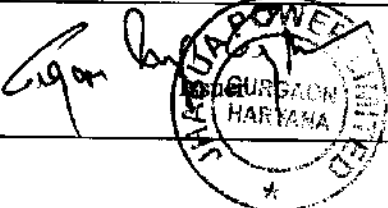

(h) Project Documents

Take any actions under the Project Documents which adversely impacts the rights therein which are assigned to the Debenture Trustee.

- (iii) The Issuer shall, as soon as possible but not later than (unless otherwise specified) 7 (seven) Business Days from the occurrence of any of the following events, inform the Debenture Trustee if it has notice of: (i) any event which constitutes a Material Adverse Effect, specifying the nature of such Material Adverse Effect and any steps the Issuer has taken or proposes to take to remedy the same; (ii) any application for its winding up having been made or any statutory notice of its winding up under the provisions of the Act having been received, or other legal process intended to be filed or initiated against the Issuer and affecting the title to the

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- Secured Assets or if a receiver is appointed of any of its assets or business or undertaking; (iii) any litigation or governmental proceeding initiated or pending against the Issuer; or (iv) any proposal by any Authority to acquire compulsorily the Issuer.
- (iv) Promptly upon a request by the Debenture Trustee, the Issuer shall supply to the Debenture Trustee a certificate signed by two of their directors each certifying that no Event of Default is continuing (or if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy or mitigate it).
- (v) The Issuer shall submit to the Debenture Trustee
- (a) within 45 (forty-five) days from the end of each financial quarter, the Issuer's unaudited quarterly management information reports, including profit and loss, balance sheet and cash flow statements and a comparison with the previous year's performance for that financial quarter.
- (b) Forward a quarterly report to the Debenture Trustee containing inter alia the following particulars:
- (I) Updated list of the names and addresses of the Debenture Holders / beneficial owners of the Debentures;
- (II) Details of coupon due but unpaid and reasons thereof, if any;
- (III) a statement that the assets of the Issuer which are available by way of security are sufficient to discharge the claims of the Debenture Holders as and when they become due; and
- (IV) The number and nature of grievances received from the Debenture Holders / beneficial owners and resolved by the Issuer.
- (vi) the Issuer shall conduct an annual audit of itself from the Auditors and submit a certified copy of the report from such Auditor to the Debenture Trustee.
- (vii) the Issuer shall promptly provide to the Debenture Trustee all documents which are dispatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched.
- (viii) the Issuer shall promptly provide to the Debenture Trustee the following information in the manner stipulated below:
- (a) details and copy of any notice received by the Issuer in respect of payment of any outstanding taxes, within 5 (five) Business Days of such notice being received, or such shorter period as prescribed by Applicable Law;
- (b) details of any loss or damage caused to the assets or business of the Issuer due to force majeure circumstances, promptly upon becoming aware about the same;
- (c) details of any change in the composition of Board of Directors of the Issuer, within 5 (five) Business Days of such change being effected, or such shorter period as prescribed by Applicable Law;

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- (d) details of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;
- (e) any information required by the Debenture Trustee and / or the Debenture Holder with respect to fulfilling any 'know your customer' requirements, within 5 (five) Business Days of such a request being made, or such shorter period as prescribed by Applicable Law;
- (f) details of any change in the name or the address of the registered office of the Issuer, within 7 (seven) Business Days of such change being effected, or such shorter period as prescribed by Applicable Law;
- (g) promptly upon becoming aware of the breach by the Issuer of any covenants, representations or warranties in the Financing Documents including any change in the factual position in relation to the subject matter thereto;
- (h) information about any change in nature and conduct of business by the Issuer before such change;
- (i) information about any amalgamation, merger or reconstruction scheme proposed by the Issuer;
- (j) information about all orders, directions, notices, of court/tribunal affecting or likely to affect the Secured Assets; and
- (k) such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may reasonably request.

5.3 Information to Debenture Holders

The Debenture Trustee shall, immediately but in any event within 5 (five) days upon receipt of all information and documents submitted by the Issuer pursuant to the terms of this Deed, forward all such information and documents to each of the Debenture Holders.

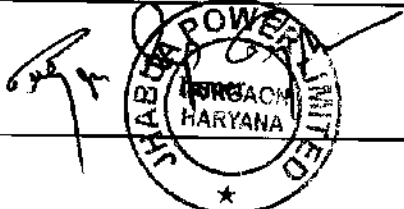

6. EVENTS OF DEFAULT

6.1 Events of Default

Each of the events or circumstances set out below is an Event of Default. It is hereby agreed to between the Parties hereto that the question as to whether or not an Event of Default has occurred and is continuing or not, shall be at the sole discretion of the Debenture Trustee and the Debenture Trustee shall have the right to exercise such right to determine an Event of Default, at its sole discretion and without any recourse to the Issuer and that such determination by the Debenture Trustee shall be final, valid and binding:

(i) Failure to redeem the Debentures

The Issuer fails to redeem the Debentures in accordance with the terms hereof or failure to pay the Coupon or any other payment in terms of the Financing Documents.

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(ii) **Failure to comply with obligations**

Except as set in (i) above, if the Issuer fails to comply with any of its obligations under any Financing Documents and non-compliance has continued for a period of 30 days.

(iii) **Creation and Perfection of Security**

The Issuer has not created and perfected any Security within the time in which such Security should have been created and perfected in terms of Clause 3.1(ii) of this Deed.

(iv) **Misrepresentation**

Any representation or warranty made in Clause 5.1 or in connection with the execution of any Financing Document or statement made in the Financing Documents or in any notice or any other document delivered by or on behalf of the Issuer under or in connection with any Financing Document is found to be incorrect in any respect, when made or deemed to have been made: (i) if such misrepresentation results in a Material Adverse Effect, and the same is not remedied, cured or rectified within 30 days of such default/ date on which such representation or warranty became incorrect; or (ii) if such misrepresentation does not result in a Material Adverse Effect, and the same is not remedied, cured or rectified within 60 days of such default/ date on which such representation or warranty became incorrect

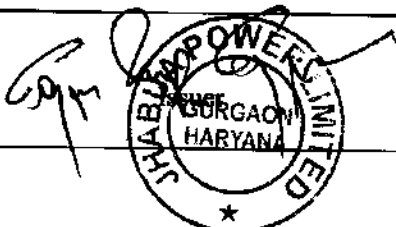

(v) **Voluntary Proceedings**

- (a) Issuer takes any step (including petition, giving notice to convene or convening a meeting) for the purpose of making, or enters into, any arrangement, assignment or composition with or for the benefit of its creditors (other than the Debenture Holders); or
- (b) Issuer ceases or threatens to cease to carry on its business or any substantial part of its business.

(vi) **Involuntary Proceedings**

(a) **Insolvency**

- (I) If the Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of financial difficulties, commences negotiations with one or more of its creditors with a view to restructuring any of its financial indebtedness;
- (II) An application in relation to the insolvency resolution process of the Issuer has been filed under the IBC, or if the Issuer is likely to be declared as a relief undertaking or any proceedings have been filed in relation to the same before any Authority or any court or tribunal or a petition being presented or analogous proceeding being taken including for the winding up or dissolution of the Issuer; or

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(III) Commencement of an insolvency resolution process or liquidation process under the IBC or any order for winding up, bankruptcy or dissolution being passed under the IBC or under any Applicable Law.

(b) **Insolvency Proceedings.**

Other than as already covered in (a) above, any legal proceedings are initiated in relation to:

- (I) the suspension of payments for borrowed moneys, winding-up, bankruptcy, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;
- (II) a composition or arrangement with any creditor of the Issuer or an assignment for the benefit of creditors generally of the Issuer or a class of such creditors;
- (III) the appointment of an interim resolution professional/resolution professional, liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor, judicial manager or other similar officer in respect of the Issuer or any of their respective assets;
- (IV) enforcement of any security over the assets of the Issuer; or
- (V) any analogous procedure or step is taken by the Issuer in any jurisdiction;

(vii) **Attachment**

An attachment, sequestration, distress or execution (or analogous process) is levied or enforced upon or issued affecting any of the assets or property of the Issuer.

(viii) **Failure to Maintain Authorizations**

Any Authorization necessary for the Issuer to perform and observe its obligations under any Financing Document is not obtained when required or is rescinded, terminated, lapses or otherwise ceases to be in full force and effect, including with respect to the remittance to the Debenture Trustee or any Debenture Holder or its assignees of any amounts payable under any Financing Document.

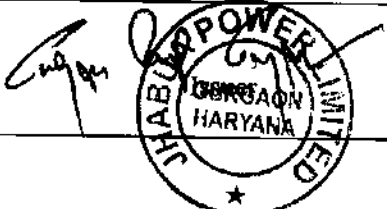

(ix) **Revocation of Financing Documents**

Any Financing Document or Project Document or any of its provisions:

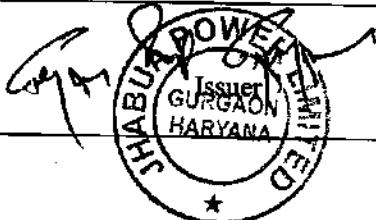

- (a) is revoked, terminated or ceases to be in full force and effect, without, in each case, the prior consent of the Debenture Trustee; or
- (b) becomes unlawful or is declared void; or is repudiated.

(x) **Government Intervention**

Any Authority takes any action:

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- (a) for the nationalization or dissolution of the Issuer, or any action which deprives or threatens to deprive the Issuer: (I) from conducting all or a substantial part of its business or carrying out all or a substantial part of its operations; or (II) of the use of all or a substantial part of its assets;
 - (b) to revoke or terminate or to refuse to provide or renew any Authorisation required by the Issuer for undertaking its business and operations or required by any of it for performance by it of its obligations under the Financing Document; or
 - (c) with a view to regulate, administer, or limit, or assert any form of administrative control over the rates applied, prices charged or rates of return achievable by the Issuer in connection with its business.
- (xi) **Revocation of any license**
- Any of the necessary Authorizations, clearances or licenses required in relation to the conduct of its business or operations is not obtained when required or is revoked, terminated, lapses or shall cease to be in full force and effect, which shall in the reasonable opinion of the Debenture Trustee, result in a Material Adverse Effect.
- (xii) **Moratorium**
- Any moratorium or standstill is declared by the government, which impairs the ability of the Issuer to discharge the obligations under the Financing Documents.
- (xiii) **Litigation**
- Any litigation is commenced in respect of the Issuer which if adversely determined, shall in the reasonable opinion of the Debenture Trustee, result in a Material Adverse Effect.
- (xiv) **Cross Default**
- An event of default is declared by a creditor under any agreement or document relating to any indebtedness of the Issuer other than this Deed.
- (xv) **Security in Jeopardy**
- If, in the opinion of the Debenture Trustee/ Debenture Holders, the Security created in favour of Debenture Trustee is in jeopardy or ceases to be effective.
- (xvi) **Illegality**
- It is or becomes unlawful for the Issuer to conduct its business or any part thereof or it becomes unlawful for the Issuer to perform any of its respective obligations under this Deed and/or any other Financing Documents.
- (xvii) **Material Adverse Effect**

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One or more events, conditions or circumstances shall occur or exist which could have a Material Adverse Effect.

6.2 Consequences of Event of Default

(i) Acceleration.

If any Event of Default occurs, the Debenture Trustee may, by notice to the Issuer (with a copy to all Debenture Holders), require the Issuer to repay the entire outstanding principal and coupon amount of the Debentures and any other dues as per the terms of the Financing Documents or such part thereof as is specified in that notice. On receipt of any such notice, the Issuer shall immediately repay the outstanding principal and interest amount of the Debentures and any other dues as per the terms of this Deed (or part thereof as specified in that notice) and any other amounts then payable under the Financing Documents.

(ii) Other Consequences of an Event of Default:

Notwithstanding the rights of the Debenture Trustee as specified above, upon an occurrence of an Event of Default, the Debenture Trustee shall have the rights to undertake one or more of the following actions:

- (a) take possession of the Secured Assets and sell or transfer to any party as the Debenture Trustee may deem fit;
- (b) exercise such other rights as may be available to the Debenture Trustee under the Financing Documents, including without limitation, declare all amounts payable by the Issuer in respect of the Debentures to be due and payable immediately and enforce all the Security created pursuant to the Security Documents;
- (c) utilize amounts in the accounts of the Issuer to service and repay any amount of the Debentures then outstanding; and
- (d) exercise such other rights and remedies as may be available to the Debenture Trustee/Debenture Holders under Applicable Law, in the sole discretion of the Debenture Trustee.

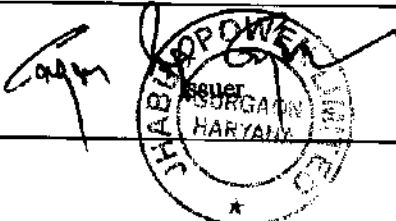

7. NOMINEE DIRECTOR

7.1 The Debenture Trustee shall have a right (acting in accordance with Relevant Instructions) to appoint a nominee director on the board of directors of the Issuer in accordance with the Act and Applicable Law ("Nominee Director"), upon the occurrence of default in redemption of the Debentures/ payment of outstanding Obligations or any part thereof or default in creation of the Security.

8. DEBENTURE TRUSTEE'S RIGHTS, POWERS AND DISCRETIONS

8.1 General Rights, Powers and Discretions

In addition to the other powers conferred on the Debenture Trustee, it is expressly declared as follows:

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- (i) Save as otherwise expressly provided in this Deed, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise.
- (ii) The Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders.
- (iii) Subject to Clauses 11.1 (*Governing Law*) and 11.2 (*Jurisdiction*) of this Deed, the Debenture Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination *bona fide* made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all Persons interested hereunder.
- (iv) Notwithstanding anything to the contrary in this Deed, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain Relevant Instructions.

Nothing contained in this Clause 8.1 (*General Rights, Powers and Discretions*) shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other Person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust, nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder, as may be finally determined by a court of competent jurisdiction.

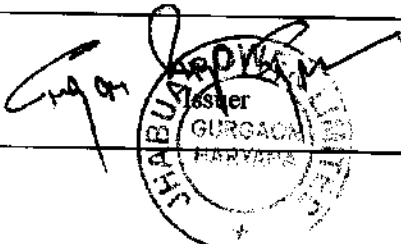

8.2 Retirement and Removal of the Debenture Trustee

(i) Resignation

- (a) The Debenture Trustee may at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the Debenture Trustee, provided that they shall have given at least 3 (three) months previous notice in writing to the Issuer in that behalf. Provided that any resignation by the Debenture Trustee shall become effective after a successor Debenture Trustee has been appointed in accordance with this Deed.
- (b) The Issuer shall, upon receipt of notice of resignation issued by the Debenture Trustee, take prompt steps to appoint another entity competent to act as trustee for the Debenture Holders in place of the Debenture Trustee (the "Successor Trustee"). However, until the appointment of the Successor Trustee, the Debenture Trustee shall continue to perform its duties as the Debenture Trustee under this Deed.

(ii) Removal

The Debenture Holders may for sufficient cause but, after giving not less than 30 (thirty) days' notice in writing to the Debenture Trustee, remove the Debenture Trustee by a decision of the majority representing three-fourth in value of the nominal amount of the Debentures for the time being outstanding to that effect, and by the same

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resolution nominate an entity competent to act as their trustee and require the Issuer to appoint such entity as the Successor Trustee. The Issuer shall within 15 (fifteen) Business Days of receipt of such resolution passed by the Debenture Holders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment. The Debenture Trustee agrees that, notwithstanding its removal pursuant to this Clause, it shall continue to perform its duties under this Deed, until the appointment of the Successor Trustee.

(iii) Successor Trustee as the Debenture Trustee

Upon appointment of the Successor Trustee pursuant to the preceding paragraphs (i) or (ii), all references in this Deed to the Debenture Trustee shall unless repugnant to the context, mean and refer to the Successor Trustee and the Successor Trustee shall without any further act or deed succeed to all the powers and authorities of the Debenture Trustee as if it had been originally appointed as the Debenture Trustee.

8.3 Remuneration of the Debenture Trustee

(i) *Normal Remuneration:* The Issuer shall pay to the Debenture Trustee remuneration in accordance with the Debenture Trustee Agreement.



(ii) *Expenses:* The Issuer shall pay to the Debenture Trustee all legal, traveling and other costs, charges, duties and expenses incurred by it, its officers, employees, agents in connection with execution of this Deed including costs, charges and expenses of and incidental to, the approval and execution of this Deed. All costs, charges and expenses incurred by the Debenture Trustee in respect of any matter or thing done or omitted to be done without its wilful default in respect of or in relation to the properties the subject of the trust created by this Deed shall be borne by the Issuer.

(iii) *Taxes:* The Issuer hereby further undertakes to the Debenture Trustee that all monies payable by it to the Debenture Trustee under this Clause 8.3 (*Remuneration of the Debenture Trustee*), shall be made without set-off, counterclaim, deduction or withholding unless required by law in which event the Issuer will pay such additional amounts as will result in the receipt by the Debenture Trustee of the amounts which would otherwise have been payable by it to the Debenture Trustee under this Clause 8.3 (*Remuneration of the Debenture Trustee*), in the absence of any such set-off, counterclaim, deduction or withholding.

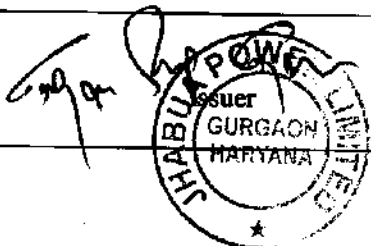

Provided that the abovementioned requirement of gross up shall not apply with respect to any Tax assessed on the Debenture Trustee under the law of the jurisdiction in which the Debenture Trustee is incorporated in respect of amounts received or receivable in that jurisdiction, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Debenture Trustee.

(iv) *Continuing Effect:* Paragraphs (ii), (iii) and (iv) of Clause 8.3 (*Remuneration of the Debenture Trustee*) will continue in full force and effect as regards the Debenture Trustee even if it no longer is Debenture Trustee or the Debentures are no longer outstanding or this Deed has been discharged.

8.4 Other rights of the Debenture Trustee

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- (i) *Advice:* The Debenture Trustee may after taking due care engage reputable lawyers, accountants, financial advisors or other experts (at the expense of the Issuer) and may act on the opinion or advice, information, confirmations, directions and/or certificates obtained from, any such Person (including the Auditors) and will not be responsible to anyone for any loss occasioned by so acting, whether the same is obtained by or addressed to the Issuer, the Debenture Holders, or otherwise, and notwithstanding any monetary or other limit on liability in respect thereof, and will not be responsible to anyone for any loss occasioned by so acting. Any such opinion, advice, information, confirmations, directions and/or certificates may be sent or obtained by letter, fax or electronic mail and the Debenture Trustee will not be liable to anyone for acting on any opinion, advice or information purporting to be conveyed by such means, notwithstanding any limitation on liability (monetary or otherwise) in relation to such Person's opinion or advice and even if it contains some error or is not authentic.
- (ii) *Certificate signed by directors or authorised officers:* If the Debenture Trustee, in the exercise of its functions, rights, powers and/or discretions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act, a certificate signed by any director or authorised officer of the Issuer as to that fact or to the effect that, in its opinion, that act is expedient and the Debenture Trustee need not call for further evidence and will not be responsible for any loss occasioned by relying on or acting on or accepting on such a certificate.
- (iii) *Deposit of Documents:* The Debenture Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers reasonably believed by it to be of good repute and may deposit this Deed and any other documents that are in the possession of the Debenture Trustee with such custodian and pay all sums due in respect thereof. The Debenture Trustee shall not be responsible for or required to insure against any loss incurred in connection with any such deposit.
- (iv) *Agents:* Whenever it considers it expedient in the interests of the Debenture Holders, the Debenture Trustee may instead of acting personally, at the Issuer's expense, employ and pay an agent selected by it, whether or not a lawyer or other professional Person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Debenture Trustee (whether or not pursuant to this Deed).
- (v) *Delegation:* Whenever it considers it expedient in the interests of the Debenture Holders, the Debenture Trustee may (acting in accordance with Relevant Instructions) delegate to any competent Person on any terms (including power to sub-delegate) all or any of its functions and the Debenture Trustee may also, whenever the Debenture Trustee thinks it expedient, delegate by power of attorney or otherwise to any such Person all or any of the trusts, powers, authorities and discretions vested in them by this Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Debenture Trustee may think fit.
- (vi) *Expenditure by the Debenture Trustee:* Nothing contained in this Deed shall require the Debenture Trustee to do anything which may (i) be illegal or contrary to Applicable Law; or (ii) cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, Authority or discretion hereunder if it has not first been indemnified and/or secured and/or prefunded to its satisfaction.

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- (vii) *Compliance with the terms of the Debentures:* The Debentures are subject to the provisions contained in this Deed, all of which shall be binding upon the Issuer and the Debenture Holders and all Persons claiming through or under them respectively.

8.5 Debenture Trustee not precluded from entering into contracts

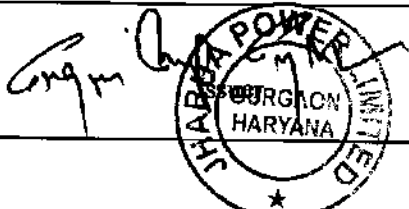

Subject to Applicable Law, the Debenture Trustee and any other Person, whether or not acting for itself, may acquire, hold or dispose of any Debenture or other security (or any interest therein) of the Issuer or any other Person, may enter into or be interested in any contract or transaction with any such Person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such Person in each case with the same rights as it would have had if the Debenture Trustee were not acting as Debenture Trustee and need not account for any profit or may make any contract or enter into any arrangement or transaction with the Issuer in the ordinary course of business of the Debenture Trustee. The Debenture Trustee may, *inter alia*, undertake any banking, financial or agency services for the Issuer or for itself. The Debenture Trustee shall not be liable to account either to the Issuer or to the Debenture Holders for any profits made by them thereby.

8.6 Representations and warranties of the Debenture Trustee

The Debenture Trustee represents and warrants to the Issuer and confirms that such representations and warranties are true, correct, valid and subsisting as on the Signing Date and as of each redemption date of the Debentures that it is eligible to act as a trustee for the issuance of the Debentures in accordance with the provisions of the Act, the Share Capital and Debenture Rules and other Applicable Law, and that there are no events or circumstances existing as of the date of this Deed that disqualify it from acting as a trustee.

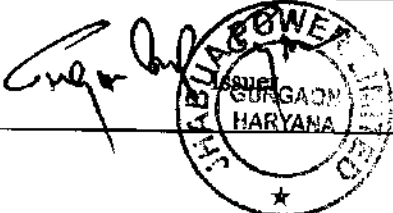

8.7 Covenants and duties of the Debenture Trustee

- (i) Notwithstanding anything to the contrary contained in this Deed, the Debenture Trustee undertakes that for so long as it is the Debenture Trustee, it shall:
- (a) perform its duties and obligations, and exercise its rights and discretions, in keeping with the trust reposed in the Debenture Trustee by the Debenture Holders, and shall further conduct itself, and comply with the provisions of all Applicable Law, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Debenture Trustee;
 - (b) carry out its duties and perform its functions as required to discharge its obligations under this Deed;
 - (c) call for and obtain periodic status/ performance reports / any other documents from the Issuer, as may be required by the Debenture Trustee to comply with its obligations under the Applicable Laws in relation to the Debentures;
 - (d) issue letters / confirmations / no objection certificate, or any other communication as requested by the Issuer in accordance with the Financing Documents;
 - (e) ascertain and:

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- i. exercise due diligence to the extent required under Applicable Law, to ensure compliance by the Issuer, with the provisions of the Act, this Deed or any other regulations issued for issue and allotment of the Debentures and credit of the Debentures in the demat accounts of the Debenture Holders;
 - ii. satisfy itself that Debenture Holders have been paid the monies due to them on the date of redemption of the Debentures.
- (f) communicate promptly to the Debenture Holders defaults, if any, with regard to payment of redemption of Debentures or occurrence of any other Event of Default which is known to the Debenture Trustee along with all information and action taken or proposed to be taken by the Debenture Trustee therefor;
 - (g) carry out all its obligations, duties and functions as the Debenture Trustee in accordance with the terms set out in the Financing Documents and where the same is silent or contrary to any other provision of the Financing Documents, on the basis of consent by a Majority Resolution duly passed at the meeting of the Debenture Holders convened in accordance with the provisions set out in Schedule III (*Provisions for the meetings of the Debenture Holders*);
 - (h) not do any act, deed or thing which is prejudicial or detrimental to the interest of the Debenture Holders and at all times act in the best interest of the Debenture Holders;
 - (i) shall not relinquish its assignment unless and until another debenture trustee has been appointed in its place;
 - (j) keep all customary books and records relating to the receipt and distribution of all moneys which it may receive or be entitled to hereunder or under any Financing Documents;
 - (k) convene a meeting of the Debenture Holders in accordance with Applicable Law;
 - (l) perform such acts as may be necessary for the protection of the interest of the Debenture Holders and do all other acts as may be necessary in order to resolve the grievances of the Debenture Holders.
 - (m) not do any act or deed which will disqualify it from acting as the Debenture Trustee; and
 - (n) ensure that it continues to satisfy the eligibility criteria for it to act as the Debenture Trustee under the Act, the Share Capital and Debenture Rules and other Applicable Law.
- (ii) The Debenture Trustee shall, for so long as it is the Debenture Trustee, comply with all duties and obligations required to be complied by it under the Act, the Share Capital and Debenture Rules and other Applicable Law.

9. PROVISIONS FOR MEETING OF DEBENTURE HOLDERS

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|  | Debenture Trustee  |
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The provisions set out in Schedule III (*Provisions for the meetings of the Debenture Holders*) shall apply to the meetings of the Debenture Holders.

10. MISCELLANEOUS

10.1 Saving of Rights

- (i) The rights and remedies of the Debenture Holders and the Debenture Trustee in relation to any misrepresentation or breach of warranty on the part of the Issuer shall not be prejudiced by any investigation by or on behalf of any of the Debenture Holders or Debenture Trustee into the affairs of the Issuer, by the execution or the performance of this Deed or the other Financing Documents or by any other act or thing which may be done by or on behalf of any of the Debenture Holders in connection with the Financing Documents and which might, apart from this clause, prejudice such rights or remedies.
- (ii) No course of dealing and no failure or delay by the Debenture Trustee in exercising, in whole or in part, any power, remedy, discretion, authority or other right under this Deed, any other Financing Document or any other agreement shall waive or impair, or be construed to be a waiver of, such or any other power, remedy, discretion, authority or right hereunder or thereunder, or in any manner preclude its additional or future exercise.

Nor shall the action of any Debenture Holder or the Debenture Trustee with respect to any default, or any acquiescence by it therein, affect or impair any right, power or remedy of that Debenture Holder or the Debenture Trustee have with respect to any other default.

10.2 Notices

Any notice, request or other communication to be given or made under the Deed shall be in writing. Any such communication may be delivered by hand, airmail, e-mail, facsimile or established courier service to the party's address specified below or at such other address as such party notifies to the other parties from time to time, and will be effective upon receipt:




For the Issuer:

Name of Party: Jhabua Power Limited
Attention: Mr. Gagan Deep Gupta, Company Secretary
Address: Unit No 307, 3rd Floor, ABW Tower, Gurugram, Haryana 122002
Direct: 0124-4392006
Email: gagan.gupta@avanthapower.com

For the Debenture Trustee:

Name of Party: Axis Trustee Services Limited
Attention: Mr. Anil Grover – Chief Operations Officer
Address: The Ruby, 2nd Floor, South Wing, 29 Senapati Bapat Marg, Dadar West, Mumbai-400028
Direct: +91-22-62300451
Email: debenturetrustee@axjstrustee.in

10.3 Waiver

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|   | Debenture Trustee  |
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(i) **No Implied Waiver or Impairment**

No delay or omission of the Debenture Trustee in exercising any right, power or remedy accruing of the Debenture Trustee upon any default hereunder shall impair any such right, power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Debenture Trustee in respect of any default or any acquiescence by it in any default affect or impair any right power or remedy of the Debenture Trustee in respect of any other defaults nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies of the Debenture Trustee herein provided are cumulative and not exclusive of any rights or remedies provided by law or equity.

(ii) **Express Waiver**

A waiver or consent granted by the Debenture Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given. Any waiver granted by the Debenture Trustee shall be only given in accordance with Relevant Instructions.

10.4 Modifications

Any other change or modification to the terms of the Debentures or this Deed shall require Relevant Instructions. Upon obtaining such approval, the Debenture Trustee and the Issuer shall give effect to the same by executing necessary deed(s) supplemental to this Deed (as necessary).

10.5 The Parties acknowledge that the Financing Documents are for the purpose of the implementation and to give effect to the Approved Resolution Plan and shall be read in conjunction with the Approved Resolution Plan.

10.6 Effectiveness of this Deed

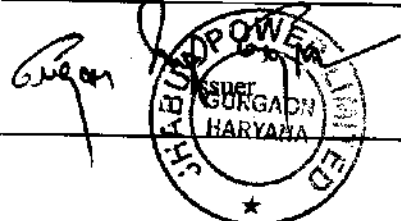

This Deed shall be effective on and from the date of this Deed and shall be in force until the Obligations have been fully paid-off to the satisfaction of the Debenture Holders.

10.7 Discharges and Releases

Notwithstanding any discharge, release or settlement from time to time between the Debenture Trustee and the Issuer, if any discharge or payment in respect of the obligations of the Issuer under this Deed is voided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any provision of law or enactment relating to bankruptcy, insolvency, liquidation, winding up, composition or arrangement for the time being in force or for any other reason resulting in the above, the Debenture Trustee (acting in accordance with Relevant Instructions) shall be entitled hereafter to enforce this Deed as if no such discharge, release or settlement had occurred.

10.8 Other Remedies

The rights and remedies conferred upon the Debenture Trustee under this Deed shall not prejudice any other rights or remedies to which the Debenture Trustee may, independently of this Deed, whether by statute or otherwise, be entitled and in particular, the Debenture Trustee

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|  | Debenture Trustee  |
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and/or the Debenture Holders shall retain all rights and remedies available to it and/or them under the Offer Letter and this Deed.

10.9 Counterparts

This Deed (and any supplemental trust deed thereto) may be executed in counterpart, which when taken together shall constitute one and the same instrument.

10.10 Severability

Every provision contained in this Deed shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

10.11 Successors and Assignees

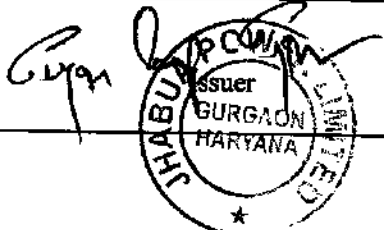

This Deed binds and benefits the respective successors and assignees of the Parties. However, the Issuer may not assign or delegate any of its rights or obligations under this Deed without the prior written consent of Debenture Holders.

10.12 Disclosure

- (i) Each Debenture Holder may disclose to any person:
 - (a) to (or through) whom that Debenture Holder assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under the Financing Documents; or
 - (b) with (or through) whom that Debenture Holder enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Financing Documents or the Issuer,

any information about the Issuer and the Financing Documents as the Debenture Holder shall consider appropriate.
- (ii) Each Debenture Holder may, notwithstanding the terms of any other agreement between the Issuer and the Debenture Holder, disclose any documents or records of, or information about, the Deed and other Financing Documents, or the assets, business or affairs of the Issuer to:
 - (a) any person(s) to whom, and to the extent that, information is required to be disclosed by any Applicable Law or regulation; and
 - (b) its external counsel, auditors and rating agencies.
- (iii) In addition, the Issuer consents to the reasonable use and publication of its name and the subject matter of this Deed and other Financing Documents by the Debenture Holder in the Debenture Holder's publications and press releases and on its website.

10.13 Indemnity

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|  | Debenture Trustee  |
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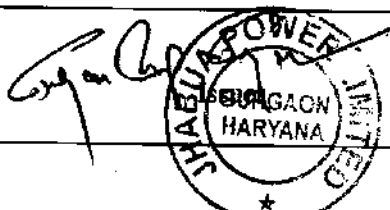

- (i) The Issuer shall, without protest or demur, irrevocably and unconditionally pay, indemnify, defend and hold harmless, the Debenture Holders and the Debenture Trustee, and each of their attorneys, agents, directors, officers, representatives and advisors (collectively the "Indemnified Parties"), promptly upon demand at any time and from time to time, against any and all losses, liabilities, obligations, damages, judgments, costs, expenses (including, without limitation, advisors' fees), claims, fines, penalties, proceedings, actions or demands, of any kind or nature whatsoever incurred or likely to be incurred by any of the Indemnified Parties arising out of or in connection with:
- (a) the issuance and subscription of the Debentures;
 - (b) the occurrence of any Event of Default;
 - (c) any stamp duty, registration and other similar Taxes payable in respect of any Financing Document;
 - (d) exercise of any rights or performance of any obligations of the Indemnified Parties under any Financing Documents;
 - (e) enforcement of any Security;
 - (f) costs and expenses payable by the Issuer pursuant to the Financing Documents; and
 - (g) levy by any governmental authority of any charge, stamp duty or penalty in connection with getting any Financing Document admitted into evidence, or relying on any Financing Document for proving any claim.
- (ii) The Debenture Trustee or Receiver may retain and pay out of any money in its possession all sums necessary to effect the indemnities contained in this Clause 10.13 and all sums payable by the Issuer under this Clause 10.13 shall form a part of the Obligations.
- (iii) The indemnification rights of the Indemnified Parties under this Deed are independent of, and in addition to, such other rights and remedies as the Indemnified Parties may have at law or in equity or otherwise, including the right to seek specific performance or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.
- (iv) The Issuer acknowledges and agrees that any payments to be made pursuant to this Clause 10.13 are not in the nature of a penalty but merely reasonable compensation for the loss that would be suffered, and therefore, the Issuer waives all rights to raise any claim or defences that such payments are in the nature of a penalty and undertakes that it shall not raise any such claim or defence.

11. GOVERNING LAW AND JURISDICTION

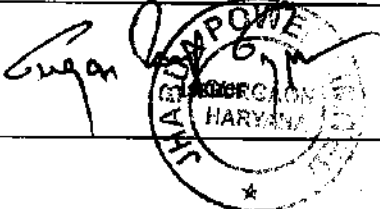

11.1 Governing Law

This Deed, and all non-contractual obligations arising out of or in connection with it, is governed by and shall be construed in accordance with the laws of India.

11.2 Jurisdiction

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|  | Debenture Trustee  |
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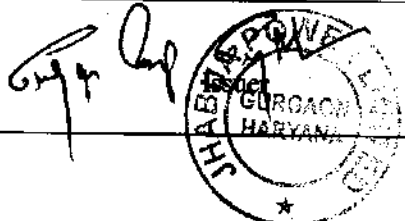

- (i) Subject to paragraph (iii) below, the Parties agree that the courts and tribunals of New Delhi, India shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed or the Debentures (including any dispute regarding non-contractual obligations and any dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity) (a "Dispute") and accordingly any legal action or proceedings arising out of or in connection with this Deed or the Debentures ("Proceedings") may be brought solely in such courts or tribunals and, for such purposes, irrevocably submit to the jurisdiction of such courts and tribunals.
- (ii) The Issuer irrevocably waives any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals at New Delhi and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agree that a judgment in any Proceedings brought in the courts and tribunals at New Delhi shall be conclusive and binding upon them and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.
- (iii) Nothing contained in this Clause 11.2, shall limit any right of the Debenture Trustee / Debenture Holder to take Proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not and the Issuer irrevocably submit to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Issuer irrevocably waives any objection they may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.
- (iv) The Issuer acknowledges and agrees that no provision of this Deed nor the participation or joining by the Debenture Holders in any Proceedings, in any way constitutes or implies a waiver, termination or modification by the Debenture Holders of any privilege, immunity or exemption granted to it in its constitutive documents, international conventions, or Applicable Law.
- (v) To the extent that the Issuer may be entitled in any jurisdiction to claim for itself or its assets immunity in respect of its obligations under this Deed or other legal process or to the extent that in any jurisdiction that immunity (whether or not claimed) may be attributed to it or its assets, the Issuer irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted now or in the future by the laws of such jurisdiction.
- (vi) The Issuer also consents with respect to any Dispute to the giving of any relief or the issue of any process in connection with such Dispute including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.
- (vii) All Proceedings shall be conducted and all documents submitted during such Proceedings shall be in English.

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|  | Debenture Trustee  |
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SCHEDULE I

ORIGINAL CLASS A DEBENTURE HOLDERS

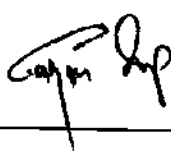


| S. No. | Name of the Original Debenture Holder | Value of the Debentures held by Original Debenture Holder (In INR) |
|---------------|--|---|
| 1. | AXIS BANK LIMITED | 533,811,500 |
| 2. | BANK OF INDIA | 414,662,600 |
| 3. | LIFE INSURANCE CORPORATION | 284,041,200 |
| 4. | POWER FINANCE CORPORATION | 1,274,685,300 |
| 5. | PUNJAB NATIONAL BANK | 762,447,300 |
| 6. | REC LIMITED | 514,803,800 |
| 7. | STATE BANK OF INDIA | 901,991,600 |
| 8. | UCO BANK | 407,463,200 |
| 9. | UNION BANK OF INDIA | 906,092,900 |
| Total | | 599,99,99,400 |

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|  | Debenture Trustee  |
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SCHEDULE II

REDEMPTION SCHEDULE

The Issuer shall redeem the Debentures in 48 equal quarterly instalments over a period of 12 years in accordance with the Redemption Schedule and in compliance with the provisions of Applicable Law, running from the financial quarter immediately following the financial quarter wherein the Deemed Date of Allotment has taken place.

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SCHEDULE III

PROVISIONS FOR THE MEETINGS OF THE DEBENTURE HOLDERS

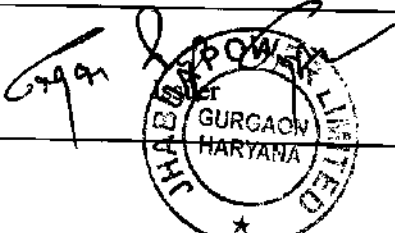

The following provisions shall apply to any meeting of the Debenture Holders:

1. (a) The Debenture Trustee or the Issuer may, at any time, and the Debenture Trustee shall at the request in writing of the holder(s) of Debentures representing not less than 1/10th (one-tenth) in value of the nominal amount of the Debentures for the time being outstanding, convene a meeting of the Debenture Holders. Any such meeting shall be held at such place in the city where the registered office of the Issuer is situated or at such other place as the Debenture Trustee shall determine or through modes of video conferencing (VC) or other audio-visual means (OAVM) in the manner permitted under Applicable Laws from time to time.

(b) The Debenture Trustee shall also (i) upon the occurrence of an Event of Default; or (ii) upon the happening of any event which adversely affects the interest of the Debenture Holders, promptly notify the Debenture Holders of the relevant event and convene a meeting of the Debenture Holders at New Delhi or through modes of video conferencing ("VC") or other audio visual means (OAVM) in the manner permitted under Applicable Laws from time to time. Provided that, no such meeting shall be convened if the Debenture Holders consisting of not less than 51 % (fifty one per cent.) in value of the nominal amount of the Debentures for the time being outstanding confirm that no such meeting is required.
2. (a) A meeting of the Debenture Holders may be called by giving not less than clear 21 (twenty one) days' notice either in writing or through electronic mode in such manner as prescribed under the Management and Administration Rules.

(b) A meeting may be called after giving shorter notice than that specified in paragraph (a), if consent is accorded thereto by the Debenture Holders representing not less than one-third of the Debentures for the time being outstanding in writing or by electronic mode.
3. (a) Every notice of a meeting shall specify the place, date, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(b) Notice of every meeting shall be given to every Debenture Holder, legal representative of any deceased Debenture Holder or the assignee of an insolvent Debenture Holder by sending it through post, speed post, courier service or by electronic mode in a letter addressed to such Debenture Holder or such other Person by name or by the title or by any like description at the address provided by such Debenture Holder or such other Person to the Issuer.
4. The accidental omission to give notice to, or the non- receipt of notice by, any Debenture Holder or other Person to whom it should be given shall not invalidate the proceedings at the meeting.
5. (a) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular (i) the nature of the concern or interest, financial or otherwise, if any, in respect of each items of: (A) every director and the manager of the Issuer, if any; (B) every other key managerial person of the Issuer and; (C) relatives of the persons mentioned in (A) and (B) above and; (ii) any other information and facts that may

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|  | Debenture Trustee  |
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enable the Debenture Holders to understand the meaning, scope and implications of the items of business and to take decisions thereon.

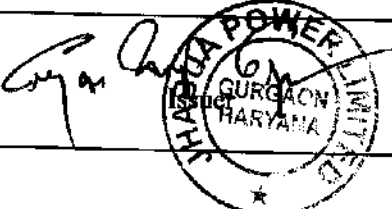

Provided that where any item of business as aforesaid to be transacted at a meeting of the Debenture Holders relates to, or affects, any other company, the extent of shareholding interest in that company of every promoter, director and manager, if any, and of every other key managerial personnel of the Issuer shall also be set out in the statement if the extent of such shareholding interest is not less than 2% (two per cent.) of the paid up share capital of that company.

(b) Where any item of business relates to the approval of any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

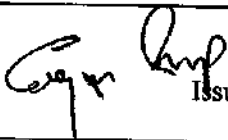


6. (a) Debenture Holders holding more than one-third of the aggregate nominal value of the outstanding Debentures personally present shall be the quorum for the meeting of the Debenture Holders and the provisions of following paragraph (b) shall apply with respect thereto.

(b) If, within half an hour from the time appointed for holding a meeting of the Debenture Holders, a quorum is not present, the meeting, if called upon the requisition of the Debenture Holders shall stand cancelled but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Debenture Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Debenture Holders present (being not less than two) shall be the quorum.
7. (a) The nominee of the Debenture Trustee shall be the chairman ("Chairman") of the meeting and in his absence the Debenture Holders personally present at the meeting shall elect one of themselves to be the Chairman thereof on a show of hands.

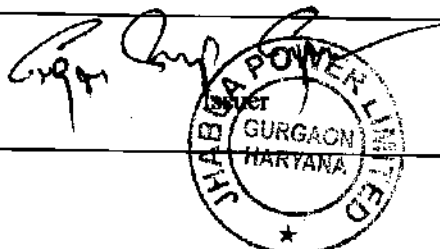

(b) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act, and the Chairman elected on a show of hands under paragraph (a) above shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.
8. The Debenture Trustee and the directors or chief financial officer or company secretary or any other authorized representative of the Issuer and their respective solicitors may attend any meeting but shall not be entitled as such to vote thereat.
9. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner mentioned below or the voting is carried out electronically. A declaration by the Chairman of the passing of a resolution or otherwise by show of hands as above and an entry to that effect in the books containing the minutes of the meeting shall be conclusive evidence of the fact of passing of such resolution or otherwise.
10. Before or on the declaration of the result on voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by holder(s) of Debentures representing not less than 1/10th (one-tenth) of the nominal amount of the Debentures for the time being outstanding, present in person or by proxy.

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|  | Debenture Trustee  |
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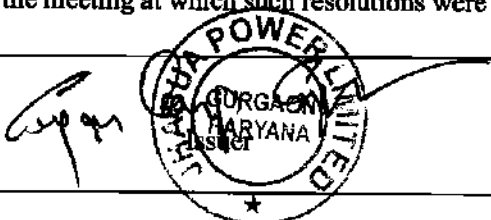

11. (a) A poll demanded for adjournment of the meeting or appointment of the Chairman shall be taken forthwith.
- (b) A poll demanded on any other question (not being a question relating to adjournment of the meeting or the election of a Chairman) shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the Chairman may direct.
12. At every such meeting each Debenture Holder shall on a show of hands be entitled to 1 (one) vote only, and on a poll such Debenture Holder be entitled to one vote in respect of every Debenture of which he is a holder in respect of which he is entitled to vote. Provided, a Debenture Holder entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. The Debenture Holders may participate and vote in the meetings by video conferencing or any other means of contemporaneous communication, in the manner permitted under Applicable Laws from time to time.
13. (a) Any Debenture Holder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a Debenture Holder or not) as his proxy to attend and vote instead of himself.
- (b) In every notice calling the meeting there shall appear with reasonable prominence a statement that a Debenture Holder entitled to attend and vote is entitled to appoint one or more proxies, to attend and vote instead of himself, and that a proxy need not be a Debenture Holder.
- (c) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarized certified copy of the power of attorney shall be deposited at the registered office of the Issuer not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 24 (twenty-four) hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
- (d) The instrument appointing a proxy shall:
- (I) be in writing; and
 - (II) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (e) The instrument appointing a proxy shall be in Form No. MGT-11 provided under the Management and Administration Rules, and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the articles of association of the Issuer.
- (f) Every Debenture Holder entitled to vote at a meeting of the Debenture Holders of the Issuer on any resolution to be moved there at shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Issuer, provided not less than 3 (three) Business Days' notice in writing of the intention so to inspect is given to the Issuer.

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|  Issuer |  Debenture Trustee  |
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- (g) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Debenture in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Issuer at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.
14. On a poll taken at any meeting of the Debenture Holders, a Debenture Holder entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.
15. When a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, as scrutinizers to scrutinize the poll process and votes given on the poll and to report thereon to him.
16. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- (b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
17. In the case of joint Debenture Holders, the vote of the first named Debenture Holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the other joint holder or holders.
18. The Chairman of a meeting of the Debenture Holders may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
19. In the case of equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Debenture Holder.
20. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
21. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
22. A meeting of the Debenture Holders shall:
- (a) have the power (exercisable in the manner specified in Clause 23 of this Schedule), to:
- (i) permit any scheme of arrangement or compromise or settlement (howsoever described) proposed to be made between the Issuer and the Debenture Holders in respect of any of the Obligations and (ii) make any amendment to this Deed or Financing Documents;

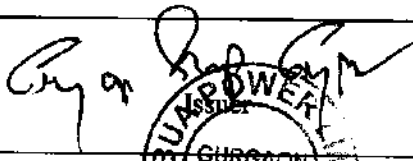


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|  | <p>Debenture Trustee </p> |
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- (b) have the powers as specified in Clause 8.2 (ii) of this Deed (exercisable in the manner specified in Clause 24 of this Schedule);
 - (c) have the powers as specified under Clause 6.2 of this Deed (exercisable in the manner specified in Clause 25 of this Schedule);
 - (d) have the powers exercisable in the manner specified in Clause 26 of this Schedule in respect of all matters other than the matters set out in paragraphs (a), (b) and (c) above.]
23. The powers set out in paragraph (a) of Clause 22 of this Schedule shall be exercisable by a resolution passed at a meeting of Debenture Holders duly convened and held in accordance with the provisions contained in this Schedule and carried by a majority consisting of not less than 66% (sixty six per cent.) in value of the nominal amount of the Debentures for the time being outstanding upon a show of hands or if a poll is demanded by a majority representing not less than 66% (sixty six per cent.) in value of the nominal amount of the Debentures for the time being outstanding. Such a resolution is called a "Super Majority Resolution".
24. The powers set out in paragraph (b) of Clause 22 of this Schedule shall be exercisable by a resolution passed at a meeting of Debenture Holders duly convened and held in accordance with the provisions contained in this Schedule and carried by a majority consisting of not less than three-fourth in value of the nominal amount of the Debentures for the time being outstanding upon a show of hands or if a poll is demanded by a majority representing not less than three-fourth in value of the nominal amount of the Debentures for the time being outstanding.
25. The powers set out in paragraph (c) of Clause 22 of this Schedule shall be exercisable by a resolution passed at a meeting of Debenture Holders duly convened and held in accordance with the provisions contained in this Schedule and carried by a majority consisting of not less than one-third in value of the nominal amount of the Debentures for the time being outstanding upon a show of hands or if a poll is demanded by a majority representing not less than one-third in value of the nominal amount of the Debentures for the time being outstanding
26. The powers set out in paragraph (d) of Clause 22 of this Schedule shall be exercisable by a resolution passed at a meeting of Debenture Holders duly convened and held in accordance with the provisions contained in this Schedule and carried by a majority representing not less than 51% (fifty one per cent.) in value of the nominal amount of the Debentures for the time being outstanding upon a show of hands or if a poll is demanded by a majority representing not less than 51% (fifty one per cent.) of the nominal amount of the Debentures for the time being outstanding. Such a resolution is called a "Majority Resolution".
27. A resolution, passed at a general meeting of the Debenture Holders duly convened and held in accordance with this Deed shall be binding upon all the Debenture Holders, whether present or not at such meeting, and each of the Debenture Holders shall be bound to give effect thereto accordingly, and the passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.
28. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from time to time provided for the purpose by the Debenture Trustee at the expenses of the Issuer and any such minutes as aforesaid, if purported to be signed by the Chairman of the meeting at which such resolutions were passed or proceeding held or by the Chairman of the

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|  | Debenture Trustee  |
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adjourned meeting shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken.


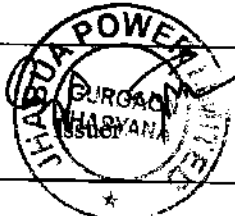

29. Notwithstanding anything herein contained, it shall be competent to all the Debenture Holders to exercise the rights, powers and authorities of the Debenture Holders under this Deed by a letter/ e-mail or letters/ e-mails signed/ issued by or on behalf of the Debenture Holders without convening a meeting of the Debenture Holders as if such letter or letters constituted a resolution, a Super Majority Resolution or a Majority Resolution or any such resolution as contemplated in this Schedule, as the case may be, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.
30. For any written consent of the Debenture Holders, the Debenture Trustee (or as applicable, the Issuer or a Debenture Holder) shall provide a notice in writing to the last available address of each Debenture Holder or by way of e-mail at least 15 Business Days prior to the date on which any decision is required to be made or consent to be provided. The record date of such notice shall be the date falling 15 Business Days prior to the date of dispatch of such notice/ e-mail. If the notice/ e-mail specifies any notice period, then any consents received after such notice period will not be accepted. The Debenture Holders are required to submit their consent only in written form to the Debenture Trustee. The Debenture Holders however can ratify any shorter notice depending on the reasons given or prevailing circumstances on a case to case basis.

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|  | Debenture Trustee  |
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SCHEDULE IV

CONDITIONS PRECEDENT

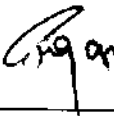


- (a) Infusion of INR 325 crore by the Resolution Applicant into the designated bank account of the Issuer by the Resolution Applicant as securities application money towards the equity infusion as per Approved Resolution Plan.;
- (b) Infusion of INR 599,99,99,400 (Rupees Five Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand and Four Hundred only) by the Resolution Applicant as debenture subscription amount towards the subscription of Class B Debentures;
- (c) payment of insolvency resolution process costs in terms of the Approved Resolution Plan;
- (d) undertaking all corporate actions approving the allotment of the Debentures;
- (e) A copy of the amended Charter Documents of the Issuer, reflecting *inter alia*, changes in order to accommodate the issuance of the instruments in terms of the Approved Resolution Plan shall have been provided to the Debenture Trustee;
- (f) Duly executed copy of the final agreed form of each of the Financing Documents shall have been provided to the Debenture Trustee;
- (g) Issuance of a signed and numbered Offer Letter to the Original Debenture Holders;
- (h) Letter from the Debenture Trustee conveying its consent to act as the debenture trustee for the Debenture Holders; and
- (i) Completion of all "KYC" requirements by the Debenture Trustee.

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|   | Debenture Trustee  |
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SCHEDULE V

CONDITIONS SUBSEQUENT

1. Certified true copy of all corporate actions approving and allotting the Debentures.
2. As soon as practicable and in any event within 2 (two) Business Days of the Deemed Date of Allotment of the Debentures or such other extended time as agreed between Issuer and Debenture Trustee, credit of the Debentures in the specified dematerialized account(s).
3. As soon as practicable and in any event within 2 (two) Business Days of the Deemed Date of Allotment of the Debentures or such other extended time as agreed between Issuer and Debenture Trustee, allot ISIN for issue of the Debentures.
4. Create the debenture redemption reserve account, if applicable, out of the profits of the Issuer available for payment of dividend and credit of requisite amounts into such reserve, as required from time to time for the redemption of the Debentures.
5. Registration of the of mortgage(s) with the sub-registrar of assurances under the Registration Act, 1908 as may be required under Applicable Law, within 30 days from the Deemed Date of Allotment.

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|   | Debenture Trustee  |
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SCHEDULE VI
FORMAT OF CP COMPLETION CERTIFICATE

To,
[Original Debenture Holders of Jhabua Power Limited]

[●], 20[●]

Dear Sirs,

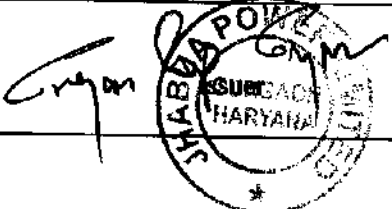

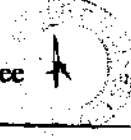
Re: Debenture Trust Deed dated [●] (“Deed”), executed by *inter alia* between Jhabua Power Limited (“Issuer”)

1. All capitalized terms used herein and not defined, will have the same meaning as set out in the Deed.
2. Pursuant to the Deed, we hereby certify and confirm that the Conditions Precedent listed in Clause 4.1 (*Conditions Precedent*) read with Schedule IV (*Conditions Precedent*) of the Deed have been completed by the Issuer to the satisfaction of the Original Debenture Holders.
3. In light of the completion of the Conditions Precedent, the Closing Date as per the Deed shall be **[insert date]**.

Yours faithfully,

Jhabua Power Limited

Authorised Signatory

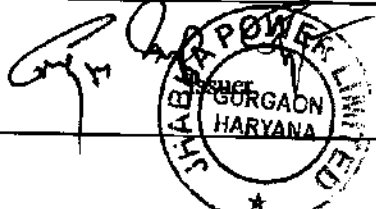
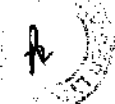
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|  <p>JHABUA POWER LIMITED KSRUGAD HARYANA</p> | <p>Debenture Trustee </p>  |
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SCHEDULE VII

PROJECT DOCUMENTS

1. Power Purchase Agreement ;
2. Power Evacuation Arrangement(s);
3. EPC Contract;
4. Fuel Supply Agreement;
5. Secondary Fuel Supply Agreement;
6. Insurance Contracts;
7. Government Approvals/ Clearances/ Permits;
8. performance bonds and other security documents and arrangements furnished by any of the parties under the documents above referred to in favour of or for the benefits of the Issuer; and
9. any other agreement designated as a Project Document by the Debenture Holders.

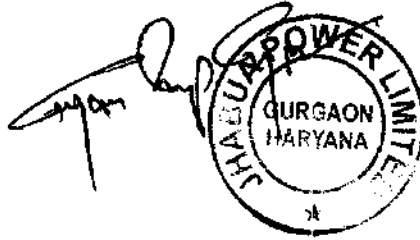
The above is an indicative list of Project Documents. The Parties does not intend to understand this Schedule as a comprehensive list of Project Documents, the rights and interest of the Issuer under which are required to be assigned in favour of the Debenture Trustee.

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|  | Debenture Trustee  |
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IN WITNESS WHEREOF the Issuer and the Debenture Trustee have caused this Deed and the duplicate thereof to be executed by their authorized official on the day, month and year first above written as hereinbefore appearing.

SIGNED AND DELIVERED by the within named JHABUA POWER LIMITED being the Issuer by the hand of its authorized official, MR. GAGAN DEEP GUPTA, pursuant to the resolution dated

05/09/2011
Monitoring Agent in Mgt Meeting



SIGNED AND DELIVERED by the within named AXIS TRUSTEE SERVICES LIMITED being the Debenture Trustee by the hand of its authorized official MR. RAM SINGH, Attorney

For Axis Trustee Services Limited

A handwritten signature in black ink, appearing to read "R. Singh", is written over the text "For Axis Trustee Services Limited".

Authorized Signatory

CP COMPLETION CERTIFICATE

September 05, 2022

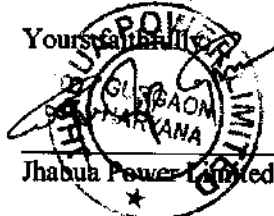
To,
Original Debenture Holders of Jhabua Power Limited

Dear Sirs,

Re: Debenture Trust Deed dated September 05, 2022 ("Deed"), executed by *inter alia* between Jhabua Power Limited ("Issuer")

1. All capitalized terms used herein and not defined, will have the same meaning as set out in the Deed.
2. Pursuant to the Deed, we hereby certify and confirm that the Conditions Precedent listed in Clause 4.1 (*Conditions Precedent*) read with Schedule IV (*Conditions Precedent*) of the Deed have been completed by the Issuer to the satisfaction of the Original Debenture Holders.
3. In light of the completion of the Conditions Precedent, the Closing Date as per the Deed shall be **September 05, 2022**.

Yours faithfully,



Jhabua Power Limited

Authorised Signatory

MODEL PPA

(Applicable for power projects under MoU route)

**POWER PURCHASE AGREEMENT
BETWEEN**

M/S [Jhabua Power Ltd.,]

AND

M. P. POWER TRADING COMPANY LIMITED

FOR


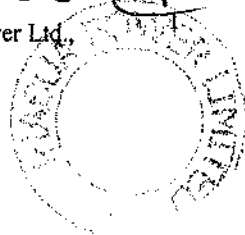
**PROCUREMENT OF POWER ON
REGULATED TARIFF BASIS**

[June-2011]


M.P Tradeco


East Discom

Central Discom


Jhabua Power Ltd.,


West Discom

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East Discom
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Central Discom

Jhabua Power Ltd.
Jhabua Power Ltd.
JHABUA POWER LIMITED

West Discom



मध्य प्रदेश MADHYA PRADESH

S 243107

THIS AGREEMENT IS MADE ON THE [5th] day of January 2011 Abbijon

Between

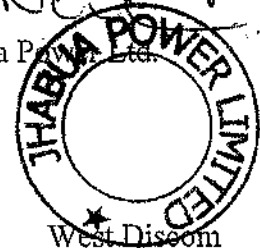
- 1) **Madhya Pradesh Power Trading Company Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at Shakti Bhawan, Jabalpur Madhya Pradesh (hereinafter referred to as the "**Procurer**", which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) as party of the **FIRST PART**;

AND

- 2) **M/s Jhabua Power Ltd.**, a company incorporated under the Companies Act, 1956 and having its registered office at 6-B Express Tower, 42-A Shakespeare Sarani, **Kolkata** (hereinafter referred to as "**the Company**", which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) as party of the **SECOND PART**;

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M.P Tradeco

[Signature]
Jhabua P



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[Signature]
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Central Discom

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The Procurer and the Company are hereinafter individually referred to as "Party" and collectively as "Parties"

AND

- 3) **Madhya Pradesh Poorva Kshetra Vidyut Vitaran Nigam Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at Shakti Bhawan, Jabalpur Madhya Pradesh (hereinafter referred to as Discom 1), which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns; and
- 4) **Madhya Pradesh Madhya Kshetra Vidyut Vitaran Nigam Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at Bijali Nagar, Govindpura, Bhopal, Madhya Pradesh (hereinafter referred to as Discom 2), which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns; and
- 5) **Madhya Pradesh Paschim Kshetra Vidyut Vitaran Nigam Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at Pologround, Indore Madhya Pradesh (hereinafter referred to as Discom 3), which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns;

Discom 1, Discom 2 and Discom 3, collectively referred to as "Discoms", are executing this agreement as confirming parties being beneficiaries under this Agreement.

WHEREAS the Government of Madhya Pradesh (hereinafter referred to as 'GoMP') is desirous of facilitating private sector participation and investments in power generation projects in the State of Madhya Pradesh by providing assistance and support in terms of the Memorandum of Understanding and Implementation Agreements entered into with various developers for development of generation projects and in consideration being entitled to a certain share of power generated from such projects to be procured through the Procurer being the nominee of the GoMP, for the utilization primarily by the Discoms, individually or collectively;

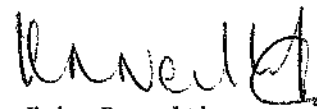
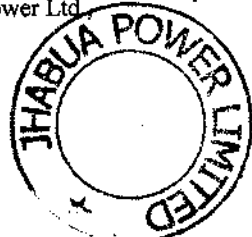
AND WHEREAS pursuant to the above, the Company and the GoMP have entered into a Memorandum of Understanding 17.1.2007, amendment 14.1.2010 for setting up of coal based thermal power stations by the Company with a proposed capacity of 1200 MW with Unit configuration as 2x600 MW to be located at Seoni Distt. in the State of Madhya Pradesh;


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Jhabua Power Ltd


AND WHEREAS pursuant to the terms of the MoU and being satisfied with the feasibility report and techno economic viability of the project, the Company and the GoMP had entered into an Implementation Agreement dated 14.1.2008, as amended on 14.1.2010 (hereinafter referred to as "the I.A.") for construction, ownership and maintenance of the said Power Station;

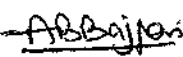
AND WHEREAS this Agreement is being entered into pursuant to the terms of the I.A., and the GoMP, acting through its Energy Department has agreed to facilitate expeditious grant of permissions, approvals, no objection certificates, recommendations etc., as defined in greater detail in the said I.A.;

AND WHEREAS in terms of the I.A., the Company has granted the first right to GoMP or its nominated agency to purchase power from 1st unit having capacity of 600 MW, up to thirty percent (30%) of the Power Station's Installed Capacity for a period of twenty (20) years at the tariff determined by the Appropriate Commission and the GoMP has exercised its right to purchase the aforesaid power to such extent;

AND WHEREAS the above right of GoMP is in addition to and not in derogation of GoMP's right to purchase five percent (5%) of the net power (gross power generated minus the auxiliary consumption) on annualized basis at a price equivalent to the Variable Cost only (excluding fixed charges) such Variable Cost to be determined by the Appropriate Commission for the Power Station from time to time;

AND WHEREAS in accordance with the notification No. 3474/FRS/17/XIII/2002, dated 03.06.2006 of the GoMP, the Discoms herein shall buy electricity of their requirement from the single source, i.e. from the Procurer, as per the inter-se Bulk Supply Agreement at the tariff as determined/ approved by the Appropriate Commission, and the role of the Procurer will be that of the authorized nominee of the Government of Madhya Pradesh to procure and make available power the Discoms;

AND WHEREAS THE GoMP vide letter 4370/13/2008 Bhopal dated 24th June 2008 has nominated the Procurer to procure 30% of the Installed Capacity of the Power Station at the Tariff to be determined by the Appropriate Commission and has further directed that the Procurer shall make available the aforesaid power to each of Discoms in the proportion as may be directed by GoMP;


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AND WHEREAS Discoms have agreed to receive the aforesaid power from the Procurer, in the proportion as directed by the GoMP from time to time and are accordingly, executing this Agreement as confirming Parties;

AND WHEREAS pursuant and in terms of the above, the Company and the Procurer have mutually agreed on the terms and conditions for developing, commissioning, operation and maintenance of the Power Station and for generation and sale of energy from the Power Station by the Company to the Procurer and to enter into this Power Purchase Agreement to incorporate the terms and conditions agreed to between them;

AND WHEREAS the Company has provided to the Procurer, Initial Contract Performance Guarantee as per the provisions of Article 3.5.1 as per the format specified in Schedule - 1 of this Agreement.


NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND MUTUAL COVENANTS AND CONDITIONS SET FORTH HEREIN, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS UNDER:


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Central Discom

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Jhabua Power Ltd.,

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ARTICLE - 1: DEFINITIONS AND INTERPRETATION

1.1. Definitions

The words and expressions used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them in the Electricity Act, 2003 and the rules or regulations framed there under, including those issued/ framed by the Appropriate Commission (as defined hereunder), and as amended or re-enacted from time to time.

The words and expressions mentioned below shall have the same meanings as respectively assigned to them hereunder:

"Act" or "Electricity Act 2003" shall mean the Electricity Act, 2003 and any rules, amendments, regulations, notifications, guidelines or policies issued there under from time to time;

"Affiliate" shall mean a company that either directly or indirectly

- a. controls; or
- b. is controlled by; or
- c. is under common control with;

the Company and "control" means ownership by one company of at least twenty six percent (26%) of the voting rights of the other company;

"Aggregate Capacity" shall mean, in relation to a Unit the proposed nameplate capacity of the Unit and in relation to the Power Station the total proposed nameplate capacity of the Power Station. Such proposed capacity of the Power Station in mega watt shall be the sum total of proposed nameplate capacities of each of the Units as mentioned below:

Unit 1: 600 MW, Unit 2: 600 MW,

"Agreement" or "Power Purchase Agreement" or "PPA" shall mean this Power Purchase Agreement including its recitals and Schedules, amended or modified from time to time in accordance with the terms hereof;

"Appropriate Commission" shall mean the Madhya Pradesh Electricity Regulatory Commission and wherever the context so admits specifically and to the limited extent thereof the Central Commission constituted under the Electricity Act, 2003;


"Availability Based Tariff" or "ABT" shall mean the regulations contained in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, as amended or revised from time to time, to the extent applied as per the terms of this Agreement;


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"Availability Factor" or "Availability" shall have the meaning ascribed thereto in ABT and shall be reckoned with reference to Installed Capacity as defined herein;

"Available Capacity" shall mean such of the Contracted Capacity as declared available by the Company in accordance with ABT;

"Bill Dispute Notice" shall mean the notice issued by a Party raising a Dispute regarding a Monthly Bill or a Supplementary Bill issued by the other Party;

"Business Day" shall mean with respect to the Company and Procurer, a day other than Sunday or a statutory holiday, on which the banks remain open for business at Jabalpur in the State of Madhya Pradesh;

"Capacity Charge" or "Fixed Charge" shall be the capacity charge determined by the Appropriate Commission as part of the Tariff;

"Central Transmission Utility" or "CTU" shall mean the utility notified by the Central Government under Section-38 of the Electricity Act 2003;

"CERC" or "Central Commission" shall mean the Central Electricity Regulatory Commission of India, constituted under sub-section (1) of Section 76 of the Electricity Act, 2003, or its successors;

"Change in Law" shall have the meaning ascribed thereto in Article 12 of this Agreement;

"Commercial Operation Date" or "COD" shall mean, in relation to a Unit the date on which the Unit is Commissioned and in relation to the Power Station the date on which all the Units of the Power Station are Commissioned;

"Commissioning" or "Commissioned" with its grammatical variations shall mean, in relation to a Unit, the relevant Unit or in relation to the Power Station, all the Units of the Power Station that have passed the Commissioning Tests successfully and the Procurer receives a Final Test Certificate of the Independent Engineer as per the provisions of Article 5.4.1 in relation to the Unit or the Power Station as the case may be;

"Competent Authority" shall mean State Load Despatch Centre, Regional Load Despatch Centre, Regional Power Committee, Government of Madhya Pradesh, Appropriate Commission or any other governmental authority having jurisdiction over the Power Station;


"Competent Court of Law" shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;

"Conditions Subsequent" shall have the meaning set out in Article 3;

"Consents, Clearances and Permits" shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided by any


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concerned authority for the purpose of setting up of the Power Station and/ or supply of power, including without limitation for the construction, ownership, operation and maintenance of the Power Station;

"Consultation Period" shall mean the period of ninety (90) days or such other longer period as the Parties may agree, commencing from the date of issuance of a Company Preliminary Default Notice or Procurer Preliminary Default Notice as provided in Article 13.4.2 and Article 13.3 (i) of this Agreement, for consultation between the Parties to mitigate the consequences of the relevant event having regard to all the circumstances;

"Contract Performance Guarantee" shall mean the irrevocable unconditional bank guarantee submitted or to be submitted by the Company to the Procurer from a scheduled commercial bank and in the format provided in Schedule – 1B in accordance with the terms of this Agreement;

"Contract Year" shall mean the period commencing on the Effective Date (as defined hereunder) and ending on the immediately succeeding March 31 and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31;

Provided that:



- (i) in the financial year in which the Scheduled COD , or the Revised Scheduled COD, as the case may be of the first Unit would occur, the Contract Year shall end on the date immediately before the Scheduled COD , or the Revised Scheduled COD, as the case may be of such Unit and a new Contract Year shall commence once again from the Scheduled COD or the Revised Scheduled COD, as the case may be and end on the immediately succeeding March 31, and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31, and
- (ii) provided further that the last Contract Year of this Agreement shall end on the last day of the Term of this Agreement;

Contracted Capacity", shall mean the capacity equivalent to 30% of the first unit having Installed Capacity 600 MW contracted with the Procurer as per terms of this Agreement;

"Debt Service" shall mean the amounts which are due under the Financing Agreements by the Company to the Lenders, expressed in Rupees (with all amounts denominated in currencies other than Rupees being converted to Rupees at the reference exchange rate, which is the selling rate in Rupees for the foreign currency on the relevant Day, as notified by the State Bank of India as its TT Rate at 12:00 noon of the date of Financial Closure);

"Declared Capacity" in relation to a Unit or the Power Station at any time means the Net Capacity of the Unit or the Power Station at the relevant time (expressed in MW at the Delivery Point) as declared by the Company in


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accordance with the Grid Code and despatching procedures as per the Availability Based Tariff;

"Delivery Point" shall mean the ex-bus point of the Power Station at the Power Station switchyard;

"Despatch" shall mean to schedule and control the generation of the Power Station in order to commence, increase, decrease or cease the Electrical Output as delivered to the Grid System in accordance with the instructions from the SLDC/ RLDC in conformity with the Grid Code, this Agreement and Prudent Utility Practices;

"Despatch Instruction" shall mean any instruction for scheduling of power issued by the Procurer through the concerned SLDC and/or RLDC to the Company, in accordance with applicable Grid Code and this Agreement;

"Dispute" shall mean any dispute or difference of any kind between the Parties hereto in connection with or arising out of this Agreement including any issue on the interpretation and scope of the terms of this Agreement;

"Due Date" shall mean the thirtieth (30th) day after a Monthly Bill or a Supplementary Bill is delivered to and its receipt is acknowledged by the Procurer (or, if such day is not a Business Day, the immediately succeeding Business Day) by which date such Monthly Bill or Supplementary Bill is payable by the Procurer;

"Effective Date" Shall have the meaning set out in Article 2.1 of this Agreement;

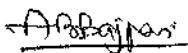
"Electrical Output" shall mean the gross electrical energy in kilowatt-hour (kWh) generated by one or more Unit(s) or the Power Station, as the case may be, reduced by normative auxiliary consumption and delivered at the Delivery Point;

"Energy Account" or "Regional Energy Account" or "REA" shall mean the Regional Energy Account as defined in the Grid Code and issued by the Western Region RPC secretariat or other Competent Authority for each calendar month or part thereof (as per their prescribed methodology), including the revisions and amendments thereof;

"Event of Default" shall mean the events as defined in Article 13 of this Agreement;

"Expiry Date" shall mean the 20th anniversary of the Commercial Operation Date of the Power Station;

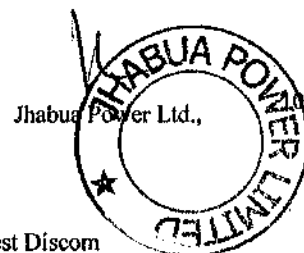
"Final Test Certificate" shall mean, in relation to each Unit, a certificate of the Independent Engineer certifying and accepting the results of a Commissioning Test(s) in accordance with Article 5.3 of this Agreement;


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"Financial Closure" shall mean the execution of all the Financing Agreements required for the Power Station and fulfillment of conditions precedents thereunder and/or waiver; of any of such conditions precedents for the initial draw down of funds there under;

"Financing Agreements" shall mean the agreements pursuant to which the Company has sought financing for the Power Station including the loan agreements, notes, indentures, security agreements, letters of credit and other documents, as may be amended, modified, or replaced from time to time, but without in anyway increasing the liabilities of the Procurer;

"Force Majeure" or "Force Majeure Event" shall have the meaning ascribed thereto in Article 11 of this Agreement;

"Forced Outage" shall have the meaning ascribed thereto in the Grid Code;

"Fuel" means primary fuel (coal) used to generate electricity namely, domestic coal /imported coal/ blended coal (as applicable);

"Fuel Supply Agreement(s)" shall mean the agreement(s) entered into between the Company and the Fuel supplier and others for the purchase, transportation and handling of the Fuel. ;

"GoI" shall mean the Government of India;

"GoMP" shall mean the Energy Department, Government of Madhya Pradesh;

"Grid Code" or "IEGC" shall mean any set of regulations or codes issued by the Appropriate Commission as amended and revised from time to time and as applicable to the Power Station and the Procurer governing the operation of the Grid System or any succeeding set of regulations or code;

"Grid System" shall mean the interconnection and transmission facilities and any other transmission or distribution facilities through which the Procurer supply electricity to its customers or the transmission company transmits electricity to the Procurer;

"IA" or "Implementation Agreement" shall have the meaning set out in the recitals above and as may be amended from time to time;

"Independent Engineer" shall mean an independent consulting engineering firm or group appointed by the Company in accordance with, Article 5.2;

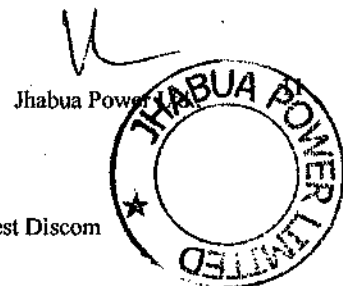
"Indian Governmental Instrumentality" shall mean the Government of India, Government of Madhya Pradesh and any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or Government of Madhya Pradesh or both, any political sub-division of any of them including any court or Appropriate Commission(s) or tribunal or judicial or quasi-judicial body in India but excluding the Company and the Procurer;


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"Initial Performance Guarantee" shall have the meaning ascribed thereto in Article 3.5;

"Installed Capacity" shall mean the sum of MCR capacities of the Unit(s) of the Power Station, as confirmed by the respective Performance Test;

"Insurances" shall mean the insurance cover to be obtained and maintained by the Company in accordance with Article 9 of this Agreement;

"Interconnection Facilities" shall mean the facilities on the Procurer's side of the Delivery Point for receiving and metering Electrical Output in accordance with this Agreement and which shall include, without limitation, all other transmission lines and associated equipment, transformers and associated equipment, relay and switching equipment and protective devices, safety equipment and, subject to Article 8, the Metering System required for the Power Station;

"Invoice" or "Bill" shall mean a Monthly Invoice and / or a Supplementary Invoice as per Article 10 or an invoice from the Procurer, in accordance with Article 10.3.1;

"Late Payment Surcharge" shall have the meaning as defined in Article 10.4.2;

"Law" shall mean in relation to this Agreement, all laws including electricity laws, in force in India and any statute, ordinance, regulation, notification or code, rule, or any interpretation of any of them by an Indian Governmental Instrumentality and having force of law and shall further include without limitation all applicable rules, regulations, orders, notifications by an Indian Governmental Instrumentality pursuant to or under any of them and shall include without limitation all rules, regulations, decisions and orders of the Appropriate Commissions, and shall include for avoidance of doubt, any amendments thereto and replacements thereof;

"Lender(s)" shall mean the banks, other financial institutions, multilateral agencies, non banking financial companies registered with Reserve Bank of India, mutual funds and agents or trustees of debenture/ bond holders, including their successors and assignees, who have agreed as on or before COD of the Power Station to provide the Company with the debt financing and any successor banks or financial institutions to whom their interests under the Financing Agreements may be transferred or assigned or securitised;

Provided that, such assignment or transfer shall not relieve the Company of its obligations to the Procurer under this Agreement in any manner and shall also not lead to an increase in the liability of the Procurer at any given point of time;

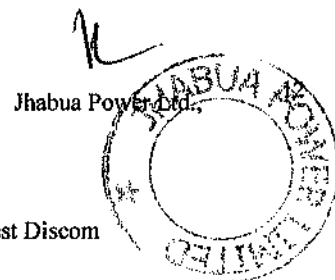
"Letter of Credit" or "L/C" shall have the meaning ascribed thereto in Article 10.5 of this Agreement;


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“Maintenance Outage” shall have the meaning as ascribed to this term as per the provisions of the Grid Code;

“MCR” shall mean Maximum Continuous Rating of Unit(s) as defined in the Grid Code, as may be amended from time to time;

“Meters” or “Metering System” shall mean meters used for accounting and billing of electricity in accordance with Central Electricity Authority (Installation and Operations of Meters) Regulations, 2006, Grid Code and ABT, as amended from time to time;

“Month” shall mean a period of thirty (30) days from (and excluding) the date of the event where applicable, else a calendar month;

“Monthly Bill” or “Monthly Invoice” shall mean a Monthly invoice to be raised by the Company for the Tariff, in accordance with Article 10;

“Net Capacity” shall mean, in relation to a Unit or in relation to the Power Station the Installed Capacity of the Unit or the Power Station, reduced by the normative auxiliary power consumption for power station(s) having similar Unit capacity(s) as prescribed by the Central Commission from time to time and measured at the Delivery Point;

“Normative Availability” shall mean the normative annual plant Availability equal to eighty five per cent (85%) at the Delivery Point on Contract Year basis as specified in the Tariff Regulations, of the Appropriate Commission as may be amended from time to time;

“Operating Period” shall mean the period commencing from the COD of the first Unit, until the Expiry Date or date of earlier termination of this Agreement in accordance with Article 2.3 of this Agreement, as the case may be;

“Performance Test” or “Commissioning Test” shall mean the tests to be carried out in accordance with Article 5 hereof and shall include a periodic Performance Test and a Commissioning Test;

“Planned Outage” shall have the meaning ascribed to this term as per the provisions of the Grid Code;

“Power Station” shall mean the coal based Jhabua Power Station having the proposed capacity of 2x600 MW to be established in District Seoni in the State of Madhya Pradesh;

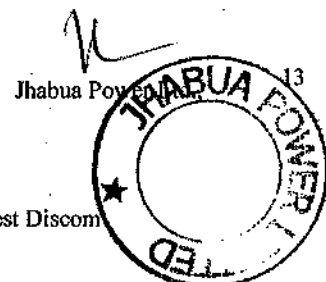
This includes all Units and auxiliaries such as associated Fuel handling, treatment and storage facilities; water supply, treatment and storage facilities; the ash disposal system including ash dyke bays for transmission system in the switchyard, intake water conductor system and all the other assets, buildings/ structures, equipments, plant and machinery, facilities and related assets required for the efficient and economic operation of the power generation facility; whether completed or at any stage of development (including design, engineering, financing, construction, operation and maintenance, R&M and


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other activities incidental thereto) or intended to be developed and constructed for the purpose of supply of power as per this Agreement;

"Power Station Documents" shall mean

- (i) This Agreement;
- (ii) Construction contracts;
- (iii) Fuel Supply Agreements (as applicable)/ Fuel mining agreements (*applicable in case where coal block allocated*), including the Fuel transportation agreement, if any;
- (iv) O&M contracts;
- (v) Financing Agreements;
- (vi) Water supply agreement; and
- (vii) Any other agreements designated in writing as such, from time to time, jointly by the Procurer and the Company;

"Preliminary Default Notice" shall have the meaning ascribed thereto in Article 13.3(i) and Article 13.4.2 of this Agreement;

"Procurer Event of Default" shall mean the default by the Procurer of any of its obligations specified in Article 13.2 of this Agreement;

"Prudent Utility Practices" shall mean those practices, methods, techniques and standards, as prevalent from time to time, that are generally accepted internationally by electric utilities for the purpose of ensuring safe, efficient and economic design, construction, commissioning, testing, operation and maintenance of the various components of the Power Station and which practices, methods and standards shall be adjusted as necessary to take into account:

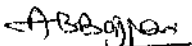
- (i) Installation, operation and maintenance guidelines recommended by the manufacturers of plant and equipment to be incorporated in the Power Station.
- (ii) The requirement of Indian Law
- (iii) Conditions affecting the Grid System and
- (iv) Physical conditions at the Site;

"Rebate" shall have the same meaning as ascribed thereto in Article 10.4.1 of this Agreement;

"Repeat Performance Test" shall have the meaning ascribed thereto in Article 6;

"Revised Scheduled Commercial Operation Date" or "Revised Scheduled COD" shall have the meaning as ascribed thereto in the Article 4.1.6;

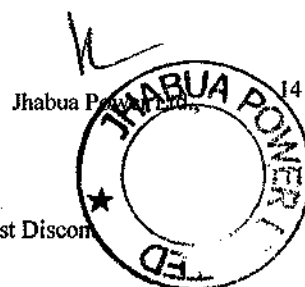
"RLDC" shall mean the relevant Regional Load Despatch Centre established under Sub-section (1) of Section 27 of the Electricity Act, 2003;


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"RPC" shall mean the Regional Power Committee established by the Government of India for the western region in accordance with the Electricity Act, 2003 for facilitating integrated operation of the power system in that region;

"Scheduled Commercial Operation Date" or "Scheduled COD" shall mean the scheduled date for achieving COD, as specified in Article 4.1.5;

"Scheduled Connection Date" shall mean the date on or before which the evacuation facilities for the Contracted Energy beyond the Delivery Point shall have to be established by the Procurer, which shall be the date falling two hundred and ten (210) days before the Scheduled COD or Revised Scheduled COD, as the case may be, of the first Unit;

"Scheduled Energy" shall mean the energy corresponding to the Available Capacity, to be scheduled in accordance with ABT;

"Scheduled Synchronisation Date" shall mean in relation to a Unit, the date, which shall be maximum of one hundred and eighty (180) days prior to the Scheduled COD of the respective Unit;

"Settlement Period" shall mean the time period for the issuance of daily generation and drawl schedules as provided in ABT;

"Site" means the land over which the Power Station will be developed;

"SLDC" shall mean the centre established under Sub-section (1) of Section 31 of the Electricity Act 2003 for the State of Madhya Pradesh being at present the Madhya Pradesh Power Transmission Company Limited;

"SLDC Charges" shall mean the charges levied by SLDC for the supply of power by the Company to the Procurer;

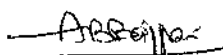
"State Energy Accounts" or "SEA" shall mean as defined in the Grid Code and issued by the Madhya Pradesh SLDC for each calendar month or part thereof (as per their prescribed methodology), including the revisions and amendments thereof;

"State Transmission Utility" or "STU" shall mean the Government Company notified by the Madhya Pradesh State Government under Sub-section (1) of Section 39 of the Act;

"Supplementary Bill" shall mean a Bill other than a Monthly Bill raised by any of the Parties in accordance with Article 10 of this Agreement;

"Tariff" shall mean the tariff payable by the Procurer to the Company for making available the Contracted Capacity and for supplying Electrical Output corresponding to the Contracted Capacity at Normative Availability, as may be determined by the Appropriate Commission under Law;

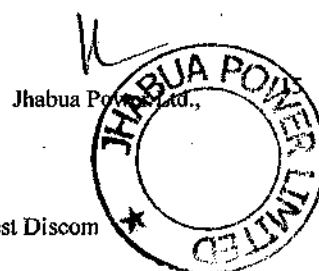
"Tariff Payment" shall mean the payments to be made by the Procurer under Monthly Bills and the relevant Supplementary Bills;


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“Term of Agreement” shall mean the period commencing from the execution of this Agreement and expiring on the Expiry Date;

“Termination Notice” shall have the meaning ascribed thereto in Article 13.6.1, and Article 3.3.2 of this Agreement;

“Tested Capacity” shall mean, in relation to a Unit, or the Power Station as a whole (if all the Units of the Power Station have been Commissioned) the capacity, as certified by the Independent Engineer, of the most recent Performance Test carried out in accordance with Article 5 of this Agreement;

“Unit” shall mean, in relation to the Power Station one steam generator, one turbine, one electrical generator and associated auxiliaries of the Power Station, all of which together are capable of generating electricity at the terminals of the electrical generator;

“Unscheduled Interchange” or **“UI”** shall have the meaning ascribed thereto in the CERC (Unscheduled interchange charges & related matters) Regulations 2009 as amended or revised from time to time;

“Unscheduled Outage” shall mean an outage that is not a Planned Outage and is for the purpose of performing work on specific plant and equipments at the Power Station, which work cannot be postponed till the next Planned Outage;

“Variable Charge” or **“Energy Charge”** or **“Variable Cost”** shall have the meaning assigned to the term under the CERC Tariff Regulations, 2009;

“Wheeling Charges” or **“Transmission Charges”** shall mean the charges to be paid by the Procurer to the CTU or STU or any other transmission licensee or any other agency as applicable under Law, for the transfer of power corresponding to Contracted Capacity from the Delivery Point onwards.

1.2. Interpretation

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

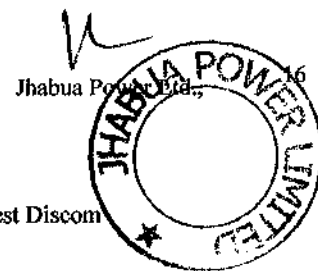
- 1.2.1. “Agreement” shall be construed as including a reference to its Schedules;
- 1.2.2. An “Article”, a “Recital”, a “Schedule” and a “paragraph/clause” shall be construed as a reference to an Article, a Recital, a Schedule and a paragraph/clause respectively of this Agreement;
- 1.2.3. A “crore” means a reference to ten million (10,000,000) and a “Lakh” means a reference to one tenth of a million (1,00,000);
- 1.2.4. 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;


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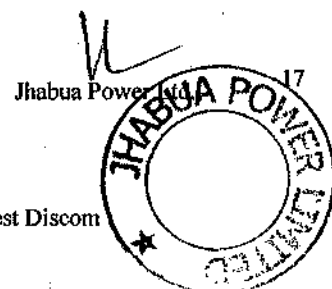
- 1.2.5. "Indebtedness" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.6. A "person" shall be construed as a reference to any person, firm, company, limited liability partnership, 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;
- 1.2.7. "Rupee", "Rupees" and "Rs." shall denote Indian Rupees, the lawful currency of India;
- 1.2.8. 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;
- 1.2.9. Words importing the singular shall include the plural and vice versa;
- 1.2.10. This Agreement itself or any other agreement; or deed, instrument, license 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;
- 1.2.11. A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time;
- 1.2.12. A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time;
- 1.2.13. Any reference to period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include such days or dates;
- 1.2.14. 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;
- 1.2.15. The words/expressions used in this Agreement shall have the same meaning as assigned to them in the context in which these have been used in this Agreement provided that their respective meaning, if any, assigned to such undefined word/expression in the Electricity Act, 2003 shall also be taken into consideration for harmonious interpretation of the Agreement.
- 1.2.16. The tables 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;


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1.2.17. 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;


1.2.18. The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement;

1.2.19. The terms "including" or "including without limitation" shall mean that any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;


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ARTICLE - 2: TERM OF AGREEMENT

2.1. Effective Date

2.1.1. This Agreement shall come into effect from the date it is executed and delivered by the last of all the Parties and such date shall be referred to as the Effective Date.

2.2. Term of Agreement

2.2.1. This Agreement shall be valid for a term commencing from the Effective Date until the Expiry Date ("Term of Agreement"), unless terminated earlier pursuant to Article 2.3. This Agreement may be extended for a further period subject to the terms and conditions that the Parties may mutually agree in writing for such extended period.

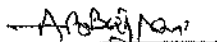
2.3. Early Termination

2.3.1. This Agreement shall terminate before the Expiry Date:

- (i) if the right to terminate, is validly exercised by any Party pursuant to a specific provision of this Agreement; or
- (ii) in such other circumstances as the Company and the Procurer may mutually agree, in writing.

2.4. Survival

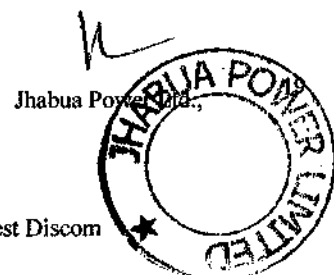
2.4.1. The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive liquidated damages as per the terms of this Agreement, nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination including those under Article 3.3.2, Article 11 (Force Majeure), Article 13 (Events of Default, Dispute Resolution and Termination), Article 14 (Liability and Indemnification), and Article 16 (Miscellaneous Provisions) and any other Article and Schedule of this Agreement which expressly or by their nature survive the Term of Agreement or termination of this Agreement shall continue and survive any expiry or termination of this Agreement.


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ARTICLE - 3: CONDITIONS SUBSEQUENT

3.1. Satisfaction of Conditions Subsequent by the Company

3.1.1. The Company agrees and undertakes to duly perform and complete the following activities at the Company's own cost and risk.

3.1.1.1. Within twelve (12) Months from the Effective Date, unless such completion is affected by any Force Majeure Event or due to the Procurer's failure to comply with its obligations under this Agreement, or if any of the activities is specifically waived in writing by the Procurer,

- (i) The Company shall have taken the possession of land required, for the setting up of the Power Station and shall have submitted a letter to this effect to the Procurer;
- (ii) The Company shall have awarded the Engineering, Procurement and Construction contract ("EPC contract") or main plant contract for boiler, turbine and generator ("BTG"), for setting up of the Power Station and shall have given to such contractor an irrevocable instruction to proceed and shall have submitted a letter to this effect to the Procurer;
- (iii) The Company shall have achieved Financial Closure and shall have provided a certificate from the lead banker to this effect to the Procurer;
- (iv) The Company shall have made available to the Procurer the data with respect to the Power Station for design of Interconnection Facilities;
- (v) The Company shall have submitted to the Procurer, the milestone schedule for setting up of the Power Station;
- (vi) The Company shall have obtained clearances from the Ministry of Environment and Forests, Government of India;
- (vii) In the event the Company exercises its right under Article 15.1.4, then the Company shall have provided an irrevocable letter to the Lenders duly accepting and acknowledging the rights provided to the Lenders under the terms of this Agreement and all other Power Station Documents.

3.2. Satisfaction of Conditions Subsequent by the Procurer

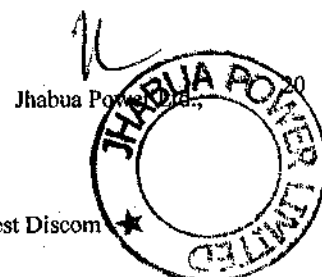
The Procurer agrees and undertakes to duly perform and complete following activities within the time stipulated against each, unless such completion is affected due to any Force Majeure Event or due to the Company's failure to comply with its obligations under this Agreement or if any of the activities is specifically waived in writing by the Company.


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- i) The Procurer shall have obtained open access and/ or connectivity for evacuation of the Scheduled Energy from the Delivery Point at least 60 (sixty) days prior to Commissioning of the first Unit;
- ii) The Procurer shall have established the necessary evacuation infrastructure beyond the Delivery point required for evacuation of the Scheduled Energy at least 210 days prior to Commissioning of the first Unit;
- iii) The Procurer agrees and undertakes that the Procurer along with the Discoms shall file, within three (3) months from the Effective Date, an appropriate petition with the Appropriate Commission seeking the approval of the said Commission for this Agreement. The Company shall duly furnish the requisite data, details, information and documents and assist the Procurer in such proceedings before the Appropriate Commission. Subject to the appellate remedies that may be availed by any of the Parties hereto as provided under section 111 and 125 of the Electricity Act, 2003, the Parties agrees to implement this Agreement with such modification to the terms thereof, as may be decided by the Appropriate Commission.
- iv) The Procurer shall have established and furnished to the Company, the Letter of Credit in accordance with Article 10.5.

3.3. Consequences of non-fulfillment of Conditions Subsequent by the Company

3.3.1. If any of the conditions specified in Article 3.1 is not duly fulfilled by the Company even within three (3) Months after the time specified under Article 3.1, otherwise than for reasons directly attributable to the Procurer or Force Majeure Event in terms of Article 3.3.4, then on and from the expiry of such period and until the Company has satisfied all the conditions specified in Article 3.1, the Company shall be liable to furnish to the Procurer additional weekly performance guarantee (the "Additional Weekly Performance Guarantee") of Rupees Sixty Seven Point Five Lakhs (67.5 lakhs) only for Unit No. 1 within two (2) Business Days of expiry of every such week. Such Additional Weekly Performance Guarantee shall initially be valid for twelve (12) Months, and shall be extended from time to time, at least fifteen (15) days prior to the expiry, to be valid up to three (3) Months after the achievement of Conditions Subsequent. The Procurer shall be entitled to hold and/or invoke the Initial Contract Performance Guarantee, including such Additional Weekly Performance Guarantee, in accordance with the provisions of this Agreement.


For avoidance of doubt it is clarified that:

- (a) the Additional Performance Guarantee to be furnished by the Company to the Procurer, as may be required under this Agreement, shall be in addition to the Initial Contract Performance Guarantee; and


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- (b) the Procurer shall have the right to encash the Initial Contract Performance Guarantee and/or the Additional Weekly Performance Guarantee, individually or in combination, to compensate itself, without any obligation to issue any notice to the Company in case of Company Event of Default before doing so, according to the terms hereof;

3.3.2. Subject to Article 3.3.4, if:

- (i) fulfilment of any of the conditions specified in Article 3.1 is delayed beyond the period of three (3) Months after the date specified in Article 3.1 above and the Company fails to furnish any Additional Weekly Performance Guarantee to the Procurer in accordance with Article 3.3.1 hereof; or
- (ii) the Company furnishes Additional Weekly Performance Guarantee to the Procurer in accordance with Article 3.3.1 hereof but fails to fulfil the conditions specified in Article 3.1 for a period of eight (8) Months beyond the period specified therein,

the Procurer shall have the right (but not an obligation) to terminate this Agreement by giving a Termination Notice to the Company in writing of at least seven (7) days. The termination of the Agreement shall take effect upon expiry of the last date of the said notice period ("Termination Date").

3.3.3. If the Procurer elects to terminate this Agreement in the event specified in the preceding Article 3.3.2, the Company shall be liable to pay to the Procurer on the Termination Date an amount of Rupees Eighteen Crores (18 crores) only as pre-estimated liquidated damages, without affecting the Procurer's right under Article 3.3.4 herein.

The Procurer shall be entitled to recover this amount of liquidated damages by invoking the Initial Contract Performance Guarantee and Additional Weekly Performance Guarantee to the extent of Rupees Eighteen Crores (18 crores) only and shall then return the balance Performance Guarantee, if any, to the Company. If the Procurer is unable to recover the said amount of Rupees Eighteen Crores (18 crores) only or any part thereof from the Initial Contract Performance Guarantee and/or Additional Weekly Performance Guarantee, the amount not recovered from these performance guarantees, if any, shall be payable by the Company to the Procurer within ten (10) days from the date of Termination.

For the avoidance of doubt, it is clarified that:

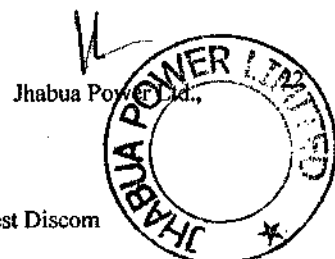
- (a) The Company shall have no right to terminate this Agreement for non fulfilment of any Conditions Subsequent on the part of the Company as mentioned in this Article;
- (b) This Article shall survive the termination of this Agreement;


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(c) Provisions of Article 13.6.4 of this Agreement shall also apply in the event of termination of this Agreement.

3.3.4. In case of inability of the Company to fulfill any one or more of the conditions specified in Article 3.1 due to any Force Majeure Event, the time period for fulfillment of the Conditions Subsequent as mentioned in Article 3.1 shall be extended for the period of such Force Majeure Event, subject to a maximum extension period of ten (10) Months, continuous or non-continuous in aggregate. Thereafter, this Agreement may be terminated by either the Procurer or the Company by giving a notice of at least seven (7) days, in writing to the other Party without any cost to either Party. However, provisions of Article 13.6.4 of this Agreement shall also apply in the event of such termination of this Agreement.

3.4. Consequences for non-fulfillment of Conditions Subsequent by Procurer

In case of inability of the Procurer to file the Petition before the Appropriate Commission as specified in Article 3.2 within the time period specified therein, otherwise than for the reasons attributable to the Company or any Force Majeure Event, the time period for the fulfillment of Conditions Subsequent by the Procurer as mentioned in Article 3.2 would be extended by another three (3) months. Thereafter, this Agreement may be terminated by the Company at its option, by giving a Termination Notice of at least seven (7) days, in writing to the Procurer. If the Company elects to terminate this Agreement under this Article the Procurer shall, within a period of thirty (30) days of termination by the Company, release the Initial Contract Performance Guarantee. It is clarified that the filing of the petition before the Appropriate Commission shall be due compliance of the Condition Subsequent mentioned in Article 3.2(iii) on the part of the Procurer notwithstanding the time that may be taken by the Appropriate Commission to deal with and/or decide the petition.

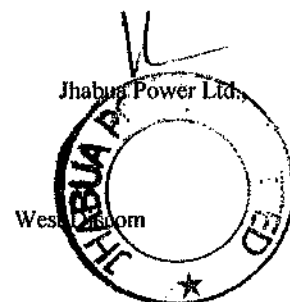
Similarly, in case of inability of the Procurer to fulfill any one or more of the conditions specified in Article 3.2 due to any Force Majeure event, the time period for fulfillment of the condition subsequent as mentioned in Article 3.2 shall be extended for the period of such Force Majeure event, subject to a maximum extension period of ten (10) months, continuous or non-continuous in aggregate. Thereafter, this Agreement may be terminated by either the Procurer or the Company by giving a notice of at least seven (7) days, in writing to other party without any cost to either Party. The termination of the Agreement, shall take effect upon the expiry of the last date of the said notice period.

In case of inability of the Procurer to perform the activities specified in Article 3.2 within the time period specified therein, otherwise than for the reasons directly attributable to the Company or Force Majeure event, the time period for the fulfillment of Condition Subsequent by the Procurer as mentioned in Article 3.2


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would be extended for an additional time period which may be required by the Procurer to complete the activities mentioned in Article 3.2, subject to a maximum additional time period of three (3) months. Thereafter, this Agreement may be terminated by the Company at its option, by giving a Termination Notice of at least seven (7) days, in writing to the Procurer. If the Company elects to terminate this Agreement, the Procurer shall, within a period of thirty (30) days of termination by the Company, release all the Contract Performance Guarantee, Additional Performance Guarantee of the Company, forthwith. In addition, the Procurer shall pay to the Company as liquidated damages, a sum equivalent to ten percent (10%) of the value of the Contract Performance Guarantee.

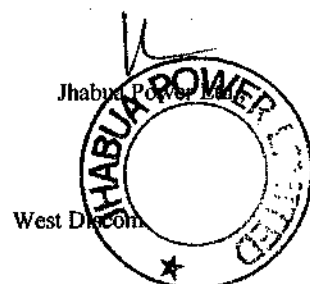
3.5. Initial Contract Performance Guarantee and Contract Performance Guarantee

- 3.5.1. Prior to or simultaneously with the execution of this Agreement, the Company has provided to the Procurer, an unconditional and irrevocable performance guarantee (the "Initial Contract Performance Guarantee") as per proforma given in Schedule - 1A from any scheduled bank, of an aggregate amount of Rupees Five Point Four Crores (5.4 crores) only Subject to Article 3.3 the Initial Contract Performance Guarantee shall be initially valid till fifteen (15) Months from the Effective Date and shall be extended from time to time, at least fifteen (15) days prior to the expiry, to be valid till three (3) Months after the fulfillment of Conditions Subsequent by the Company. If such extended Initial Contract Performance Guarantee is not received as per the date specified above even after giving atleast 7 days prior notice for extension of validity of Initial Contract Performance guarantee, the Procurer shall have the right to encash the then existing Initial Contract Performance Guarantee without giving any notice to the Company.
- 3.5.2. Upon fulfillment of Conditions Subsequent by the Company, the Company shall provide to the Procurer an unconditional and irrevocable contract performance guarantee (the "Contract Performance Guarantee") as per proforma given in Schedule - 1B from any scheduled commercial bank, of an aggregate amount of Rupees Thirteen Point Five Crores (13.50 crores) only. Subject to Article 3.3 the Contract Performance Guarantee shall be initially valid till three (3) Months after the Scheduled COD of the Power Station and which shall be extended from time to time, at least fifteen (15) days prior to the expiry, to be valid up to three (3) Months after the COD of the Power Station. If such extended Contract Performance Guarantee is not received as per the date specified above, even after giving atleast 7 days notice for extension of validity of Initial Contract Performance guarantee the Procurer shall have the right to encash the then existing Contract Performance Guarantee.
- 3.5.3. The Initial Contract Performance Guarantee or the Contract Performance Guarantee, as the case may be, including the Additional Weekly Performance Guarantee furnished under this Agreement shall be for guaranteeing the due and


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timely completion of the Power Station, achievement of Scheduled COD or the Revised Scheduled COD, as the case may be, of each Unit.

- 3.5.4. The failure on the part of the Company to furnish and maintain Initial Contract Performance Guarantee or the Contract Performance Guarantee, as the case may be, and/ or the Additional Weekly Performance Guarantee shall be a material breach of the term of this Agreement.
- 3.5.5. If the Company fails to achieve COD of any of the Units on their respective Scheduled COD or the Revised Scheduled COD, as the case may be subject to conditions mentioned in Article 4.4.1, the Procurer shall have the right (but not an obligation) to encash the Contract Performance Guarantee, without any notice to the Company, and appropriate in its favour as liquidated damages an amount specified in Article 4.5, without prejudice to the other rights of the Procurer under this Agreement.
- 3.6. Subject to the provisions of the Articles 3.3.4 and 3.3.1 any increase in the time period for completion of Conditions Subsequent mentioned in Article 3.1, shall also lead to an equal increase in the time period for Scheduled COD and Scheduled Connection Date.

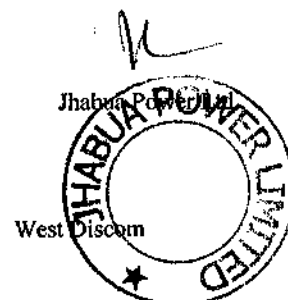
3.7. Return of Performance Guarantee

- 3.7.1. Upon satisfaction of the Conditions Subsequent by the Company and upon the Company having duly furnished the Contract Performance Guarantee as per Article 3.5.2, the Initial Contract Performance Guarantee and/or the Additional Weekly Performance Guarantee shall be returned/ released by the Procurer within 30 days to the Company subject to the provisions of Article 3.3.3.
- 3.7.2. In the event of applicability of Article 3.3.2 the Procurer shall return / release the performance guarantee(s) to the extent the performance guarantee is valid.
- 3.7.3. The Procurer shall return / release the Initial Contract Performance Guarantee and Additional Weekly Performance Guarantee to the Company in the event of:
- (i) Termination of this Agreement by any Party under Article 3.3.4; or
 - (ii) Termination of this Agreement by the Procurer under Article 3.3.2 of this Agreement subject to the provisions of Article 3.3.3; or
 - (iii) Upon fulfillment of Conditions Subsequent as per Article 3.1.


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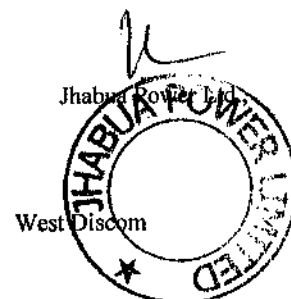
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- 3.7.4. The Procurer shall return / release the Contract Performance Guarantee to the Company at the end of the third (3rd) Month of the actual COD of the Power Station.
- 3.7.5. The return/release of the Contract Performance Guarantee shall be without prejudice to other rights of the Procurer under this Agreement and subject to adjustment by the Procurer of any amount due to the Procurer from the Company at the relevant time.


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ARTICLE - 4: DEVELOPMENT OF THE PROJECT

4.1. Company's Obligations

4.1.1. Subject to the terms and conditions of this Agreement, the Company undertakes to be responsible, at its own cost and risk, for:

- (i) Obtaining and maintaining in full force and effect all Consents, Clearances, and Permits during the Term of this Agreement required by it, pursuant to this Agreement and Law;
- (ii) Setting up of the Power Station in a timely manner so as to enable first unit to be Commissioned not later than its Scheduled COD or the Revised Scheduled COD, as the case may be, and to make available the Contracted Capacity reliably through the use of Prudent Utility Practices throughout the Term of this Agreement;
- (iii) The Company shall enter into appropriate arrangements for supply of Fuel for all or part of the capacity of the Unit(s) upon prudent terms and conditions materially consistent with the extant policy of the Government of India, if any. The Company shall provide a copy of the duly executed Fuel Supply Agreement to the Procurer;
- (iv) Operation and maintenance of the Power Station in accordance with the provisions of this Agreement, Grid Code and Prudent Utility Practices;
- (v) Procure the requirements of electricity at the Power Station (including construction, commissioning and start-up power) and to meet in a timely manner all formalities for getting such supply of electricity;
- (vi) Assist the Procurer and the Discoms in filing petition with the Appropriate Commission for approval of Tariff as may be required under Law and make available the requisite data details information and documents for the purpose from time to time;
- (vii) Providing to the Procurer, on a timely basis, relevant technical information on Power Station specifications, which may be reasonably required by the Procurer to design the Interconnection Facilities;
- (viii) Performance and fulfillment of all other obligations of the Company in accordance with the provisions of this Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the Company under this Agreement.

4.1.2. Submission of progress reports

The Company shall furnish to the Procurer, as well as to the Energy Department, GoMP, quarterly progress reports of actual progress of the Power Station and shall


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give all such other relevant information as may be required by the GoMP or Procurer from time to time till COD of the Power Station.

4.1.3. To provide all information required under Consents, Clearances and Permits. The Company shall provide all information and supporting documentation required to be submitted under Law, to any Competent Authority.

4.1.4. Safety Measures

The Company shall ensure proper safety measures during implementation of the Power Station including, but not limited to, any geological study, construction and testing at the Site as per Law.

4.1.5. Scheduled Commercial Operation Date

The Company shall achieve Commercial Operation Date for the first Unit by 31st March'2013.

4.1.6 Revised Scheduled Commercial Operation Date

The Parties may mutually agree to revise the Scheduled CoD for Commissioning of any Unit or the Power Station (hereinafter referred to as Revised Scheduled Commercial Operation Date or Revised Scheduled COD) and such Revised Scheduled COD shall thereafter be the Scheduled COD..

4.2. Procurer's Obligations

Subject to the terms and conditions of this Agreement, the Procurer undertakes to be responsible, at its own cost and risk, for:



(i) Obtaining open access and/ or connectivity for evacuation of the Contracted Capacity from the Delivery Point at least 60 (sixty) days prior to Commissioning of the first Unit;

(ii) Establishing the necessary evacuation infrastructure beyond the Delivery point required for evacuation of the Contracted Capacity at least 210 days prior to Commissioning of the first Unit;

(iii) Filing along with the Discoms, within three (3) months from the Effective Date, an appropriate petition with the Appropriate Commission seeking the approval of the said Commission for this Agreement. However, the Company shall duly furnish the requisite data, details, information and documents and assist the Procurer in such proceedings before the Appropriate Commission. Subject to the appellate remedies that may be availed by any of the Parties hereto as provided under section 111 and 125 of the Electricity Act, 2003, the Parties agrees to implement this Agreement with such modification to the terms thereof, as may be decided by the Appropriate Commission.


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- (iv) Ensuring the availability of Interconnection Facilities for evacuation of Contracted Capacity from the Delivery Point;
- (v) Payment of the Tariff in accordance with Article 10;
- (vi) Payment of all charges for transmission as per prevailing regulations issued by the Appropriate Commission(s) beyond the Delivery Point corresponding to Contracted Capacity;
- (vii) Opening and furnishing to the Company a Letter of Credit in favour of the Company and renewing and replenishing the same in accordance with Article 10.5; and
- (viii) Fulfilling other obligations undertaken by it under this Agreement.

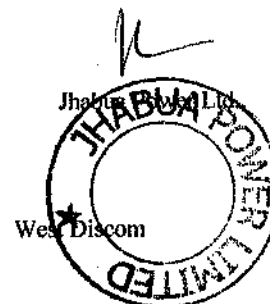
4.3. Right to Contracted Capacity and Scheduled Energy

- 4.3.1. Subject to the terms and conditions of this Agreement, the Company undertakes to make available to the Procurer the Contracted Capacity and the Procurer undertakes to purchase the Scheduled Energy and pay the Tariff. The title and risk to the Scheduled Energy shall pass from the Company to the Procurer at the Delivery Point.
- 4.3.2. Subject to the provisions of this Agreement, the entire Contracted Capacity shall at all times be for the exclusive benefit of the Procurer (through the Procurer to meet the Discoms requirements) who shall have the exclusive right to purchase the Scheduled Energy. The Company shall not grant to any third party or allow any third party to obtain, any entitlement to the Contracted Capacity and / or Scheduled Energy.
- 4.3.3. If the Procurer does not schedule the whole or part of the Available Capacity for any reason whatsoever, the Company shall be entitled to make available such Available Capacity not scheduled by the Procurer, to any other person without losing the right to receive the Capacity Charges from the Procurer for such unscheduled Available Capacity. During this period, the Company will continue to receive the Capacity Charges from the Procurer. For any such third party sale, all open access charges including losses, as may be applicable, shall not be payable by the Procurer. The Company shall maintain accounts and provide all details regarding price of sale etc. to the Procurer in respect of such sales under this Article.
- 4.3.4. In the cases referred in Article 4.3.3, the sale realization in excess of Energy Charges shall be equally shared by the Company and the Procurer. In the event, the Company makes available such Available Capacity to any direct or indirect Affiliate of the Company/ shareholders of the Company without obtaining the prior written consent of the Procurer, the Company shall be liable to make available such Available Capacity to such entity at a tariff being not less than the Tariff.


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4.3.5. Where the sale under Article 4.3.3 by the Company is consequent to a notice issued by the Procurer to the Company indicating its unwillingness to schedule the whole or part of the Available Capacity for a period specified in such notice, the Procurer shall be entitled to request the Company for the resumption of availability of the Available Capacity at any time, however, the Company shall not be liable to resume such availability earlier than the period specified in the said notice, and subject to the provisions regarding scheduling as per the Grid Code.

4.3.6. The sale under Unscheduled Interchange shall not be considered as sale to third party for the purposes of this Agreement.

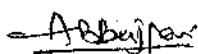
4.3.7. Alternative Source of Power Supply

During the Operating Period, if the Company is unable at any time to make available the Contracted Capacity or part thereof from the Power Station, except due to a Force Majeure Event or due to Procurer Event of Default, to mitigate the damages payable by the Company to the Procurer the Company shall be free to make available the Contracted Capacity from an alternative generation source to meet its obligations under this Agreement. Such capacity shall be made available to the Procurer at the same Tariff that the Procurer was required to pay in accordance with Article 10 of this Agreement. In case the transmission and other incidental charges, including but not limited to application fees for open access, RLDC/ SLDC charges, etc., applicable from the alternative generation source are higher than the equivalent charges applicable under this Agreement, the Company would be liable to bear such additional charges.

4.3.8. The Company shall be permitted to make available the Contracted Capacity to the Procurer from any alternative generation source as specified in Article 4.3.7 for a maximum continuous period of six (6) Months or a maximum non continuous period of twenty four (24) months during the Operating Period, excluding any period during which the Company makes available the Contracted Capacity prior to the COD of the Unit or Power Station, as the case may be, as provided for in Article 4.5.

4.4. Extensions of time

4.4.1. In the event that the Company is prevented from performing its obligations to Commission first Unit by its Scheduled COD, or the Revised Scheduled COD as the case may be, due to either (i) Procurer Event of Default; or (ii) any Force Majeure Event, then in such events, the Scheduled COD, or the Revised Scheduled COD as the case may be shall be deferred, subject to the limit prescribed in Article 4.4.4, for a reasonable period but not less than 'day to day' basis, to permit the Company through the use of due diligence to overcome the effects of the Force Majeure Event(s) affecting the Company or in the case of the Procurer's Event of Default, till such time such default is rectified by the Procurer.


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- 4.4.2. In the event the delay is under Article 4.4.1(i) above, then the Expiry Date shall not be deferred and shall be reckoned with reference to the Scheduled COD, or the Revised Scheduled COD as the case may be, whereas if the delay is under Article 4.4.1(ii) above, then the Expiry Date shall be deferred and shall be reckoned with reference to the actual COD.
- 4.4.3. If the Parties have not agreed, within thirty (30) days after the affected Party's performance has ceased to be affected by the relevant circumstances, on the time period by which the Scheduled COD or the Revised Scheduled COD, as the case may be should be deferred by, any Party may raise the Dispute to be resolved in accordance with Article 13.5
- 4.4.4. In case of extension occurring due to reasons specified in Article 4.4.1 the original Scheduled COD, or the Revised Scheduled COD as the case may be of any Unit or the Power Station as the case may be, shall not be extended by more than two (2) years.
- 4.4.5. In the event of any extension under this Article 4.4, the date newly determined shall be deemed to be the Scheduled COD for the purposes of this Agreement.

4.5. Liquidated damages for delay in providing Contracted Capacity

- 4.5.1. If the Company is unable to Commission first Unit of the Power Station by the Scheduled COD, or the Revised Scheduled COD as the case may be other than for the reasons specified in Article 4.4.1, the Company shall pay to Procurer liquidated damages as per Article 4.5.3, for the delay in such Commissioning and making the Contracted Capacity available for despatch by the Scheduled COD, or the Revised Scheduled COD as the case may be, without in any manner affecting the other rights of the Procurer.

Provided that the Company shall have the option to supply power from any alternative generation source from the Scheduled COD for a period not exceeding twelve (12) months at a tariff not exceeding the Tariff to mitigate the damages payable by the Company to the Procurer and without affecting the Procurer's interests..

Provided further, the cumulative Availability from such alternative generation source in the twelve (12) Months period shall not be less than the Normative Availability. If the Company fails to Commission any Unit of the Power Station and/ or fails to achieve the required Availability as mentioned above in this Article, it shall pay to the Procurer liquidated damages determined under the provisions of Article 4.5.3 for such period of delay.

- 4.5.2. The Company shall be liable to bear all the transmission and other incidental charges, including but not limited to application fees for open access, RLDC/


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SLDC charges, etc., applicable from the alternative source of power supply up to the Delivery Point.

4.5.3. The sum total of the liquidated damages payable by the Company to the Procurer shall be calculated as follows:

If $dn \leq 60$ days, then the liquidated damages shall be calculated as follows:

$$SLDb = [CCun \times dn \times DR1]$$

If $dn > 60$ days, then the liquidated damages shall be calculated as follows:

$$SLDb = [CCun \times 60 \times DR1] + [CCun \times (dn - 60) \times DR2]$$

Where:

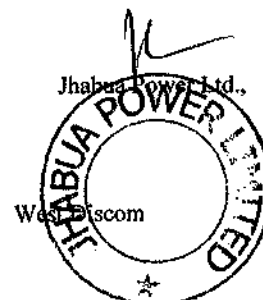
- (a) "SLDb" is the liquidated damages payable by the Company during the period beginning with the day from the Scheduled COD, or the Revised Scheduled COD, as the case may be, or from the end of continuous period of supply from the alternative generation source or for the period during which the Availability from the alternative generating source is less than the Normative Availability, as the case may be, up to and including the day on which supply of power to the Procurer actually commences from the generation source as provided in this Agreement;
- (b) "CCun" is the Contracted Capacity of the relevant Unit "n";
- (c) "dn" is the number of days in the period beginning with the day after the Scheduled COD, or the Revised Scheduled COD, as the case may be of Unit "n" up to and including the day on which such Unit is actually Commissioned;
- (d) "DR1" is Rs. Ten Thousand (10,000) of damages per MW per day of delay in case "d" is equal to or less than 60 days and "DR2" is Rs. Fifteen Thousand (15,000) of damages per MW per day of delay in case "d" is more than 60 days. The amount so determined shall be paid by the Company without any demur and it agrees to pay the same unequivocally and unconditionally in the manner provided herein.

For the avoidance of doubt it is clarified that the Company shall be entitled to make available the Contracted Capacity from any Unit or combination thereof and in such event LD shall be determined only in respect of Contracted Capacity not made available on Scheduled COD, or the Revised Scheduled COD as the case may be.


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- 4.5.4. The Company's maximum liability under this Article 4.5 (excluding liability under Article 4.5.8) shall be limited to the amount of liquidated damages calculated in accordance with Article 4.5.3 for and up to eighteen (18) Months of delay in Commissioning for the Unit. Provided that in case of failure of the Company to Commission the Unit even after expiry of eighteen (18) Months from its Scheduled COD, it shall be considered as a Company Event of Default and the provisions of Article 13 shall apply. Notwithstanding the termination of the Agreement in terms of Article 13.3 read with this Article for Company Events of Default and the receipt of liquidated damages as specified in this Article 4.5 in the event at any time the Company achieves COD of the first Unit of the Power Station, the Procurer shall subject to the GoMP reinstating all the benefits under and in terms of the I.A. to the Company, have the option and right of first refusal to require the Company to supply power to Procurer of the Contracted Capacity on the same terms and conditions as contained in this Agreement and this Agreement shall revive and bind the parties.
- 4.5.5. The Company shall pay the amount calculated pursuant to Article 4.5.3 to the Procurer within ten (10) days of the earlier of:
- (a) the date on which the Unit is actually Commissioned; or
 - (b) expiry of the eighteen (18) Month period mentioned in Article 4.5.4.
- 4.5.6. If the Company fails to pay the amount of damages within the said period of ten (10) days, the Procurer shall be entitled to recover the said amount of the liquidated damages by invoking the Contract Performance Guarantee. If then existing Contract Performance Guarantee is for an amount which is less than the amount of the liquidated damages payable by the Company to the Procurer under this Article 4.5, then the Company shall be liable to forthwith pay the balance amount within ten (10) days of the invocation of the Contract Performance Guarantee by the Procurer.
- 4.5.7. The Parties agree that the formula specified in Article 4.5.3 for calculation of liquidated damages payable by the Company under this Article 4.5, read with Article 13, is a genuine and accurate pre-estimation of the actual loss that will be suffered by the Procurer in the event of the Company's delay in starting supply of power by the Scheduled COD or, the Revised Scheduled COD.
- 4.5.8. In addition to the liquidated damages payable by the Company to the Procurer for delay in Commissioning a Unit and commencement of supply of power, as specified in Article 4.5.3, the Company shall further pay to the Procurer liquidated damages as per this Article 4.5.8. Such additional liquidated damages payable by the Company to the Procurer shall be equivalent to the damages payable by the Procurer to the CTU/STU (as the case may be) for the period of delay, as per the terms of agreement entered into by the Procurer with CTU/STU for establishment of transmission system and/ or transmission services beyond the Delivery Point.


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Provided however, the liquidated damages payable by the Company to the Procurer in case of delay under this Article 4.5.8 shall not be more than twenty percent (20%) of liquidated damages computed in the manner mentioned in Article 4.5.3.

4.5.9. It is clarified that the liquidated damages payable under this Article 4.5.8 shall be in addition to the liquidated damages determined in terms of Article 4.5.3.

4.6. **Liquidated Damages for delay due to Procurer Event of Default or Indirect Non Natural Force Majeure Events or Natural Force Majeure Event (affecting the Procurer)**

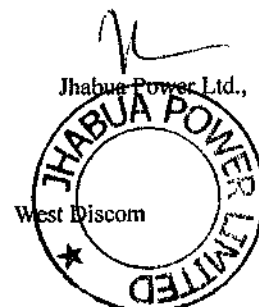
4.6.1. If a the Unit or the Power Station is otherwise ready to commence supply of power to the Procurer on any date, where such date is on or before the Scheduled COD or Revised Scheduled COD, as the case may be, but is not able to commence supply of power by the said date, due to a Procurer Event of Default or due to Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer) provided such Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer) has continued for a period of more than three (3) continuous or non-continuous Months, the Company shall, until the effects of the Procurer Event of Default or of Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer) no longer prevent the Company from providing supply of power to the Procurer, be deemed to have an Available Capacity equal to the Contracted Capacity relevant to that date and to this extent, be deemed to have been providing supply of power with effect from the date notified, and notwithstanding anything contained herein shall be treated as follows:

- a) In case of delay on account of the Procurer Event of Default, the Procurer shall make payment to the Company of Capacity Charges in proportion to its Contracted Capacity, calculated on Normative Availability of Contracted Capacity for and during the period of such delay.
- b) In case of delay due to Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer), the Procurer shall make payment to the Company for Debt Service, subject to a maximum of Capacity Charges calculated on Normative Availability of Contracted Capacity, which is due under the Financing Agreements for the period of such events in excess of three (3) continuous or non-continuous Months.
- c) In case of delay due to Indirect Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Procurer) or Procurer Event of Default, the Procurer shall be liable to make payments mentioned in (a) and (b) above, after commencement of supply of power, in the form of an increase in Capacity Charges. These amounts shall be paid from the date,


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being the later of a) the date of cessation of such Indirect Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Procurer) or Procurer Event of Default and b) the completion of sixty (60) days from the receipt of the Financing Agreements by the Procurer from the Company.

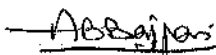
Provided such increase in Capacity Charges shall be determined by Appropriate Commission on the basis of putting the Company in the same economic position as the Company would have been in case the Company had been paid amounts mentioned in (b) above in a situation where the Force Majeure Event or Procurer Event of Default had not occurred.


For the avoidance of doubt, it is specified that the charges payable under this Article 4.6.1 shall be paid by the Procurer in proportion to its Contracted Capacity.

4.7. Liquidated Damages for delay due to Direct Non Natural Force Majeure Event

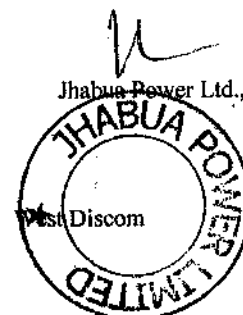
4.7.1. If the Unit or the Power Station is otherwise ready to commence supply of power to the Procurer on the date, where such date is on or before the Scheduled COD or Revised Scheduled COD, as the case may be, but is not able to commence supply of power by the said date specified in the notice, due to a Direct Non Natural Force Majeure Event, provided such Direct Non Natural Force Majeure Event has continued for a period of more than three (3) continuous or non-continuous Months, the Company shall, until the effects of the Direct Non Natural Force Majeure Event no longer prevent the Company from providing supply of power to the Procurer, be deemed to have an Available Capacity equal to the Contracted Capacity relevant to that date and to this extent, be deemed to have been providing supply of power with effect from the date notified, and shall be treated as follows:

- a) In case of delay due to Direct Non Natural Force Majeure not attributable to the Procurer, the Procurer shall make payment for Debt Service, subject to a maximum of Capacity Charges calculated on Normative Availability of Contracted Capacity which are due under the Financing Agreements for the period of such events in excess of three (3) continuous or non-continuous Months.
- b) In case of delay due to Direct Non Natural Force Majeure attributable to the Procurer, the Procurer shall make payment to the Company of Capacity Charges calculated on Normative Availability of Contracted Capacity for the period of such events in excess of three (3) continuous or non-continuous Months.
- c) In case of delay due to Direct Non Natural Force Majeure Event, the Procurer shall be liable to make payments mentioned in (a) and (b) above,


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after commencement of supply of power, in the form of an increase in Capacity Charges. These amounts shall be paid from the date, being the later of a) the date of cessation of such Direct Non Natural Force Majeure Event and b) the completion of sixty (60) days from the receipt of the Financing Agreements by the Procurer from the Company.

Provided such increase in Capacity Charges shall be determined by Appropriate Commission on the basis of putting the Company in the same economic position as the Company would have been in case the Company had been paid amounts mentioned in (a) and (b) above in a situation where the Force Majeure Event had not occurred.

For the avoidance of doubt, it is specified that the charges payable under this Article 4.7.1 shall be paid by the Procurer in proportion to its Contracted Capacity.

4.8 In every case referred to in Article 4.6.1 and 4.7.1 hereinabove, the Company shall undertake to commence supply of the Contracted Capacity, relevant to such date, to the Procurer as soon as reasonably practicable and in no event later than two (2) Weeks or such longer period as mutually agreed between the Company and the Procurer after the point at which it is no longer prevented from doing so by the effects of Force Majeure Events or Procurer Event of Default (as applicable). If the Company is unable to provide supply of the Contracted Capacity in such a situation, then:


- a) the Company shall repay to the Procurer, all sums received by way of Capacity Charge for the deemed supply of power with interest at the same rate as Late Payment Surcharge; and
- b) If the Company fails to provide supply of power to Procurer by the Scheduled COD or the Revised Scheduled COD, as the case may be, it shall also pay liquidated damages to the Procurer calculated in accordance with Article 4.5.

4.9. **Limit on amounts payable due to default**

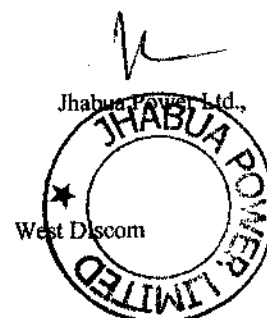
The Parties expressly agree that the Procurer's only liability for any loss of profits or any other loss of any other kind or description whatsoever, suffered by the Company by reason of the Procurer's failure to meet its obligations under Article 4.1.2 shall be the amounts specified in Article 4.6.

Similarly the Company's only liability for any loss of profits or any other loss of any other kind or description whatsoever, suffered by the Procurer by reason of the Company's failure to meet any of its obligations under this Agreement shall be the amounts specified in Article 4.5.


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**ARTICLE – 5: SYNCHRONISATION, TESTING, COMMISSIONING AND
COMMERCIAL OPERATION AND SUBSEQUENT EXPANSION OR INCREASE
OF INSTALLED CAPACITY**

5.1. Synchronisation

- 5.1.1. The Company shall give Procurer, the SLDC and RLDC at least sixty (60) days advance written notice intimating the Scheduled Synchronization Date i.e. the date on which the Company intends to synchronize a Unit to the Grid System. Any final date proposed by the Company that is earlier than the Scheduled Synchronization Date, shall be subject to written consent of Procurer.
- 5.1.2. Subject to Article 5.1.1, a Unit may be synchronised by the Company to the Grid System when it meets all connection conditions prescribed in the Grid Code then in effect and otherwise meets all other Indian legal requirements for synchronisation to the Grid System.

5.2. Appointment of Independent Engineer


- 5.2.1. The Company shall appoint an Independent Engineer for the purposes of carrying out the functions as specified in, Article 5, [add other relevant article references: 4.7.2, 11.7] at least twelve (12) months prior to Scheduled COD or of the first Unit.
- 5.2.2. The Independent Engineer shall be appointed by the Company from the panel of competent firms as agreed to between the Company and the Procurer and annexed in Schedule – 5 of this Agreement.
- 5.2.3. The fees and expenses of the Independent Engineer shall be borne by the Company.

5.3. Testing and Commissioning

- 5.3.1. The Company shall be responsible for ensuring that the first Unit is commissioned at its own cost, risk and expense in accordance with the procedures enumerated in the Grid Code, Prudent Utility Practices, and complying with the directions of the SLDC/ RLDC.
- 5.3.2. The Company shall give the Procurer and the Independent Engineer not less than twenty one (21) days prior written notice of Commissioning Test of first Unit.
- 5.3.3. The Company, the Procurer and the Independent Engineer shall each designate qualified and authorised representative to witness and monitor Commissioning Test of first Unit.
- 5.3.4. Testing and measuring procedures applied during each Commissioning Test shall be in accordance with the codes, practices and procedures mentioned in the contract with the EPC contractor, and operating manuals of the equipment manufacturer.


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5.3.5. Within five (5) days of a Commissioning Test, the Company shall provide the Procurer and the Independent Engineer copies of the detailed Commissioning Test results. Within five (5) days of receipt of the Commissioning Test results, the Independent Engineer shall provide to the Procurer and the Company in writing, his findings from the evaluation of Commissioning Test results, either in the form of a Final Test Certificate certifying the matters specified in Article 5.4.1 or the reasons for non-issuance of Final Test Certificate.

5.4. Commercial Operation

5.4.1. A Unit shall be Commissioned on the day after the date when the Independent Engineer issues the Final Test Certificate stating that:

- (a) the Commissioning Tests have been carried out in accordance with the provisions of Article 5.3; and are acceptable to him; and
- (b) the results of the Performance Test show that the Unit's Tested Capacity, is not less than ninety five (95) percent of its Aggregate Capacity.

5.4.2. If a Unit fails a Commissioning Test, the Company may retake the relevant test, within a reasonable period after the end of the previous test, with three (3) day's prior written notice to the Procurer and the Independent Engineer. The procedure for conducting such repeat tests shall be in accordance with Article 5.3. The Company shall have a right to repeat the Commissioning Test(s) two (2) times and the Installed Capacity of the Unit(s) shall be determined based on the most recent Commissioning Test.

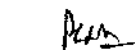
5.4.3. Based on the most recent Commissioning Test carried out as per Article 5.4.2, if:

5.4.3.1. the Tested Capacity is less than the Aggregate Capacity of the Unit or the Power Station, as the case may be, then:

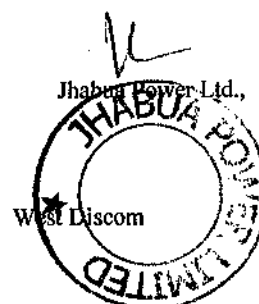
- (a) Such Tested Capacity of the Unit or the Power Station, as the case may be, shall be the Installed Capacity and accordingly the Contracted Capacity of the Procurer shall be reduced proportionately.
- (b) The Availability Factor thereafter shall be calculated by reference to the reduced Contracted Capacity.
- (c) The Capacity Charges for such reduced Contracted Capacity shall be as determined by the Appropriate Commission.
- (d) The Net Capacity shall be reckoned with reference to such reduced Installed Capacity.

5.4.3.2. If the Installed Capacity is greater than or equal to the Aggregate Capacity of the Unit or the Power Station, as the case may be, the Installed Capacity of the Unit or the Power Station, as the case may be, shall be the Aggregate Capacity.


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5.5. Disputes over Test results

5.5.1. The Test results and the Tested Capacity certified by the Independent Engineer under Article 5.3 shall be binding on the Procurer.

5.5.2. If the Company or Procurer disputes the Test results and Tested Capacity certified by the Independent Engineer under Article 5.3 ("Dispute"), it shall issue a notice to this effect to the Independent Engineer and the Procurer. The Independent Engineer shall, within seven (7) days of receipt of the Company's notice, issue its expert opinion justifying its position and thereafter, the Company, Procurer and the Independent Engineer shall meet within seven (7) days at a mutually acceptable location to discuss and resolve the Dispute, within fourteen (14) days. In the event the Dispute cannot be resolved as above, the Company may refer the Dispute under the dispute resolution mechanism to be provided under the agreement appointing the Independent Engineer.

Pending the resolution of the Dispute, as above, the Procurer shall pay the Capacity Charges as per the certificate issued by the Independent Engineer under Article 5.3, subject to the final resolution of the Dispute.

5.6. Repeat Tests

5.6.1. Upon conclusion of a Performance Test, the Company shall be entitled to repeat any such test ("Repeat Test") upon issue of a notice to Procurer, and the Performance Tests shall be repeated; Provided that the Company shall not be entitled to perform more than two (2) Repeat Tests. The highest results of the Commissioning Test or Repeat Tests as the case may be, shall be the conclusive Test results for purposes of this Agreement. The Company shall give the Procurer and the Independent Engineer three (3) days' prior written notice of the date on which a Repeat Test will commence. Provided however, the Procurer/Independent Engineer shall have the right to require the deferment of any such Repeat Test for a period not exceeding seven (7) days.

5.7. Costs of Tests

5.7.1. The Company expressly agrees that all costs incurred by it in synchronising, connecting, Commissioning and / or Testing or retesting a Unit shall be solely and completely to its account and the Procurer shall have no liability.

For avoidance of doubt it is clarified that the energy generated during the Test will be the infirm energy/ power. The tariff for such infirm energy/ power will be governed by the applicable Regulation(s) of the Appropriate Commission.

5.8. Commercial Operation Date


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5.8.1. In the event that the actual COD of a Unit occurs prior to the Scheduled COD, or the Revised Scheduled COD, as the case may be of the said Unit, and the Procurer is:

5.8.1.1. able to cause off-take of the Scheduled Energy from such Unit commencing from the day on which the said Unit is Commissioned and the Procurer at its discretion within 15 days of written notice from the Company, opts for taking electricity from an earlier date to Scheduled Commercial Operation Date , such earlier date shall be taken as COD of the said Unit, or

5.8.1.2. able to cause off-take of Scheduled Energy from the said Unit commencing from the day falling between:

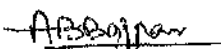
- (a) the day on which the Unit is Commissioned: and
- (b) the Scheduled COD of the said Unit.

If the Procurer within 15 days of written notice from the Company at its discretion opts for taking electricity from an earlier date to Scheduled commercial Operation Date such earlier date of off-take shall be taken as COD of the said Unit.

5.8.2. In the event that the actual COD of a Unit occurs after the Scheduled COD, or the Revised Scheduled COD of such Unit, the Company shall be liable to pay liquidated damages in terms of the conditions set out in Article 4.

5.9. Evacuation of power until COD

5.9.1. At all times during start-up, preliminary testing or other operations of a Unit for achieving the COD and during the Commissioning Tests, infirm energy generated shall be accounted for as per relevant regulations of the Appropriate Commission.


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ARTICLE - 6: CAPACITY, AVAILABILITY AND DESPATCH

6.1. Availability, Scheduling and Despatch

- 6.1.1. The Company shall comply with the provisions of the applicable Law regarding Availability, scheduling and Despatch including, in particular, to the provisions of the ABT and Grid Code relating to declaration of Availability and the matters incidental thereto.
- 6.1.2. The Contracted Capacity being a part of the Power Station's Net Capacity; in the event of Declared Capacity being less than the Power Station's Net Capacity, the Available Capacity to the Procurer for despatch out of the Contracted Capacity shall be reduced in the same proportion as the Declared Capacity is reduced in proportion to the Power Station's Net Capacity.
- 6.1.3. The Company agrees that the Availability entitlement of the Procurer for despatch over any Settlement Period is the exclusive right of the Procurer and it cannot be offered to any third party other than for conditions under Article 4.3.3.
- 6.1.4 Subject to the Procurer paying the amounts due to the Company under the terms of this Agreement, within the time specified in this Agreement, without demur and notwithstanding any dispute, the Company shall not offer the Contracted Capacity, in part or fully, to any third party in contravention to the conditions specified in Article 6.1.3, The Company unconditionally and irrevocably agrees to and acknowledges the Procurer's right to instruct and enforce RLDC/ SLDC, as the case may be, not to schedule such power to any third party without prejudice to Procurer's other rights. The Company further agrees and waives any and all objections or claims in respect of such right or any other legal remedy including but not limited to seek specific performance of this Agreement, the Procurer may have under the Law with respect to such default of the Company. In such event, the Procurer shall be obliged to schedule such power and purchase and pay the Tariff for the Scheduled Energy. It is clarified and re iterated that the remedy provided to the Procurer under this Article shall not be available to the Procurer if it fails for any reason whatsoever, to pay any amount due to the Company in terms of this Agreement, notwithstanding any dispute relating to any such amount and the Company's demand for such amounts outstanding shall, for purposes only of this Article, be conclusive and binding on the Procurer.


6.2 Demonstration of Power Station's Installed Capacity

- 6.2.1 The Procurer may from time to time during the Operating Period, but only if the Available Capacity with respect to the Procurer has not been one hundred percent


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(100%) of the Contracted Capacity for one continuous period of at least three (3) hours during any last three (3) continuous months, request the Company to demonstrate the Power Station's Installed Capacity by conducting a Performance Test in accordance with Article 5. Such Performance Test shall not be done more than once in a continuous period of twelve (12) Months.

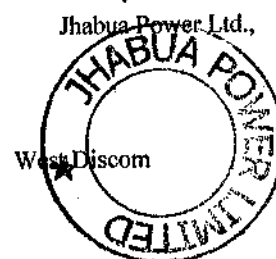
6.2.2 If the Tested Capacity after such Performance Test is determined to be less than the Installed Capacity, then the provisions of Article 5.4.3 shall apply and the Company shall have a right to again demonstrate to the satisfaction of the Independent Engineer the Installed Capacity only after a period of six (6) Months from the date of such Performance Test.

6.2.3 If the Company wishes to take any Unit(s), out of service for repair before any Performance Test, it shall inform the Independent Engineer and the Procurer in writing before its scheduled start of the repairs and the estimated time required to complete the repairs. The Parties shall then schedule a Maintenance Outage in accordance with the Grid Code to enable the Company to carry out those repairs and in such a case, the Performance Test shall be deferred until such Unit(s) is returned to service following that Maintenance Outage.


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ARTICLE - 7: OPERATION AND MAINTENANCE

7.1. Operation and Maintenance of the Power Station

7.1.1. The Company shall be responsible at its own expense for ensuring that the Power Station is operated and maintained in an efficient, coordinated and economical manner and in accordance with all legal requirements, including the terms of all Consents, Clearances and Permits, Prudent Utility Practices, and in particular, the Grid Code, so as to meet its obligations under this Agreement and so as not to have an adverse effect on the Grid operation.

7.2. Coordination among Parties

7.2.1. The Parties herein agree that the issues relating to interconnection, evacuation, transmission facilities inter-utility metering, and coordination with the Grid System will be decided and settled between the Parties mutually or as per any agreements executed between them and subsequently, on not being able to reach on a mutual agreement, shall be dealt with according to the provisions of the Grid Code.

7.3. Maintenance of Records

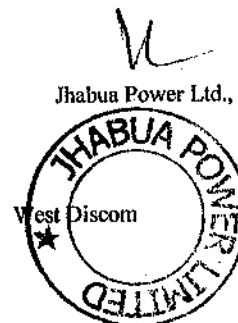
7.3.1. Each Party shall keep complete and accurate records of the meter readings and other records needed to reflect power exchange between the Parties for each Settlement Period and Electrical Output of the Power Station on a continuous real time basis.

7.3.2. Every Party shall have the right, upon reasonable prior notice, to examine the records and data of the other Party relating to this Agreement or the operation and maintenance of the Power Station at any time during normal office hours on normal Business Days.


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ARTICLE - 8: METERING AND ENERGY ACCOUNTING


8.1. Meters

For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the Company and the Procurer shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, the Grid Code and ABT as amended and revised from time to time or any other Law in force at the relevant point of time.

8.2. ENERGY ACCOUNTING

The Energy Account shall be binding on the Parties for billing and payment purposes.


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ARTICLE - 9: INSURANCES

9.1. Insurance

The Company shall effect and maintain or cause to be effected and maintained during and before the Operating Period, Insurances against such risks, with such deductibles and with such endorsements and co-insured(s), which the Prudent Utility Practices would ordinarily merit maintenance of and as required under the Financing Agreements.

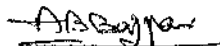
9.2. Application of Insurance Proceeds

Save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Power Station or any part of the Power Station shall be first applied to reinstatement, replacement or renewal of such loss or damage.

If a Force Majeure Event renders the Power Station no longer economically and technically viable and the insurers under the Insurances make payment on a "total loss" or equivalent basis, the Procurer shall have no claim on such proceeds of such Insurance.


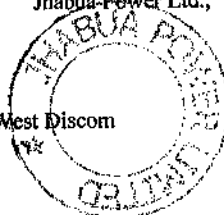
9.3. Effect of liability of the Procurer

Notwithstanding any liability or obligation that may arise under this Agreement, any loss, damage, liability, payment, obligation or expense which is insured or for which the Company can claim compensation, under any Insurance shall not be charged to or payable by the Procurer.


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ARTICLE - 10: TARIFF, BILLING AND PAYMENT

10.1. General

10.1.1. The Tariff shall comprise Capacity Charge, Variable Charge and any other charges as may be determined by the Appropriate Commission under Law and as per the norms contained in the tariff regulations notified by the Appropriate Commission.

However the Company, at any time, offers the sale of any part of the capacity from the project on long term basis pursuant to any competitive bidding process, it shall be open to the Appropriate Commission, either on an application filed by the Procurer or any consumer or suo motu and if considered to be beneficial to the consumers after considering the terms and conditions of such tariff, to decide to adopt such competitive tariff offered by the Company in the competitive bidding process in place of the tariff specified under this Agreement. In case of such decision by the Appropriate Commission, the Company agrees to generate and sell and the Procurer agrees to purchase from the Company the quantum of electricity under this Agreement at the said tariff.

10.1.2. From the COD of the first Unit, the Procurer shall pay the Company the Tariff Payment, on or before the Due Date, determined in accordance with this Article 10.

10.1.3. All Tariff Payments by the Procurer shall be in Indian Rupees (INR).

10.1.4. The Company shall issue to the Procurer a signed Monthly Bill for the immediately preceding Month not later than ten (10) days of the next Month. In case the Monthly Bill for the immediately preceding Month is issued after ten (10) days of the next Month, the Due Date for payment of such Monthly Bill shall be extended by thirty (30) days.

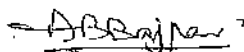
Provided that:

- a. if the COD falls 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
- b. if the COD falls after the fifteenth (15th) day of a Month, the first Monthly Bill shall be issued for the period commencing from the COD until the last day of the immediately following Month.

10.2. Monthly Billing

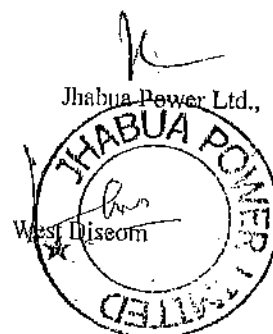
The Tariff under this Agreement shall be billed by the Company and shall be paid by the Procurer in accordance with the following provisions:

- (i) The Company shall submit the Bill to the Procurer, which shall include:
 - (a) Availability and Energy Account for the relevant Month as per SEA/ REA for Monthly Bill;
 - (a) the Company's computation of various components of the Monthly Tariff in accordance with Article 10.1.1; and


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- (b) supporting data, documents and calculations in accordance with this Agreement.
- (ii) The Monthly Bill for the energy supplied to Procurer shall be in accordance with the provisions of this Agreement. If for certain reasons some of the charges which otherwise are in accordance with this Agreement, can not be included in the main Monthly Bill, such charges shall be billed as soon as possible through Supplementary Bill (s).
- (iii) The Bill(s) of the Company 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 the Tariff determined by the Appropriate Commission.
 - (c) They are in accordance with the Energy Accounts.
- (iv) If Procurer disputes any amount, it shall pay according to Article 10.7.9 and file a written objection with the Company within thirty (30 days) of presentation of the Bill, giving following particulars:
 - (a) Item disputed, with full details / data and reasons of Dispute
 - (b) Amount disputed against each item

10.3. Payment of Monthly Bills

10.3.1. The Procurer shall pay the amount payable under Monthly Bill by the Due Date to such account of the Company, as shall have been previously notified by the Company to Procurer in accordance with Article 10.3.3 below.

All payments made by the Procurer shall be appropriated by the Company in the following order of priority:

- (i) towards Late Payment Surcharge, payable by the Procurer, if any;
- (ii) towards earlier unpaid Monthly Bill, if any; and
- (iii) towards then current Monthly Bill.

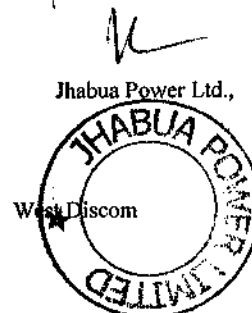
10.3.2. All payments required to be made under this Agreement shall only include any deduction or set off for:

- (i) deductions required by Law; and
- (ii) amounts claimed by the Procurer from the Company, through an invoice duly acknowledged by the Company, to be payable by the Company, and not disputed by the Company within thirty (30) days of receipt of the said invoice and such deduction or set-off shall be made to the extent of the amounts not disputed. It is clarified that the Procurer shall be entitled to


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claim any set off or deduction under this Article, after expiry of the said thirty (30) day period.

Provided further, the maximum amounts that can be deducted or set-off by the Procurer under this Article in a Contract Year shall not exceed Rupees Nine Hundrend Lakhs (Rs. 900 Lakhs) only, except under sub Article 10.3.2(i) above.

10.3.3. The Company shall open a bank account at [Insert identified place or account designated by Lenders] (the "Designated Account") for all Tariff Payments to be made by Procurer to the Company, and notify the Procurer of the details of such account at least ninety (90) days before the despatch of the first Monthly Bill to Procurer. The Procurer shall instruct its bankers to make all payments under this Agreement to the Designated Account and shall notify the Company of such instructions on the same day. The Procurer shall also designate a bank account at [Insert identified place] for payments to be made by the Company (including Supplementary Bills) to the Procurer and notify the Company of the details of such account ninety (90) days before the COD of the first Unit.

10.4. Billing and Payment of charges

10.4.1. Rebate


For payment of any Bill before Due Date, the following rebate shall be paid by the Company to the Procurer in the following manner.

(a) Two point two five percent (2.25%) rebate for credit to Designated Account made on same day of the presentation of Monthly Bill for the Month.

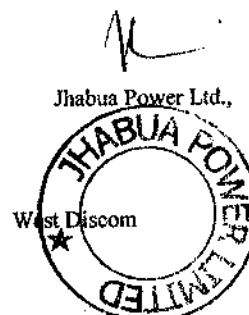
(b) Two percent (2%) rebate for credit to Designated Account made within one (1) day of the presentation of Monthly Bill for the Month.

(c) Applicable rate of rebate at (a) and (b) above shall be based on the date on which payment has been actually credited to the Designated Account. Any delay in transfer of money to the Designated Account, on account of public holiday, bank holiday or any other reasons shall be to the account of the Procurer.


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(d) For credit to Designated Account made on other days the rebate on Monthly Bill shall be as under:

| Number of days before Due Date of Monthly Bill | Rates of Rebate applicable |
|--|--|
| 29 | Two percent (2.00%) |
| Each day thereafter up to the Due Date | 2% less [0.033% x {29 less number of days before Due Date when the payment is made by the Procurer}] |

(e) No rebate shall be payable on the bills raised on account of Change in Law relating to taxes, duties and cess;

(f) The above rebate will be allowed only to the Procurer if it credits to the Company's account the full Monthly Bill; provided that the Procurer shall while crediting such amount will be authorized to make adjustment of rebate from the amount of the Monthly Bill paid.

10.4.2. Late Payment Surcharge

In case the payment of any Bill for charges payable under this Agreement is delayed by the Procurer beyond the Due Date thereof, a Late Payment Surcharge shall be payable by the Procurer to the Company at the rate of 1.25% per Month on the amount of outstanding payment, calculated on a day to day basis for each day of the delay, compounded on monthly rests.

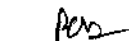
Similarly if any amount outstanding against the Company and payable to Procurer is not paid beyond its Due Date a Late Payment Surcharge shall be payable by the Company to the Procurer at the rate of 1.25% per Month on the amount of outstanding payment, calculated on a day to day basis for each day of the delay, compounded on monthly rests. Late Payment Surcharge shall be claimed by the Company or Procurer through Supplementary Bills.

10.4.3. The rate of Late Payment Surcharge shall be revised from time to time on the basis of rates notified by the Central Commission.

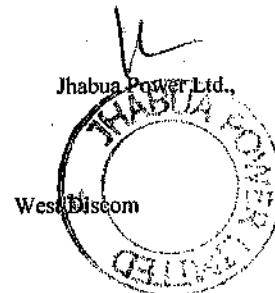
10.5. Establishment of Letter of Credit

10.5.1. The Procurer shall provide to the Company, in respect of payment of its Bills, an unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained by the Procurer, which may be drawn upon by the Company


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in accordance with Articles 10.5.2 through Article 10.5.6. The Letter of Credit shall be in the format annexed hereto as Schedule - 4.

10.5.2. Not later than one (1) Month prior to the Scheduled COD or the Revised Scheduled COD (as applicable) of the first Unit, the Procurer shall through a scheduled bank at Jabalpur open the Letter of Credit in favour of the Company, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have an initial term of twelve (12) Months and shall be renewed annually, for an amount equal to:

- (i) for the first Contract Year, equal to one point one (1.1) times the estimated average Monthly billing based on Normative Availability of the Power Station's Net Capacity allocated to the Procurer;
- (ii) for each subsequent Contract Year, equal to one point one (1.1) times the average of the Monthly Tariff Payments of the previous Contract Year plus the estimated Monthly billing during the current year from any additional Unit(s) expected to be put on COD during the current Contract Year based on Normative Availability.

Provided that if at any time, such Letter of Credit amount falls short of the amounts specified above, the Procurer shall restore such shortfall within seven (7) days.

Provided further, that the Company shall not draw upon such Letter of Credit prior to the Due Date of relevant Monthly Bill and/ or Supplementary Bill and shall not make more than one drawal in a calendar month.

10.5.3. The Procurer shall cause the scheduled bank issuing the Letter of Credit to intimate the Company in writing regarding the establishment of such irrevocable Letter of Credit.

10.5.4. In case of drawal of the Letter of Credit by the Company in accordance with the terms of this Agreement, the amount of the Letter of credit shall be reinstated in the manner specified in Article 10.5.2.

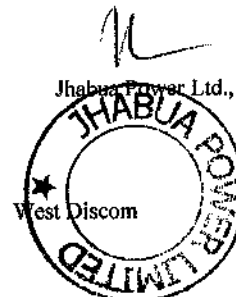
10.5.5. If the Procurer fails to pay a Monthly Bill or a Supplementary Bill or part thereof within and including the Due Date, then the Company may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from the Procurer, an amount equal to such Monthly Bill or a Supplementary Bill or part thereof plus Late Payment Surcharge, if applicable, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- (i) a copy of the Monthly Bill or Supplementary Bill that has remained unpaid by the Procurer;
- (ii) a certificate from the Company to the effect that the Bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date; and
- (iii) calculations of applicable Late Payment Surcharge, if any.


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- 10.5.6. The Letter of Credit shall be renewed by the Procurer not later than forty five (45) days prior to its expiry.
- 10.5.7. All costs relating to opening and maintenance of the Letter of Credit shall be borne by the Procurer; however, Letter of Credit negotiation charges shall be borne and paid by the Company
- 10.5.8. As of now the Procurer is not inclined to provide escrow mechanism as part of payment security mechanism to the Company, as this is a MoU Project. However, Procurer may examine and endeavour to consider providing escrow mechanism to the Company thirty (30) days before the date of Scheduled COD or Revised Scheduled COD as the case may be. However if at any future date subsequent to the Effective Date, an escrow mechanism is offered by the Procurer or a Discom to any other generating station being developed on terms similar to this project, the Procurer shall simultaneously extend the same to the Company upon terms and conditions not less favourable than those being offered to such other generating station. The amount of escrow cover in such instance shall be not be less than 110% of the "Monthly Billing" corresponding to Contracted Capacity. The terms and conditions for such escrow account will be decided at the time of signing of the escrow and disbursement agreement. The Company shall be entitled to utilize the "escrow account" only under the circumstances when the Letter of Credit has been encashed by the Company.

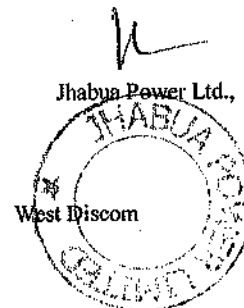
10.6. Third Party Sales on Default

- 10.6.1. Upon the occurrence of an event where the Procurer has not made payment by the Due Date of an Invoice through the payment mechanism provided in this Agreement, the Company shall follow the steps as enumerated in Articles 10.6.2 and 10.6.3 below.
- 10.6.2. On the occurrence of the event mentioned in Article 10.6.1 and after giving a notice of at least seven (7) days to the Procurer, the Company shall have the right to offer twenty five (25) per cent of the Contracted Capacity pertaining to the Procurer ("Default Electricity") for sale to third-parties.
- 10.6.3. If the Letter of Credit is not fully restored by the Procurer within the stipulated period of the non-payment by the Procurer of an Invoice by its Due Date, the provisions of Article 10.6.2 shall apply with respect to one hundred per cent (100%) of the Contracted Capacity.


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10.6.4. The Company shall ensure that sale of power to the shareholder(s) of the Company or to any direct or indirect Affiliate of the Company/ the shareholder(s) of the Company is not at a price less than the Energy Charges.

10.6.5. In case of third party sales as permitted by this Article 10.6, the adjustment of the surplus revenue over Energy Charge attributable to such Default Electricity sold, shall be adjusted as under :

- a) the surplus up to the Tariff shall be used towards the extinguishment of the subsisting payment liability of the Procurer towards the Company; and
- b) the surplus if any above the Tariff shall be retained by the Company.

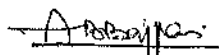
10.6.6. The liability of the Procurer towards making Capacity Charge payments to the Company even for Default Electricity sold to third parties or remaining unsold during such periods will remain unaffected.

Provided such Capacity Charge payment liability shall cease on the date which occurs on the expiry of a period of twenty four (24) months from the date of occurrence of a Procurer Event of Default under Article 13.2, provided if prior to such date, such Procurer Event of Default has not been cured and regular supply of power for a period of at least ninety (90) continuous Days has not occurred.

Provided further that at the end of such period of twenty four (24) months, this Agreement shall automatically terminate without the need of any exercise of termination by the Company and thereafter, the Procurer shall have no further Capacity Charge liability towards the Company.

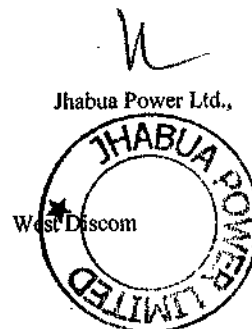
10.6.7. Sales to any person or Party, other than the Procurer under Article 10.6, shall cease and regular supply of power to the Procurer in accordance with the provisions of this Agreement shall commence and be restored on the later of the two following dates or any date before this date at the option of Company:

- a) the day on which the Procurer pays the amount due to the Company and renews the Letter of Credit; or
- b) the date being "x" days from the date on which the Procurer pays the amount due to the Company, where "x" days shall be calculated as under:


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| Percentage of Monthly Invoice which is the subject of default under Article 10 as notified in the Notice (issued under Article 10.6.2) relatable to the present occurrence | Number of times a Notice has been issued under Article 10.6.2 to the defaulting Procurer prior to present occurrence | | | |
|---|--|----------------------|----------------------|----------------------|
| | 1 st time | 2 nd time | 3 rd time | 4 th time |
| Less than 25% | x = 20 days | x = 25 days | x = 40 days | x = 60 days |
| 25% to 30% | x = 20 days | x = 30 days | x = 45 days | x = 65 days |
| More than 30% to 35% | x = 20 days | x = 35 days | x = 50 days | x = 70 days |
| More than 35% to 40% | x = 20 days | x = 40 days | x = 55 days | x = 75 days |
| More than 40% | x = 20 days | x = 45 days | x = 60 days | x = 90 days |

10.7. Disputed Bill

10.7.1. If a Party does not dispute a Monthly Bill or a Supplementary Bill raised by the other Party within ten (10) days of receiving it, such bill shall be taken as conclusive for payment of the Bill amount.

10.7.2. If a Party disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, that Party shall, within ten (10) days of receiving such bill, issue a notice (the "Bill Dispute Notice") to the invoicing Party setting out:

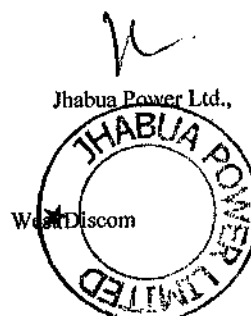
- (i) the details of the disputed amount;
- (ii) its estimate of what the correct amount should be; and
- (iii) all written material in support of its claim.

10.7.3. If the invoicing Party agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.7.2, the invoicing Party shall revise such bill within fifteen (15) days of receiving such notice and make a refund to the disputing Party within fifteen (15) days of receiving such notice.


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10.7.4. If the invoicing Party does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.6.2, 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.

10.7.5. Upon receipt of such notice of disagreement to the Bill Dispute Notice, authorised 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.

10.7.6. 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 10. 7.4, the matter shall be referred to Dispute Resolution in accordance with Article 13.

10.7.7. In case of a Dispute it shall be open to the aggrieved Party to approach the Appropriate Commission for Dispute Resolution in accordance with Article 13 and also for interim orders protecting its interest including for orders for interim payment pending Dispute Resolution and the Parties shall be bound by the decision of the Appropriate Commission including in regard to interest or delayed payment surcharge, if any directed to be paid by the Appropriate Commission.


10.7.8. If a dispute regarding a Monthly Bill or a Supplementary Bill is settled pursuant to Article 10. 7.5 or by Dispute Resolution mechanism provided in this Agreement in favour of the Party that issues a Bill Dispute Notice, the other Party shall refund the amount, if any incorrectly charged and collected from the disputing Party within five (5) days of the dispute either being amicably resolved by the Parties pursuant to Article 10.7.5 or settled by Dispute Resolution Mechanism in accordance with Article 13.5 along with interest and /or delayed surcharge as may directed by the Appropriate Commission.

10.7.9. For the avoidance of doubt, it is clarified that despite a Dispute regarding an Invoice, the Procurer shall, without prejudice to its right to Dispute, be under an obligation to make payment, of the lower of (a) an amount equal to simple average of last three (3) Months Invoices (being the undisputed portion of such three Months Invoices) and (b) Monthly Invoice which is being disputed, provided such Monthly Bill has been raised based on the REA and in accordance with this Agreement.

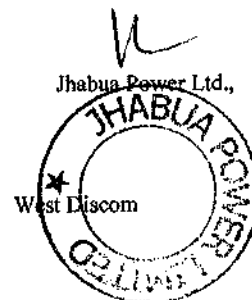
10.8 Quarterly and Annual Reconciliation

10.8.1 Parties acknowledge that all payments made against Monthly Bills, and Supplementary Bills shall be subject to quarterly reconciliation at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year to take into account Regional Energy Accounts / State Energy Accounts (as applicable), tariff adjustment payments, Rebates, Late Payment


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Surcharge, etc. 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 Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the Company and Procurer shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the Company or Procurer, as the case may be, shall raise a Supplementary Bill for the tariff adjustment payments for the relevant quarter/Contract Year and shall make payment of such Supplementary Bill for the tariff adjustment payments for the relevant quarter/Contract Year. Late Payment Surcharge shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable. Any Dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of Article 13.5.

10.9 Payment of Supplementary Bill

10.9.1 Either Party may raise a Bill on the other Party ("Supplementary Bill") for payment on account of:

- (i) Adjustments required by the Regional Energy Account/ State Energy Account, as applicable;
 - (ii) Tariff Payment for change in parameters, pursuant to provisions in – Article 10.1.1; or
 - (iii) Change in Law as provided in Article 12.
- and such Bill shall be paid by the other Party.

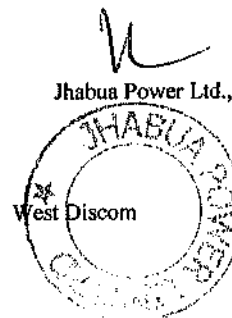
10.9.2 Procurer shall remit all amounts due under a Supplementary Bill raised by the Company to the Company's Designated Account by the Due Date and notify the Company of such remittance on the same day. Similarly, the Company shall pay all amounts due under a Supplementary Bill raised by the Procurer by the Due Date to the Procurer's designated bank account and notify the Procurer of such payment on the same day. For such payments by Procurer, Rebates as applicable to Monthly Bills shall be payable as per Article 10.4.1.

10.9.3 In the event of delay in payment of a Supplementary Bill by either Party beyond its Due Date, a Late Payment Surcharge shall be payable at the same terms applicable to the Monthly Bills as per Article 10.4.2.


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10.10 Payment for Construction and Start-up Power

10.10.1 The Company shall be liable to pay, for the power and energy consumed for construction and start-up and Commissioning of the Power Station, to the distribution Licensee(s) in whose area the Power Station is located or such other entity from whom such power/energy is sourced, at then prevalent rates payable by industrial consumers.


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ARTICLE - 11: FORCE MAJEURE

11.1. Definitions

11.1.1. In this Article, the following terms shall have the following meanings:

11.2. Affected Party

11.2.1. An affected Party means the Procurer or the Company whose performance has been affected by an event of Force Majeure.

11.2.2. Any event of Force Majeure affecting the performance of the Company or affecting the transmission facilities from the Power Station to the Delivery Point shall be deemed to be an event of Force Majeure affecting the Company only if the event affects and results in interruptible or no power supply to the Procurer.

11.2.3. Any event of Force Majeure affecting the performance of the Company's contractors shall be deemed to be an event of Force Majeure affecting Company only if the Force Majeure Event is affecting and resulting in:

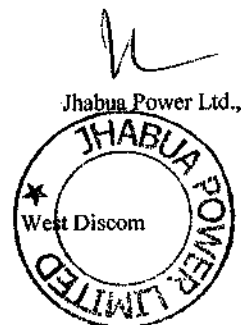
- (a) late delivery of plant, machinery, equipment, materials, spare parts, Fuel, water or consumables for the Power Station; or
- (b) a delay in the performance of any of the Company's contractors.

11.2.4. Similarly, any event of Force Majeure affecting the performance of the Procurer or Procurer's contractor for setting up or operating Interconnection Facilities and/ or transmission facilities shall be deemed to be an event of Force Majeure affecting Procurer only if the Force Majeure Event is resulting in a delay in the performance of Procurer or Procurer's contractors.


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11.3. Force Majeure

11.3.1. A '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. Natural Force Majeure Event(s)

act of God, including, but not limited to lightning, drought, fire and explosion (to the extent originating from a source external to the Site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred (100) years.

ii. Non-Natural Force Majeure Event(s)


1. Direct Non-Natural Force Majeure Event(s)

a) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality of any material assets or rights of the Company or the Company's contractors; or

b) the unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consents, Clearances and Permits required by the Company to perform its obligations under the Power Station Documents or any unlawful, unreasonable or discriminatory refusal to grant any Consents, Clearances and Permits required for the development/ operation of the Power Station, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down.

c) any other unlawful, unreasonable or discriminatory action on the part of an Indian Government Instrumentality which is directed against the supply of power by the Company to the Procurer, provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down.


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2. Indirect Non-Natural Force Majeure Event(s)

a) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo;, revolution, riot, insurrection, terrorist or military action; or

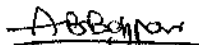
b) radio active contamination or ionising radiation originating from a source in India or resulting from another Indirect Non Natural Force Majeure Event mentioned above excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Power Station by the Affected Party or those employed or engaged by the Affected Party.

c) Industry wide strikes and labor disturbances having a nationwide impact in India.

11.4. Force Majeure Exclusions

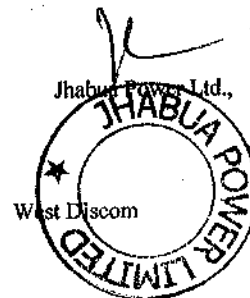
11.4.1. Force Majeure shall not include (i) any event or circumstance which is within the reasonable control of the Parties and (ii) the following conditions, except to the extent that they are consequences of an event of Force Majeure:

- a. Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts, Fuel or consumables for the Power Station;
- b. Delay in the performance of any contractor, sub-contractor or their agents excluding the conditions as mentioned in Article 11.2;
- c. Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
- d. Strikes or labour disturbance at the facilities of the Affected Party;
- e. Insufficiency of finances or funds or the agreement becoming onerous to perform; and
- f. Non-performance caused by, or connected with, the Affected Party's:
 - i. Negligent or intentional acts, errors or omissions;
 - ii. Failure to comply with an Indian Law; or
 - iii. Breach of, or default under this Agreement or any other Power Station Documents.


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11.5. Notification of Force Majeure Event

11.5.1. 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 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 unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement.

Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the Force Majeure Event.

11.5.2. 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.

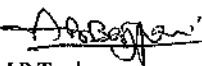
11.6. Duty to perform and duty to mitigate

11.6.1. To the extent not prevented by a Force Majeure Event pursuant to Article 11.3, 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 Force Majeure Event as soon as practicable.

11.7. Available Relief for a Force Majeure Event

11.7.1. Subject to this Article 11:

- (a) no Party shall be in breach of its obligations pursuant to this Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event;
- (b) each Party shall be entitled to claim relief in relation to a Force Majeure Event in regard to its obligations, including but not limited to those specified under Article 4.4;
- (c) for the avoidance of doubt, it is clarified that no Tariff shall be paid by the Procurer for the Contracted Capacity or part thereof affected by a Natural


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Force Majeure Event affecting the Company, for the duration of such Natural Force Majeure Event affecting the Company. For the balance part of the Contracted Capacity, the Procurer shall pay the Tariff to the Company, provided during such period of Natural Force Majeure Event affecting the Company, the balance part of the Power Station is declared to be Available for scheduling and despatch as per ABT for supply of power by the Company to the Procurer;

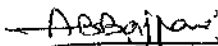
In case of a Natural Force Majeure Event affecting the Procurer no Tariff shall be paid by the Procurer to the Company for the duration of such Natural Force Majeure Event affecting the Procurer;

- (d) if the average Availability of the Power Station is reduced below eighty percent (80%) of Normative Availability for over two (2) consecutive months or for any non consecutive period of four (4) months both within any continuous period of 36 Months, as a result of an Indirect Non Natural Force Majeure Event, then, with effect from the end of such two (2) consecutive months or four (4) non consecutive months so long as the daily average Availability of the Power Station continues to be reduced below eighty percent (80%) of Normative Availability as a result of an Indirect Non Natural Force Majeure Event of any kind, the Procurer shall make payments for Debt Service, subject to a maximum of Capacity Charges based on Normative Availability which are due under the Financing Agreements and these amounts shall be paid from the date, being the later of a) the date of cessation of such Indirect Non Natural Force Majeure Event and b) the completion of sixty (60) days from the receipt of the Financing Agreements by the Procurer from the Company, in the form of an increase in Capacity Charge.

Provided payments for such Debt Service shall be limited to the Debt Service proportional to the Contracted Capacity of the Procurer from the Power Station.

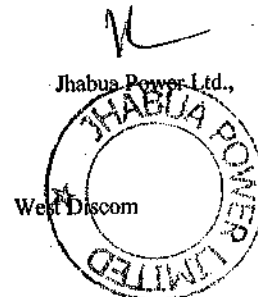
Provided such Capacity Charge increase shall be determined by Appropriate Commission on the basis of putting the Company in the same economic position as the Company would have been in case the Company had been paid Debt Service in a situation where the Indirect Non Natural Force Majeure Event had not occurred.

Provided that the Procurer will have the above obligation to make payment for the Debt Service only (a) after supply of power from the Power Station affected by such Indirect Non Natural Force Majeure Event has started, and (b) only if in the absence of such Indirect Non Natural Force Majeure Event, the Availability of Power Station would have resulted in Capacity Charges equal to Debt Service.


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(e) If the average Availability of the Power Station is reduced below Normative Availability for over two (2) consecutive months or for any non consecutive period of four (4) months both within any continuous period of thirty six (36) Months, as a result of a Direct Non Natural Force Majeure Event then, with effect from the end of such two (2) consecutive months or four (4) non consecutive months and for so long as the daily average Availability of the Power Station of the Company continues to be reduced below Normative Availability as a result of a Direct Non Natural Force Majeure Event, the Company may elect through a written notice to the Procurer, to deem the Availability to be equal to Normative Availability from the end of such two (2) consecutive months or four (4) non consecutive months, regardless of its actual Available Capacity. In such a case, the Procurer shall be liable to make payment of Capacity Charges calculated on such deemed Normative Availability, after the cessation of the effects of Direct Non Natural Force Majeure Event in the form of an increase in Capacity Charge.

Provided such Capacity Charge increase shall be determined by Appropriate Commission on the basis of putting the Company in the same economic position as the Company would have been in case the Company had been paid Capacity Charges in a situation where the Direct Non Natural Force Majeure Event had not occurred.

11.8. Additional Compensation and Procurer's Subrogation

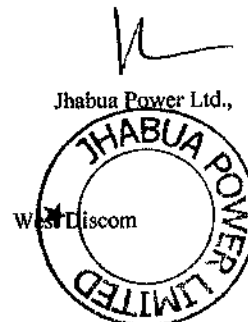
11.8.1. If the Company is entitled, whether actually or contingently, to be compensated by any person (other than the Procurer) as a result of the occurrence of a Non Natural Force Majeure Event for which it has received compensation from the Procurer pursuant to this Article 11, including without limitation, payments made which payments would not have been made in the absence of Article 4.6, the Procurer shall be fully subrogated to the Company's rights against that person to the extent of the compensation paid by the Procurer to the Company.

Provided that in case the Company has actually received compensation from any person other than the Procurers as well as the Procurer as a result of the occurrence of a Non Natural Force Majeure Event, then the Company shall forthwith refund the compensation received by it from the Procurer but only to the extent of the compensation received by the Company from any person other than the Procurer.


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ARTICLE - 12: CHANGE IN LAW

12.1. Definitions

In this Article 12, the following terms shall have the following meanings:

12.1.1. "Change in Law" means:

The occurrence of any of the following events after the date, which is seven (7) days prior to the execution of this PPA, resulting into any additional recurring/ non-recurring expenditure by the Company or any income to the Company:

- (i) the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law; or
- (ii) a change in the interpretation of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law; or
- (iii) the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier; or
- (iv) a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits; or
- (v) any change in tax or introduction of any tax made applicable for supply of power by the Company as per the terms of this Agreement.

But shall not include,

- (i) any change in any withholding tax on income or dividends distributed to the shareholders of the Company, or
- (ii) change in respect of UI Charges or frequency intervals by an Appropriate Commission; or
- (iii) any change on account of regulatory measures by the Appropriate Commissions including calculation of Availability.
- (iv) The Decision, direction and orders of the Appropriate commission including the orders passed on the petition seeking approval to this Agreement.

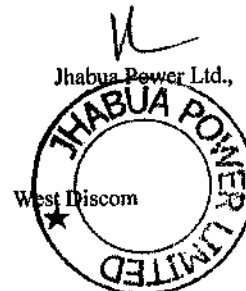
12.2. Application and Principles for computing impact of Change in Law

While determining the consequence of Change in Law under this Article 12, the Parties shall have due regard to the principle that the purpose of compensating the


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Party affected by such Change in Law, is to restore through Monthly Tariff Payment, to the extent contemplated in this Article 12, the affected Party to the same economic position as if such Change in Law has not occurred and such impact shall be as decided by the Appropriate Commission.

12.3. Notification of Change in Law

12.3.1. If the Company is affected by a Change in Law in accordance with this Article 12 and the Company wishes to claim relief for such a Change in Law under this Article 12, it shall give notice to the Procurer of such Change in Law as soon as reasonably practicable after becoming aware of the same or should reasonably have known of the Change in Law.

12.3.2. Notwithstanding Article 12.3.1, the Company shall be obliged to serve a notice to the Procurer under this Article 12.3.2, even if it is beneficially affected by a Change in Law. Without prejudice to the factor of materiality or other provisions contained in this Agreement, the obligation to inform the Procurer contained herein shall be material.

Provided that in case the Company has not provided such notice, the Procurer shall have the right to issue such notice to the Company.

12.3.3. Any notice served pursuant to this Article 12.3.2 shall provide, amongst other things, precise details of:

- (a) the Change in Law; and
- (b) the effects on the Company.

12.4. Tariff Adjustment Payment on account of Change in Law

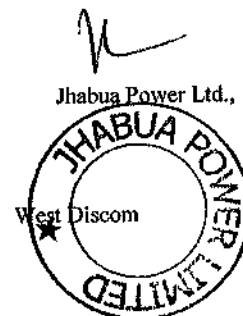
12.4.1. Subject to provisions mentioned above, the adjustment in Monthly Tariff Payment shall be effective from:

- (i) the date of adoption, promulgation, amendment, re-enactment or repeal of the Law or Change in Law; or
- (ii) the date of order/judgment of the Competent Court or tribunal or Indian Governmental Instrumentality, if the Change in Law is on account of a change in interpretation of Law.


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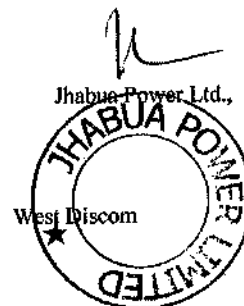
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12.4.2. In case of any change in Tariff by reason of Change in Law, as determined in accordance with this Agreement, the Monthly Invoice to be raised by the Company after such change in Tariff shall appropriately reflect the changed Tariff. The payment for Change in Law shall be claimed through Supplementary Bills.


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**ARTICLE - 13: EVENTS OF DEFAULT, DISPUTE RESOLUTION AND
TERMINATION**

13.1. Company Event of Default

13.1.1. 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 Procurer of their obligations under this Agreement or a Procurer Event of Default, shall constitute a Company Event of Default:

- (i) The failure to Commission first Unit by the date falling twelve (12) Months after its Scheduled COD, or Revised Scheduled COD provided that if for this period, the Company continues to supply power from alternate sources in terms of the first Proviso of Article 4.5.1, then it shall not constitute a Company Event of Default; or
- (ii) After COD of the first Unit of the Power Station, the Company fails to achieve Normative Availability for a period of twelve (12) consecutive Months or within a non-consecutive period of twelve (12) Months within any continuous aggregate period of thirty six (36) Months; or
- (iii) After the COD of the first unit of the Power Station the interruption in power supply, either in part or in full of the Contracted Capacity, by the Company for a continuous period of two (2) Months and such default is not rectified within thirty (30) days from the receipt of first notice from the Procurer; or
- (iv) the Company fails to make any payment (a) of an amount exceeding Rupees one (1) crore in aggregate required to be made to Procurer under this Agreement, within three (3) Months after the Due Date of undisputed invoice(s) /demand raised by the said Procurer on the Company or (b) of an amount up to Rupees fifty (50) Lakhs required to be made to Procurer under this Agreement within six (6) Months after the Due Date of undisputed invoice(s)/ demand; or
- (v) if
 - (a) the Company assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Power Station in contravention of the provisions of this Agreement; or
 - (b) the Company transfers or novates any of its rights and/ or obligations under this agreement, in a manner contrary to the provisions of this Agreement; except where such transfer
 1. is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement; or

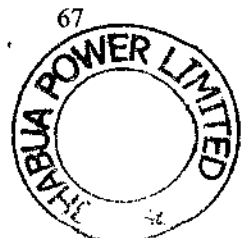

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Jhabua Power Ltd.


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


2. is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee; or
 3. is to another company in which Jhabua Power Ltd., holds not less than 51% of the equity shareholding and shall continue to hold equity shares in accordance with Article 16.1.
- (vi) if (a) any winding up or bankruptcy or insolvency order is passed against the Company, or (b) the Company goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

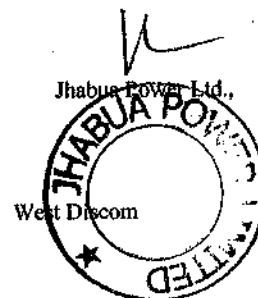
Provided that a dissolution or liquidation of the Company will not be an Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization, and the resulting company retains creditworthiness similar to the Company and expressly assumes all obligations of the Company under this Agreement and is in a position to perform them; or

- (vii) The Company repudiates this Agreement or otherwise evidences an intention not to perform its obligations under or to be bound by this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the Procurer in this regard; or
- (viii) Except where due to any Procurer's failure to comply with its material obligations, the Company is in breach of any of its material obligations pursuant to this Agreement and such material breach is not rectified by the Company within thirty (30) days of receipt of first notice in this regard given by the Procurer; or
- (ix) The Company fails to renew or replace or provide the Performance Guarantee to the Procurer in accordance with Articles 3.3.1 and 3.5 of this Agreement, or
- (x) Failure to meet any of the Conditions Subsequent as mentioned in Article 3.1; or
- (xi) Any change in the shareholding of the Company in contravention of Article 16.1; or
- (xii) Any of the representations and warranties made by the Company in Schedule - 2 of this Agreement; being found to be untrue or inaccurate. Provided however, prior to considering any event specified under this sub-article to be an Event of Default, the Procurer shall give a notice to the Company in writing of at least thirty (30) days to cure the default and the Company fails to rectify the default; or
- (xiii) Any other event which have been specified as an event of default or breach by the Company under any of the other provisions in this Agreement.


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13.2. Procurer Event of Default

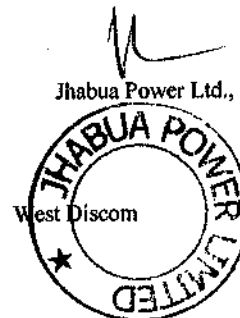
13.2.1. The occurrence and the continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by the Company of its obligations under this Agreement or a Company Event of Default, shall constitute a Procurer Event of Default:

- (i) The Procurer fails to pay the most recent Monthly/ Supplementary Bill for a period of sixty (60) days after the Due Date and the Company is unable to recover the amount outstanding to the Company through the Letter of Credit; or,
- (ii) In case of a disputed Monthly Bill or Supplementary Bill, the Procurer fails to make payment of the amount required to be paid as per Article 10.7 for a period of thirty (30) days after the Due Date and the Company is unable to recover the amount outstanding through the Letter of Credit; or,
- (iii) Non opening or Non-re instatement or non renewal of Letter of Credit as per the provisions of the Article 10.5.4 or Article 10.5.2; or Article 10.5.6
- (iv) Procurer repudiates this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the Company in this regard; or,
- (v) Except where due to any Company's failure to comply with its material obligations, the Procurer is in breach of any of its material obligations pursuant to this Agreement and such material breach is not rectified by the Procurer within thirty (30) days of receipt of first notice in this regard given by the Company;
- (vi) If
 - (a) any winding up or bankruptcy or insolvency order is passed against the Procurer, or
 - (b) the Procurer goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,
 - (c) Provided that it shall not constitute a Procurer Event of Default, where such dissolution or liquidation of Procurer is for the purpose of a merger, consolidation or reorganization and where the resulting entity assumes the financial standing to perform the Procurer's obligations under this Agreement; or,
- (vii) Any representation and warranties made by the Procurer in Schedule - 2 of this Agreement being found to be untrue or inaccurate. Provided however, prior to considering any event specified under this sub-article to be an Event of Default, the Company shall give a notice to the Procurer in writing of at least thirty (30) days to cure the default and the Procurer fails to rectify the default; or,


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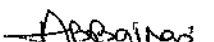


- (viii) Failure to meet any of the Conditions Subsequent as mentioned in Article 3.2; or,
- (ix) Any other event which have been specified as an event of default or breach by the Procurer under any of the other provisions in this Agreement.

13.3. Procedure for cases of Company Event of Default

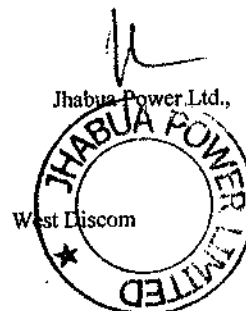
- (i) Upon the occurrence and continuation of any Company Event of Default under Article 13.1 except under Articles 13.1.1 (ii), (iii), and (iv), the Procurer shall have the right to deliver to the Company a notice of their intention to terminate this Agreement (Procurer Preliminary Default Notice), under intimation to the Lender(s), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- (ii) Following the issue of Procurer Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- (iii) During the Consultation Period, the Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- (iv) Upon the occurrence and continuation of Company Event of Default under Article 13.1 above except for defaults under Articles 13.1.1 (ii), (iii), and (iv), and the failure by the Company to cure such default within the applicable cure period specified in this Article, the Procurer shall have the right (but not an obligation) to terminate this Agreement by notice to the Company in accordance with the procedures set forth set forth in Article 13.6.

Subject to the Procurer paying the amounts due to the Company under the terms of this Agreement, within the time specified in this Agreement, without demur and notwithstanding any dispute, the Company shall not offer the Contracted Capacity, in part or fully, to any third party in contravention to the conditions specified in Article 6.1.3, The Company unconditionally and irrevocably agrees to and acknowledges the Procurer's right to instruct the RLDC/ SLDC, as the case may be, not to schedule such power to any third party without prejudice to Procurer's other rights. The Company further agrees and waives any and all objections or claims in respect of such right or any other legal remedy including but not limited to seek specific


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performance of this Agreement, the Procurer may have under the Law with respect to such default of the Company. In such event, the Procurer shall be obliged to schedule such power and purchase and pay the Tariff for the Scheduled Energy. It is clarified and re iterated that the remedy provided to the Procurer under this Article shall not be available to the Procurer if it fails for any reason whatsoever, to pay any amount due to the Company in terms of this Agreement, notwithstanding any dispute relating to any such amount and the Company's demand for such amounts outstanding shall, for purposes only of this Article, be conclusive and binding on the Procurer.

13.4. Procedure for Procurer Event of Default

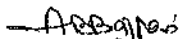
- 13.4.1. Upon the occurrence and continuation of any Procurer Event of Default pursuant to Articles 13.2.1(i), 13.2.1(ii) and 13.2.1(iii), the Company shall follow the remedies provided under Article 10.6.
- 13.4.2. Without in any manner affecting the rights of the Company under Article 13.4.1, on the occurrence of any Procurer Event of Default specified in Article 13.2, the Company shall have the right to deliver to the Procurer, a Company Preliminary Default Notice, which notice shall specify in reasonable detail the circumstances giving rise to its issue.
- 13.4.3. Following the issue of a Company Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- 13.4.4. During the Consultation Period, the Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- 13.4.5. After 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 Procurer Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, the Company shall be free to sell the Contracted Capacity and corresponding Available Capacity of the Procurer to any third party.

Provided the Procurer shall have the liability to make payments for Capacity Charges based on Normative Availability to the Company for the period up to the Expiry Date, subject to a maximum of twenty four (24) months from the eight day after expiry of the Consultation Period.

13.5. Resolution of Disputes

13.5.1. Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this


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Agreement shall be under the jurisdiction of Appropriate Commission and subject to such Jurisdiction the appropriate courts in Jabalpur, unless required otherwise under Law.

13.5.2. Amicable Settlement

- (a) Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement including its existence or validity or termination (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.
- (b) The other Party shall, within thirty (30) days of issue of dispute notice issued under Article 13.5.2(a), furnish:
 - (i) counter-claim and defences, if any, regarding the Dispute; and
 - (ii) all written material in support of its defences and counter-claim.
- (c) Within thirty (30) days of issue of notice by any Party pursuant to Article 13.5.2(a), or Article 13.5.2(b), both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days of receipt of the notice referred to in the preceding sentence, the Dispute shall be referred to Dispute Resolution in accordance with Article 13.5.3.

13.5.3. Dispute Resolution

All disputes and differences arising under or in relation to this Agreement including interpretation, construction or otherwise in regard to Contracted Capacity and Tariff terms and conditions thereof shall be subject to adjudication of the Appropriate commission in terms of section 86(1)(f) of the Electricity Act, 2003

13.5.4. Parties to Perform Obligations

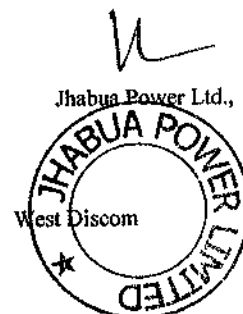
Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission as provided in this Article 13.5, and save as the Appropriate Commission may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.

13.6. Termination and consequences of Termination


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13.6.1. Notice of Termination

This agreement may be terminated on serving a seven (7) days notice (Notice of Termination) by either Party in case of Event of Default by the other Party pursuant to this Article.

13.6.2. On the expiry of the Notice of Termination, the Party which serves the notice of termination shall be entitled to terminate this Agreement under intimation to the other Party, unless the event leading to the Notice of Termination has been rectified or complied with to the satisfaction of the Party which issues the Notice of Termination.

13.6.3. Termination of the Agreement shall be without prejudice to the accrued rights and liabilities of the Parties, as on the date of the termination, unless waived in writing by the other Party.

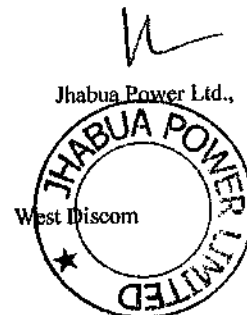
13.6.4. In the event this Agreement is terminated by the Procurer in accordance with the aforesaid provisions, then all rights conferred to the Company under and in terms of the I.A. shall revert back to the GoMP and all facilities provided to or availed by the Company under the I.A. shall be withdrawn. It is clarified that the provisions of this Article shall not apply in the event of termination of this Agreement by a Party due to Force Majeure or termination by the Company for Procurer Event of Default.

13.6.5. It is clarified that in the event of termination under this Article as above, the remedies provided in this Article 13.6 hereinabove shall be exhaustive and the Procurer and/or the GoMP shall not be entitled to any further remedies.


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ARTICLE - 14: LIABILITY AND INDEMNIFICATION

14.1. Indemnity

14.1.1. The Company shall indemnify, defend and hold Procurer harmless against:

- (a) any and all third party claims, actions, suits or proceedings against the Procurer 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 any 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 Procurer, its contractors, servants or agents; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by Procurer from third party claims arising by reason of:
 - (i) breach by the Company of any of its obligations under this Agreement, (provided that this Article 14 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 losses, damages, costs and expenses including legal costs, fines, penalties and interest (together to constitute "Indemnifiable Losses") has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of Procurer, its contractors, servants or agents, or
 - (ii) any of the representations or warranties of the Company under this Agreement being found to be inaccurate or untrue.

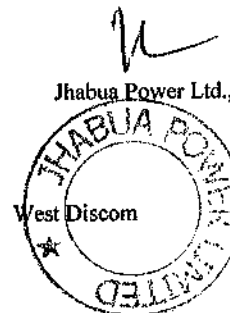
14.1.2. Procurer shall indemnify, defend and hold the Company harmless against:

- (a) any and all third party claims, actions, suits or proceedings against the Company, 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 Procurer of any of its obligations under this Agreement or otherwise 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 ("Indemnifiable Losses") actually suffered or incurred by the Company from third party claims arising by reason of:
 - (i) a breach by Procurer of any of its obligations under this Agreement or otherwise (provided that this Article 14 shall not apply to such breaches by Procurer, for which specific remedies have been provided for under this Agreement.), except to the extent that any such Indemnifiable Losses have


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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, or

- (ii) any of the representations or warranties of the Procurer under this Agreement being found to be inaccurate or untrue.

14.2. Procedure for claiming Indemnity

14.2.1. Third party claims

- (a) Where the Indemnified Party is entitled to indemnification from the Indemnifying Party pursuant to Article 14.1.1(a) or 14.1.2(a), the Indemnified Party shall promptly notify the Indemnifying Party of such claim, proceeding, action or suit referred to in Article 14.1.1(a) or 14.1.2(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 Article 14.2.1 (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 14.1.1(a) or Article 14.1.2(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 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.


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14.3. **Indemnifiable Losses**

14.3.1. Where an Indemnified Party is entitled to Indemnifiable Losses from the Indemnifying Party pursuant to Article 14.1.1(b) or 14.1.2(b), the Indemnified Party shall promptly notify the Indemnifying Party of the Indemnifiable Losses actually incurred by the Indemnified Party. The Indemnifiable Losses shall be reimbursed by the Indemnifying Party within thirty (30) days of receipt of the notice seeking Indemnifiable Losses by the Indemnified Party. In case of non-payment of such losses after a valid notice under this Article 14.3, such event shall constitute a payment default under Article 13.

14.4. **Infringement of Intellectual Property Rights**

14.4.1.

(a) The Company shall, subject to the Procurer compliance with Article 14.4.1(b), indemnify and hold harmless the Procurer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Procurer may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Agreement by reason of the setting up of the Power Station by the Company.

Such indemnity shall not cover any use of the Power Station or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Agreement, any infringement resulting from the misuse of the Power Station or any part thereof, or any products produced in association or combination with any other equipment, plant or materials not supplied by the Company.

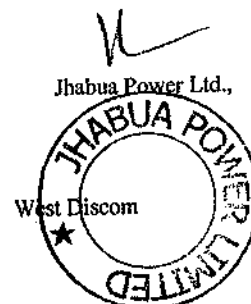
(b) If any proceedings are brought or any claim is made against the Procurer arising out of the matters referred to in Article 14.4.1(a), the Procurer shall promptly give the Company a notice thereof, and the Company shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. The Company shall promptly notify the Procurer of all actions taken in such proceedings or claims.

(c) If the Company fails to notify the Procurer within twenty-eight (28) days after receipt of such notice from the Procurer under Article 14.4.1(b) above, that it intends to attend any such proceedings or claim, then the Procurer shall be free to attend the same on their own behalf at the cost of the


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Company. Unless the Company has so failed to notify the Procurer within the twenty eight (28) days period, the Procurer shall make no admission that may be prejudicial to the defense of any such proceedings or claims.

- (d) The Procurer shall, at the Company's request, afford all available assistance to the Company in attending to such proceedings or claim, and shall be reimbursed by the Company for all reasonable expenses incurred in so doing.

14.4.2.

- (a) The Procurer, subject to the Company's compliance with Article 14.4.2(b) shall indemnify and hold harmless the Company and its employees, officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs and expenses of whatsoever nature, including attorney's fees and expenses, which the Company may suffer as a result of any infringement by the Procurer or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered.
- (b) If any proceedings are brought or any claim is made against the Company arising out of the matters referred to in Article 14.4.2(a) the Company shall promptly give the Procurer a notice thereof, and the Procurer shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. The Procurer shall promptly notify the Company of all actions taken in such proceedings or claims.
- (c) If the Procurer fails to notify the Company within twenty-eight (28) days after receipt of such notice from the Company under Article 14.4.2(b) above, that it intends to attend any such proceedings or claim, then the Company shall be free to attend the same on its own behalf at the cost of the Procurer. Unless the Procurer has so failed to notify the Company within the twenty (28) days period, the Company shall make no admission that may be prejudicial to the defense of any such proceedings or claim.
- (d) The Company shall, at the Procurer request, afford all available assistance to the Procurer in attending to such proceedings or claim, and shall be reimbursed by the Procurer for all reasonable expenses incurred in so doing.

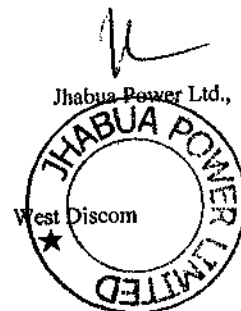
14.5. Limitation on Liability

14.5.1. Except as expressly provided in this Agreement, neither the Company nor Procurer nor its/ 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 permitted assigns or their respective insurers for incidental, indirect or


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consequential damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of power generation or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of the Procurer, the Company or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.

14.5.2. Procurer shall have no recourse against any officer, director or shareholder of the Company or any Affiliate of the Company or any of its officers, directors or shareholders for such claims excluded under this Article. The Company shall have no recourse against any officer, director or shareholder of Procurer, or any Affiliate of Procurer or any of its officers, directors or shareholders for such claims excluded under this Article.

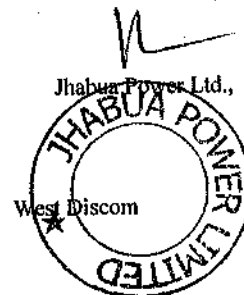
14.6. **Duty to Mitigate**

14.6.1. The Parties shall endeavor to take all reasonable steps so as mitigate any loss or damage which has occurred under this Article 14.


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ARTICLE - 15: ASSIGNMENTS AND CHARGES

15.1. Assignments

- 15.1.1. This Agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns.
- 15.1.2. The Company shall not assign any of its rights or obligations in this Agreement to any Party other than with the consent in writing of the Procurer.
- 15.1.3. The Procurer shall be free to deal with the Contracted Capacity or any part thereof in any manner as the Procurer may in its discretion consider appropriate, including further sale of the Contracted Capacity to any person subject to the condition that the Procurer shall continue to be liable to the Company in so far as the fulfillment of the obligations under this Agreement. The Procurer shall at all times be entitled to assign this Agreement to any other Government of Madhya Pradesh Undertaking or to any of the Discoms. Subject to the above the Procurer shall not assign the obligations of the Procurer under this Agreement to any Party other than with the consent in writing of the Company and such consent shall not be unreasonably withheld by the Company if the Procurer seeks to transfer to any transferee all of its rights and obligations under this Agreement.
- 15.1.4. The Company shall be entitled to assign its rights and obligations under this Agreement in favor of the Selectee duly appointed pursuant to the terms of Schedule - 6 of this Agreement.

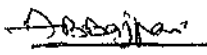
15.2. Permitted Charges

- 15.2.1. Neither Party shall create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement.
- 15.2.2. Notwithstanding anything contained herein the Company may create any encumbrance over all or part of the receivables, or any other assets of the Power Station in favour of the Lenders or the Lender's representative on their behalf, as security for:

- (a) amounts payable under the Financing Agreements; and
- (b) any other amounts agreed by the Parties,

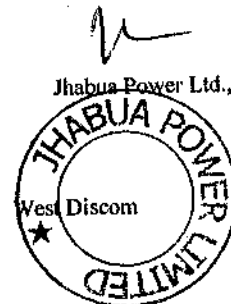
Provided that:

- (a) the Lenders or the Lender's Representative on their behalf shall have entered into the Financing Agreements; and,
- (b) any encumbrances granted by the Company in accordance with this Article 15.2.2 shall contain provisions pursuant to which the Lenders or the Lender's Representative on their behalf agrees unconditionally with the Company acting


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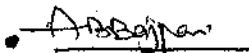


for itself and as trustee of the Procurers to release from such encumbrances all of the right, title and interest to Additional Compensation so as to enable the Procurers to claim its right of subrogation. For the purposes of this Article, Additional Compensation shall mean the compensation that the Company is entitled, whether actually or contingently, to receive from the Procurer as well as compensated by any person other than the Procurer for the same event.

- (c) the Lenders or the Lender's Representative on their behalf shall have agreed in writing to the provisions of Schedule – 6.

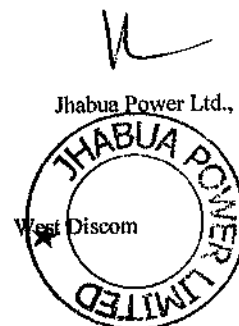
15.2.3. Article 15.2 does not apply to:

- (a) liens or encumbrances arising by operation of law (or by an agreement evidencing the same) in the ordinary course of implementation of this Agreement by the Company;
- (b) hypothecation or pledge of goods, the related documents of title and / or other related documents, arising or created in the ordinary course of supply of power by the Company; or
- (c) security arising out of retention of title provisions in relation to goods acquired in the ordinary course of supply of power by the Company.


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ARTICLE - 16: MISCELLANEOUS PROVISIONS

16.1. Minimum Equity holding/ Equity Lock-in

- 16.1.1. The minimum shareholding requirements specified in this Article shall apply to all of the Promoters which have made equity investment in the Company. The Company confirms that [name of the promoter] is one of the promoters of the Company.
- 16.1.2. The aggregate equity share holding of the promoters in the issued and paid up equity share capital of the Company shall not be less than the fifty-one percent (51%) from the Effective Date up to a period of two (2) years after COD of the Power Station.
- 16.1.3. All shareholders of the Company shall be allowed to divest their equity as long as the promoters hold the minimum aggregate equity as specified in Article 16.1.2.

16.2. Amendment

- 16.2.1. This Agreement may only be amended or supplemented by a written agreement between the Parties and after duly obtaining the approval of the Appropriate Commission, where necessary.

16.3. Third Party Beneficiaries

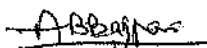
- 16.3.1. This Agreement is solely for the benefit of the Parties, and their respective successors and permitted assigns and shall not be construed as creating any duty, standard of care or any liability to, any person not a party to this Agreement.

16.4. Waiver

- 16.4.1. No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorised representative of such Party:
- 16.4.2. Neither the failure by either 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 Party 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.

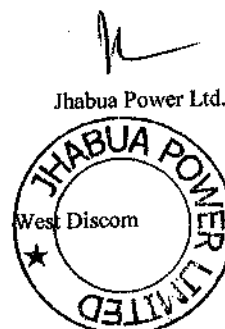
16.5. Entirety

- 16.5.1. This Agreement and the Schedules are intended by the Parties as the final expression of their agreement and are intended also as a complete and exclusive statement of the terms of their agreement.
- 16.5.2. Except as provided in this Agreement, all prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement or


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supply of power up to the Contracted Capacity under this Agreement to the Procurer by the Company shall stand superseded and abrogated.

16.6. Confidentiality

16.6.1. The Parties undertake to hold in confidence this Agreement and other Power Station Documents and not to disclose the terms and conditions of the transaction contemplated hereby to third parties,

16.6.2. Except (i) to their professional advisors; (ii) to their officers, contractors, employees, agents or representatives, financiers, who need to have access to such information for the proper performance of their activities; or (iii) disclosures required under Law; without the prior written consent of the other Parties.

16.7. Affirmation

16.7.1. The Company and Procurer, 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 procure this Agreement, and the Company and Procurer hereby undertake not to engage in any similar acts during the Term of Agreement.

16.8. Severability

16.8.1. The invalidity or enforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.


16.9. Survival

16.9.1. Notwithstanding anything to the contrary herein, the provisions of this Agreement, including Article 9 (Application of Insurance), Article 11 (Force Majeure), Article 13 (Events of Default, Dispute Resolution and Termination), Article 16 (Miscellaneous Provisions), and other Articles and Schedules of this Agreement which expressly or by their nature survive the Term or Termination of this Agreement shall continue and survive any expiry or termination of this Agreement.

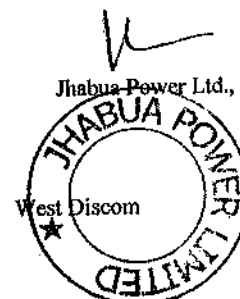
16.10. Relationship of the Parties

16.10.1. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership or agency or any such other relationship between the


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Parties or to impose any partnership obligation or liability upon either Party and neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

16.10.2. Subject to the provisions of the Agreement, the Company shall be solely responsible for the manner in which its obligations under this Agreement are to be performed. All employees and representatives of the Company or contractors engaged by the Company in connection with the performance of the Agreement shall be under the complete control of the Company and shall not be deemed to be employees, representatives, contractors of Procurer and nothing contained in the Agreement or in any agreement or contract awarded by the Company shall be construed to create any contractual relationship between any such employees, representatives or contractors and the Procurer.

16.11. Counterparts

16.11.1. 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 Agreement.

16.12. Notices

16.12.1. All notices to be given under this Agreement shall be in writing and in the English Language.

16.12.2. All notices must be delivered personally, by registered post or any method duly acknowledged or facsimile to the addresses below:

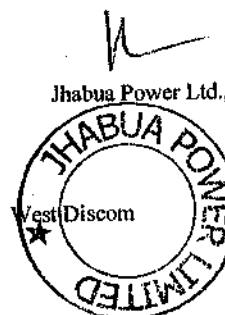
| Name of Procurer | Name & address of the Procurer |
|--|--|
| Madhya Pradesh Power Trading Company Limited | The Managing Director, Madhya Pradesh Power Trading Company Limited, Shakti Bhawan, Jabalpur- 482 008 Tel: +91 761 2660909/2702900 Fax No: +91 761 2664749 |

| Name of Company | Name & address of the Company |
|------------------------|--|
| Jhabua Power Ltd., | The Chief Operating Officer, 6th & 7th Floor, Vatika City Point, M.G. Road, Gurgaon-122002 |


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16.12.3. All notices or communications given by facsimile shall be confirmed by sending a copy of the same via post office in an envelope properly addressed to the appropriate Party for delivery by registered mail. All Notices shall be deemed validly delivered upon receipt evidenced by an acknowledgement of the recipient, unless the Party delivering the notice can prove in case of delivery through the registered post that the recipient refused to acknowledge the receipt of the notice despite efforts of the postal authorities.

16.12.4. Any Party may by notice of at least fifteen (15) days to the other Parties change the address and / or addresses to which such notices and communications to it are to be delivered or mailed.

16.13. Language

16.13.1. All agreements, correspondence and communications between the Parties relating to this Agreement and all other documentation to be prepared and supplied under the Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with English language.

16.13.2. If any of the agreements, correspondence, communications or documents are prepared in any language other than English, the English translation of such agreements, correspondence, communications or documents shall prevail in matters of interpretation.

16.14. Breach of Obligations

16.14.1. The Parties acknowledge that a breach of any of the obligations contained herein would result in injuries. The Parties further acknowledge that the amount of the liquidated damages or the method of calculating the liquidated damages specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the non-defaulting party in each case specified under this Agreement

16.15. Nomination Restriction

16.15.1. Notwithstanding anything contained to the contrary in this Agreement, wherever a reference is made to the right of the Procurer to nominate a third Party to receive benefits under this Agreement, such third Party shall have a financial standing comparable to that of the Procurer in question.

16.16. Commercial Acts

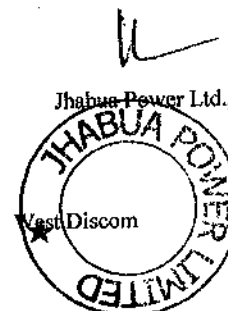
16.16.1. The Procurer and the Company unconditionally and irrevocably agree that the execution, delivery and performance by each of them of this Agreement and any other Power Station Documents to which it is a Party constitute private and commercial acts rather than public or governmental acts.

16.17. Restriction of Shareholders/Owners Liability


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16.17.1. Parties expressly agree and acknowledge that none of the shareholders of the Parties hereto shall be liable to the other Party for any of the contractual obligations of the concerned Party under this Agreement. Further, the financial liabilities of the shareholder/s of each Party to this Agreement shall be restricted to the extent provided in Section 426 of the Indian Companies Act, 1956.

16.17.2. The provisions of this Article shall supersede any other prior agreement or understanding, whether oral or written, that may be existing between the Procurer, Company, shareholders/ owners of the Company, shareholders/ successors of the Procurer, regarding the subject matter of this Agreement. Provided however the Company and the Procurer shall at all times be bound by IA and other Agreements entered into with GoMP.

16.18. Taxes and Duties

16.18.1. The Company shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the Company, contractors or their employees that are required to be paid by the Company as per the Law in relation to the execution of the Agreement and for supplying power as per the terms of this Agreement.

16.18.2. Procurer shall be indemnified and held harmless by the Company against any claims that may be made against Procurer in relation to the matters set out in Article 16.18.1.

16.18.3. Procurer shall not be liable for any payment of, taxes, duties, levies, cess whatsoever for discharging any obligation of the Company by the Procurer on behalf of the Company or its personnel,.

16.19. No Consequential or Indirect Losses

16.19.1. The liability of the Company and the Procurer shall be limited to that explicitly provided in this Agreement.

Provided that notwithstanding anything contained in this Agreement, under no event shall the Procurer or the Company claims from one another any indirect or consequential losses or damages.

16.20. Discretion

16.20.1. Except where this Agreement expressly requires a Party to act fairly or reasonably, a Party may exercise any discretion given to it under this Agreement in any way it deems fit.

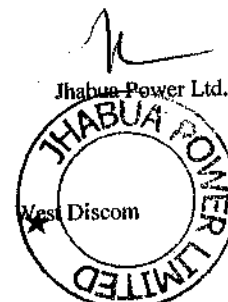
16.21. Fraudulent and Corrupt Practices

16.21.1. The Company and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the subsistence of this Agreement. Notwithstanding anything to the contrary contained in the Agreement, the Procurer may terminate the Agreement without being liable in any manner whatsoever to the Company, if it determines that the Company has,


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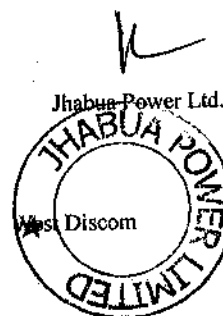
directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the negotiation process. In such an event, the Procurer shall forfeit the Contract Performance Guarantee, without prejudice to any other right or remedy that may be available to the Procurer hereunder or subsistence otherwise.

- 16.21.2. Without prejudice to the rights of the Procurer under Article 16.21.1 hereinabove and the rights and remedies which the Procurer may have under this Agreement, if a the Company is found by the Procurer to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the negotiation process, or after the execution of the PPA, the Procurer may terminate the Agreement without being liable in any manner whatsoever to the Company. Further, in such an event, the Procurer shall forfeit the Contract Performance Guarantee.
- 16.21.3. Further, the Company shall not be eligible to participate in any tender or RFP issued by the Procurer during a period of 2 (two) years from the date such the Company is found by the Procurer to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.
- 16.21.4. For the purposes of this Article 16.21, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) "corrupt practice" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the negotiation process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Procurer who is or has been associated or dealt in any manner, directly or indirectly with the negotiation process or has dealt with matters concerning the PPA or arising there from, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Procurer, shall be deemed to constitute influencing the actions of a person connected with the negotiation process); or (ii) engaging in any manner whatsoever, whether during the negotiation Process or after the execution of the PPA, as the case may be, any person in respect of any matter relating to the Power Station or the PPA, who at any time has been or is a legal, financial or technical adviser of the Procurer in relation to any matter concerning the Power Station;
- (b) "fraudulent practice" means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the negotiation process;


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- (c) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the negotiation process;
- (d) "undesirable practice" means (i) establishing contact with any person connected with or employed or engaged by the Procurer with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the negotiation process; or (ii) having a conflict of interest; and,
- (e) "restrictive practice" means forming a cartel or arriving at any understanding or arrangement among prospective Companies with the objective of restricting or manipulating a full and fair competition in the negotiation process.

16.22. Compliance with Law

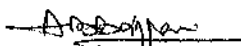
16.22.1. Despite anything contained in this Agreement but without prejudice to this Article, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, or any rules and regulations made thereunder, such provision of this Agreement shall be deemed to be amended to the extent required to bring it into compliance with the aforesaid relevant provisions as amended from time to time.

16.23. Representations and Warranties

- 16.23.1. The Company hereby provides the Representation and Warranties to the Procurer as contained in Schedule – 2.
- 16.23.2. The Procurer hereby provides the Representation and Warranties to the Company as contained in Schedule – 2.

IN WITNESS WHEREOF the Parties have executed these presents through their authorized representatives at Jabalpur, Madhya Pradesh.

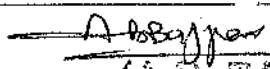
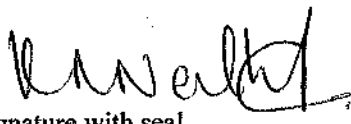
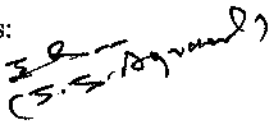
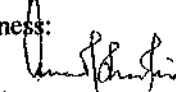
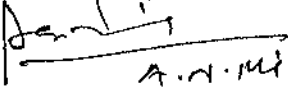
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| For and on behalf of: Madhya Pradesh Power Trading Company Limited | For and on behalf of: Jhabua Power Ltd. |
| Name A. B. BAJPAI Designation: CGM (Commercial) Address: Madhya Pradesh Power Trading Company Ltd. Shakti Bhawan, Jabalpur- 482 008. | Name: K N NEELKANT Designation: Chief operating officer Address: |

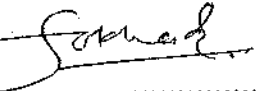
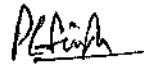

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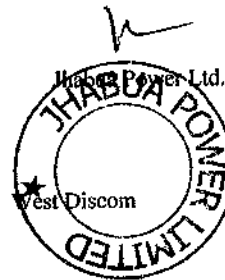
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|---|---|
| <p style="text-align: center;">  (A. B. BAJPAI) Chief Commercial Officer (Commercial) M.P. Power Trading Co. Ltd. Jabalpur </p> <p>Signature with seal</p> | <p style="text-align: center;">  Signature with seal </p> |
| <p>Witness:</p> <p>1.  (S. S. Agrawal)</p> <p>2.</p> | <p>Witness:</p> <p>1.  ANAND MOHAN MISHRA</p> <p>2.  A. N. Mishra</p> |

| | |
|---|--|
| For and Behalf of Discoms (Confirming Parties) Through their authorized representative | |
| <p>Witness:</p> <p>(i)  (SANJAY ORHADE) Executive Engineer (Comm) E.Z. J.B.P.</p> <p>Witness:</p> <p>(ii)</p> | <p>1. M.P. Poorva Kshetra Vidyut Vitran Company Limited, Jabalpur</p> <p>Signature: </p> <p>Name..... P. K. Singh</p> <p>Designation..... CE (Comm) - E.Z. Chief Engineer (Comm.) M.P.P.K.V.V.C.L., Jabalpur</p> <p>2. M.P. Paschim Kshetra Vidyut Vitran Company Limited, Indore.</p> <p>Signature:</p> <p>Name.....</p> <p>Designation.....</p> |


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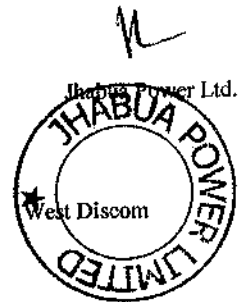


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| <p>Witness: (iii)</p> | <p>3. M.P. Madhya Kshetra Vidyut Vitran Company Limited, Bhopal</p> <p>Signature: Name..... Designation.....</p> |
|--|--|

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**SCHEDULE – 1A: FORMAT OF THE INITIAL CONTRACT PERFORMANCE
GUARANTEE**

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)

In consideration of the[Insert name of the Company] agreeing to undertake the obligations under the PPA and the Procurer, agreeing to execute the Agreement with the Company for purchase of power on long term basis [Insert name of the Bank] (hereinafter referred to as "Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to the Procurer at[Insert address of Procurer] forthwith on demand in writing from the Procurer or any officer authorized by it in this behalf, any amount up to and not exceeding Rupees (Rs) [insert amount of BG computed on the basis of Rs. Three (3) lakhs /MW] only (with the respect to proposed Contracted Capacity as per the terms of PPA on behalf of the Company).

This guarantee shall be valid and binding on the Guarantor Bank up to and including[Insert date of validity of CPG] and shall in no event be terminable by notice or any change in the constitution of the Bank or the term of the PPA or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. (Rs. only). Our Guarantee shall remain in force until [Insert the date of validity of the CPG]. The Procurer shall be entitled to invoke this Guarantee up to thirty (30) days of the last date of the validity of this Guarantee by issuance of a written demand to invoke this guarantee.

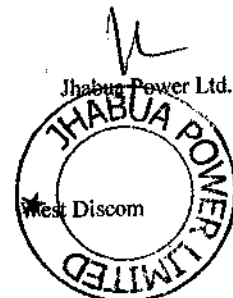
The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand from the Procurer, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the Procurer.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by [Insert name of the Company] and/ or any other person. The Guarantor Bank shall not require the Procurer to justify the invocation of


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this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the Procurer in respect of any payment made hereunder.

This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Jabalpur (M.P.) shall have exclusive jurisdiction.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the Procurer shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Company, to make any claim against or any demand on the Company or to give any notice to the Company or to enforce any security held by the Procurer or to exercise, levy or enforce any distress, diligence or other process against the Company.

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the Procurer and may be assigned, in whole or in part, (whether absolutely or by way of security) by the Procurer to any entity to whom it is entitled to assign its rights and obligations under the PPA.

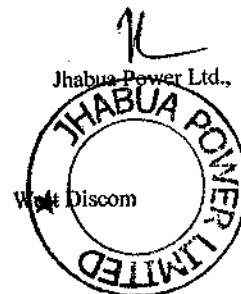
The Guarantor Bank hereby agrees and acknowledges that the Procurer shall have a right to invoke this Bank Guarantee either in part or in full, as it may deem fit.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. crore (Rs. crore only) and it shall remain in force until[Date to be inserted is three (3) months after the Scheduled COD], with an additional claim period of thirty (30) days thereafter. This BANK GUARANTEE shall be extended from time to time for such period, as may be desired by [Insert name of the Company]. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the Procurer serves upon us a written claim or demand.


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In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this day of at

.....
Signature:

Name:

Designation with Bank Stamp

Attorney as per power of attorney No.

For:

..... [Insert Name of the Bank]

Full Address:

Dated this day of 20.....

Witness:

1.

Signature

Name and Address:

2.

Signature

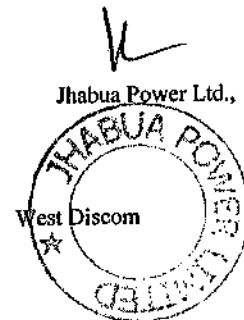
Name and Address:

[Note: The Stamp Paper should be in the name of the Executing Bank.]


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**SCHEDULE – 1B: FORMAT OF THE CONTRACT PERFORMANCE
GUARANTEE**

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)

In consideration of the[*Insert name of the Company*] agreeing to undertake the obligations under the PPA and the Procurer, agreeing to execute the Agreement with the Company for purchase of power on long term basis [*Insert name of the Bank*] (hereinafter referred to as "Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to the Procurer at[*Insert address of Procurer*] forthwith on demand in writing from the Procurer or any officer authorized by it in this behalf, any amount up to and not exceeding Rupees (Rs) [*insert amount of BG computed on the basis of Rs. Seven Lakhs Fifty Thousand (7.5) /MW*] only (with the respect to proposed Contracted Capacity as per the terms of PPA on behalf of the Company).

This guarantee shall be valid and binding on the Guarantor Bank up to and including[*Insert date of validity of CPG*] and shall in no event be terminable by notice or any change in the constitution of the Bank or the term of the PPA or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. (Rs. only). Our Guarantee shall remain in force until [*Insert the date of validity of the CPG*]. The Procurer shall be entitled to invoke this Guarantee up to thirty (30) days of the last date of the validity of this Guarantee by issuance of a written demand to invoke this guarantee.

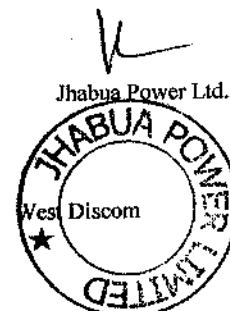
The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand from the Procurer, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the Procurer.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by, [*Insert name of the Company*] and/ or any other person. The Guarantor Bank shall not require the Procurer


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to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the Procurer in respect of any payment made hereunder.

This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Jabalpur (M.P.)..... shall have exclusive jurisdiction.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the Procurer shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Company, to make any claim against or any demand on the Company or to give any notice to the Company or to enforce any security held by the Procurer or to exercise, levy or enforce any distress, diligence or other process against the Company.

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the Procurer and may be assigned, in whole or in part, (whether absolutely or by way of security) by the Procurer to any entity to whom it is entitled to assign its rights and obligations under the PPA.

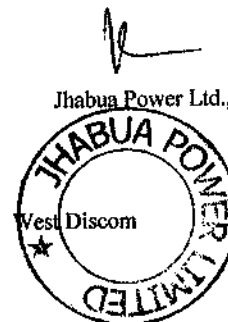
The Guarantor Bank hereby agrees and acknowledges that the Procurer shall have a right to invoke this Bank Guarantee either in part or in full, as it may deem fit.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. crore (Rs. crore only) and it shall remain in force until[Date to be inserted is three (3) months after the Scheduled COD], with an additional claim period of thirty (30) days thereafter. This BANK GUARANTEE shall be extended from time to time for such period, as may be desired by [Insert name of the Company]. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the Procurer serves upon us a written claim or demand.


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In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this day of at

.....
Signature:

Name:

Designation with Bank Stamp

Attorney as per power of attorney No.

For:

..... [Insert Name of the Bank]

Full Address:

Dated this day of 20.....

Witness:

1.

Signature

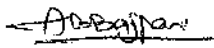
Name and Address:

2.

Signature

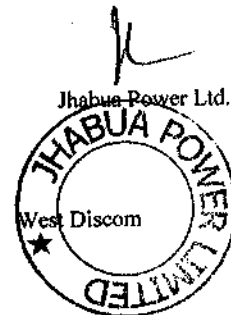
Name and Address:

[Note: The Stamp Paper should be in the name of the Executing Bank.]


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SCHEDULE - 2: REPRESENTATION AND WARRANTIES

1.1. Representations and Warranties by the Procurer

The Procurer hereby represents and warrants to and agrees with the Company as follows and acknowledges and confirms that the Company is relying on such representations and warranties in connection with the transactions described in this Agreement:

- (i) The Procurer has all requisite powers and has been duly authorized to execute and consummate this Agreement;
- (ii) This Agreement is enforceable against the Procurer in accordance with its terms;
- (iii) The consummation of the transactions contemplated by this Agreement on the part of the Procurer will not violate any provision of nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the Procurer is a party or to which the Procurer is bound, which violation, default or power has not been waived;
- (iv) The Procurer is not insolvent and no insolvency proceedings have been instituted, nor threatened or pending by or against the Procurer;
- (v) There are no actions, suits, claims, proceedings or investigations pending or, to the best of the Procurer's knowledge, threatened in writing against the Procurer at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to comply with its obligations under this Agreement.

- 1.1.1. The procurer makes all the representations and warranties above to be valid as on the date of this Agreement.

1.2. Representation and Warranties of the Company

- 1.2.1. The Company hereby represents and warrants to and agrees with the Procurer as follows and acknowledges and confirms that the Procurer is relying on such


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representations and warranties in connection with the transactions described in this Agreement:

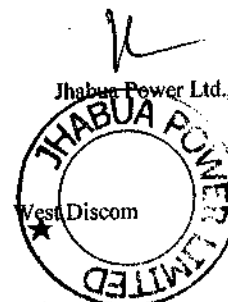
- (i) The Company has all requisite power and has been duly authorized to execute and consummate this Agreement;
- (ii) This Agreement is enforceable against the Company in accordance with its terms;
- (iii) The consummation of the transactions contemplated by this Agreement on the part of the Company will not violate any provision of nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the Company is a party or to which the Company is bound which violation, default or power has not been waived;
- (iv) The Company is not insolvent and no insolvency proceedings have been instituted, or not threatened or pending by or against the Company;
- (v) There are no actions, suits, claims, proceedings or investigations pending or, to the best of the Company's knowledge, threatened in writing against the Company at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to supply power or to comply with its obligations under this Agreement.
- (vi) The Company has neither made any statement nor provided any information, which was materially inaccurate or misleading at the time when such statement was made or information was provided. Further, all the confirmations, undertakings, declarations and representations made are true and accurate and there is no breach of the same.

1.2.2. The Company makes all the representations and warranties above to be valid as on the date of this Agreement.


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SCHEDULE - 3: TECHNICAL LIMIT AND CONTRACTED PERFORMANCE PARAMETERS

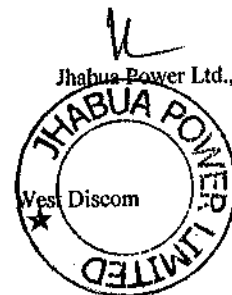
(This schedule describes only a sample for technical limits and specifications. It has to be filled up jointly by the parties within six months from the Effective Date according to their requirements)

| S No. | Description | | Unit | Particulars |
|--|--|-----------|------|------------------------|
| 1.1. Grid Conditions at Delivery Point: | | | | |
| 1. | Voltage: | Nominal | kV | [] |
| | | Variation | % | [] |
| | (ii) Frequency: | Nominal | Hz. | [] |
| | | Variation | % | [] |
| | (iii) Combined Voltage and Frequency variation for Contracted Capacity | | % | [] |
| | (iv) Power Factor : | Nominal | | [] lag |
| | | Variation | | [] to [] lag lead |
| | (v) Basic Impulse Level (Peak) | | kV | [] |
| 1.2. Fault Levels: | | | | |
| | (i) 3 Phase | Maximum | kA | [] |

A. P. B. S. S. S.
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(ii) Clearance time Maximum ms []

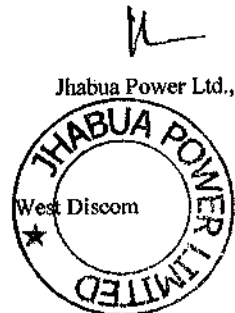
1.3. Ramp Rates

All Units of the Power Station shall be capable of increasing or decreasing their output (generation level) by not less than one percent (1%) per minute. Such capability shall be demonstrated during the Unit load of more than 60%.


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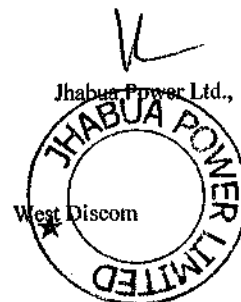
SCHEDULE - 4: FORMAT OF LETTER OF CREDIT

(To be finalized between the Parties atleast six (6) months before Scheduled CoD or the Revised Scheduled CoD, as the case may be)


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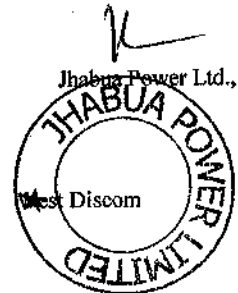
SCHEDULE - 5: PANEL OF INDEPENDENT ENGINEERS

1. L&T – Sargent & Lundy Limited, Faridabad
2. Tata Consulting Engineers Limited, Bengluru
3. Lahmeyer International Limited, Gurgaon
4. Desein Pvt. Ltd., New Delhi
5. Development Consultant Limited, Kolkata
6. Mecon Limited, Ranchi
7. NTPC, Noida


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SCHEDULE – 6: SUBSTITUTION RIGHTS OF THE LENDERS

1. Substitution of the Company

- 1.1. Subject to the terms of the PPA, upon occurrence of a Company Event of Default under the PPA, the Lenders shall, have the right to seek substitution of the Company by a Selectee for the residual period of the PPA, for the purposes of securing the payments of the Total Debt Amount from the Company and performing the obligations of the Company, in accordance with the provisions of this Schedule.
- 1.2. The Lenders may seek to exercise right of substitution by an amendment or novation of the PPA and other Power Station Documents executed between Procurer and the Company in favour of the Selectee, the Procurer and the Company shall cooperate with the Lenders to carry out such substitution.

2. Procurer Notice of Default

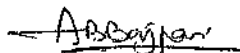
- 2.1. The Procurer, upon serving the Preliminary Default Notice on the Company as per this PPA, shall simultaneously also issue a copy of the same to the Lenders.


3. Substitution Notice

- 3.1. In the event of failure of the Company to rectify the Company Event of Default giving rise to Preliminary Default Notice and on receipt of a copy of the Termination Notice by the Procurer, the Lenders, either on their own or through its representative (the “.....”) shall be entitled to notify the Procurer and the Company of the Lenders’ Representative intention of the Lenders to substitute the Company by the Selectee for the residual period of the PPA (the “Substitution Notice”).

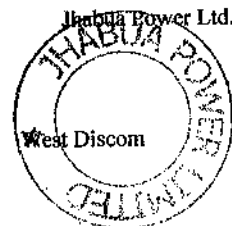
4. Interim operation of Power Station

- 4.1. On receipt of a Substitution Notice, no further action shall be taken by any Party to terminate the PPA, except under and in accordance with the terms of this Schedule of this PPA.
- 4.2. On issue of a Substitution Notice, the Lenders shall have the right to request the Procurer to enter upon and takeover the Power Station for the interim and till the substitution of the Selectee is complete and to otherwise take all such steps as are necessary for the continued operation and maintenance of the Power Station, including levy, collection and appropriation of payments thereunder, subject to, the servicing of monies owed in respect of the Total Debt Amount as per the Financing Agreements and the Company shall completely cooperate in any such takeover of the Power Station by the Procurer. If the Procurer, at its sole and exclusive discretion agree to enter upon and takeover the Power Station, till substitution of


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the Selectee in accordance with this PPA, then the Procurer shall be compensated for rendering such services in accordance with Clause 9.4 of this Schedule.

- 4.3. If the Procurer refuses to takeover the Power Station on request by the Lenders in accordance with Clause 4.2 above, the Company shall have the duty and obligation to continue to operate the Power Station in accordance with the PPA till such time as the Selectee is finally substituted.
- 4.4. The Lenders and the Procurer shall, simultaneously have the right to commence the process of substitution of the Company by the Selectee in accordance with these terms and the Company hereby irrevocably consents to the same.

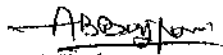
5. Process of Substitution of Company

- 5.1. The Lenders' Representative may, on delivery of a Substitution Notice notify the Procurer and the Company on behalf of all the Lenders about the Lenders' decision to invite and negotiate, at the cost of the Lenders, offers from third parties to act as Selectee, either through private negotiations or public auction and / or a tender process, for the residual period of the PPA. Subject to and upon approval of the Procurer, such Selectee shall be entitled to receive all the rights of the Company and shall undertake all the obligations of the Company under the PPA and other Power Station Documents executed between the Company and the Procurer, in accordance with these terms of substitution.
- 5.2. The Lenders and the Company shall ensure that, upon the Procurer approving the Selectee, the Company shall transfer absolutely and irrevocably, the ownership of the Power Station to such Selectee simultaneously with the amendment or novation of the PPA and other Power Station Documents executed between the Company and the Procurer in favour of the Selectee as mentioned in Clause 1.2 of this Schedule.

6. Modality for Substitution

Criteria for selection of the Selectee

- 6.1. The Lenders and / or the Lenders' Representative shall in addition to any other criteria that they may deem fit and necessary, apply the following criteria in the selection of the Selectee:
- (a) if the Company is proposed to be substituted prior to the Scheduled COD or , the Selectee shall possess the financial capability used to qualify bidders in the MoU stage (including the methodology prescribed therein) to perform and discharge all the residual duties, obligations and liabilities of the Company under the PPA. If the Company is proposed to be substituted during the Operation Period, these criteria shall not be applicable.


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(b) the Selectee shall have the capability and shall unconditionally consent to assume the liability for the payment and discharge of dues, if any, of the Company to the Procurer under and in accordance with the PPA and also payment of the Total Debt Amount to the Lenders upon terms and conditions as agreed to between the Selectee and the Lenders;

(c) the Selectee shall have not been in breach of any agreement between the Selectee and any Bank or any Lender or between the Selectee and the Procurer, involving sums greater than Rupees (Rs) [Insert amount] at any time in the last two (2) years as on the date of the Substitution Notice to the Company.

(d) any other appropriate criteria, whereby continuity in the performance of the Selectee's obligations under the PPA is maintained and the security in favour of the Lenders under the Financing Agreements is preserved.

7. Modalities

7.1. The following modalities shall be applicable to any substitution of the Company by the Selectee pursuant to this PPA:

7.2. The Lenders' Representative shall on behalf of the Lenders propose to the Procurer (the "Proposal") pursuant to Clause 7.3 below, the name of the Selectee for acceptance, seeking:

(a) grant of all the rights and obligations under the PPA and the other Power Station Documents executed between the Procurer and the Company, to the Selectee (as substitute for the Company);

(b) amendment of the PPA and the other Power Station Documents executed between the Procurer and the Company, to the effect that the aforementioned grant to the Selectee, shall be such that the rights and obligations assumed by the Selectee are on the same terms and conditions for the residual period of the PPA as existed in respect of the Company under the original PPA and the other Power Station Documents executed between the Procurer and the Company; and

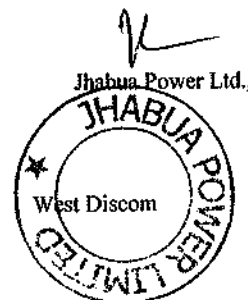
(c) the execution of new agreements as necessary, by the proposed Selectee for the residual period of the PPA on the same terms and conditions as are included in this PPA.

7.3. The Proposal shall contain the particulars and information in respect of the Selectee and the data and information as the Procurer may reasonably require. The Procurer


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may intimate any additional requirement within thirty (30) days of the date of receipt of the Proposal.

7.4. The Proposal shall be accompanied by an unconditional undertaking by the Selectee that it shall, upon approval by the Procurer of the Proposal:

(a) observe, comply, perform and fulfill the terms, conditions and covenants of the PPA and all other Power Station Documents executed between Company and the Procurer or a new PPA or respective RFP Document (in the case of the novation thereof), which according to the terms therein are required to be observed, complied with, performed and fulfilled by the Company, as if such Selectee was the Company originally named under the PPA; or the respective RFP Document; and

(b) be liable for and shall assume, discharge and pay the Total Debt Amount or then outstanding dues to the Lenders under and in accordance with the Financing Agreements or in any other manner agreed to by the Lenders and the Procurer as if such Selectee was the Company originally named under such Financing Agreements.

7.5. At any time prior to taking a decision in respect of the Proposal received under Clause 7.2, the Procurer may require the Lender/ Lenders' Representative to satisfy it as to the eligibility of the Selectee. The decision of the Procurer as to acceptance or rejection of the Selectee, shall be made reasonably and when made shall be final, conclusive and binding on the Parties.

7.6. The Procurer shall convey their approval or disapproval of such Proposal to the Selectee. Such decision shall be made by the Procurer at their reasonably exercised discretion within twenty one (21) days of:

(a) the date of receipt of the Proposal by the Procurer; or,


(b) the date when the last of further and other information and clarifications in respect of any data, particulars or information included in the Proposal requested by the Procurer under Clause 7.3 above is received;

whichever is later.

Notwithstanding anything to the contrary mentioned in this PPA, the approval of the Procurer for the Selectee shall not be withheld in case the Selectee meets the criteria mentioned in Clause 6.1.

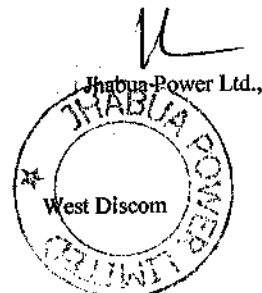
7.7. Upon approval of the Proposal and the Selectee by the Procurer, the Selectee mentioned in the Proposal shall become the Selectee hereunder.

7.8. Following the rejection of a Proposal, the Lenders and/ or the Lenders' Representative shall have the right to submit a fresh Proposal, proposing another Selectee (if the rejection was on the grounds of an inappropriate third party


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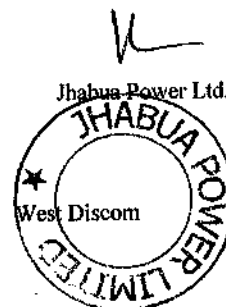
proposed as Selectee) within sixty (60) days of receipt of communication regarding rejection of the Selectee previously proposed. The provisions of this article shall apply mutatis mutandis to such fresh Proposal.

- 7.9. The substitution of the Company by the Selectee shall be deemed to be complete upon the Selectee executing all necessary documents and writings with or in favour of the Company, the Procurer and the Lenders so as to give full effect to the terms and conditions of the substitution, subject to which the Selectee has been accepted by the Lenders and the Procurer and upon transfer of ownership and complete possession of the Power Station by the Procurer or the Company, as the case may be, to the Selectee. The Procurer shall novate all the Power Station Documents, which they had entered in to with the Company in order to make the substitution of the Company by the Selectee effective. The quantum and manner of payment of the consideration payable by the Selectee to the Company towards purchase of the Power Station and assumption of all the rights and obligations of the Company under the PPA and other Power Station Documents as mentioned in this PPA shall be entirely between the Company, Selectee and the Lenders and the Procurer shall in no way be responsible to bear the same.
- 7.10. Upon the substitution becoming effective pursuant to Clause 7.9 above, all the rights of the Company under the PPA shall cease to exist.
- Provided that, nothing contained in this sub-article shall prejudice any pending / subsisting claims of the Company against the Procurer or any claim of the Procurer against the erstwhile Company or the Selectee.
- 7.11. The Selectee shall, subject to the terms and conditions of the substitution, have a period of ninety (90) Days to rectify any breach and/ or default of the Company subsisting on the date of substitution and required to be rectified and shall incur the liability or consequence on account of any previous breach and/ or default of the Company.
- 7.12. The decision of the Lenders and the Procurer in the selection of the Selectee shall be final and binding on the Company and shall be deemed to have been made with the concurrence of the Company. The Company expressly waives all rights to object or to challenge such selection and appointment of the Selectee on any ground whatsoever.
- 7.13. The Lenders shall be solely and exclusively responsible for obtaining any and all consents/ approvals or cooperation, which may be required to be obtained from the Company under this PPA and the Procurer shall not be liable for the same.
- 7.14. All actions of the Lenders' Representative hereunder shall be deemed to be on behalf of the Lenders and shall be binding upon them. The Lenders' Representative shall be authorised to receive payment of compensation and any other payments, including the consideration for transfer, if any, in accordance with the Proposal and the Financing Agreements and shall be bound to give valid discharge on behalf of all the Lenders.


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8. Company's Waiver

- 8.1. The Company irrevocably agrees and consents (to the extent to which applicable law may require such consent) to any actions of the Lenders, the Lender's Representative and the Procurer or exercise of their rights under and in accordance with these terms.
- 8.2. The Company irrevocably agrees and consents (to the extent to which applicable law may require such consents) that from the date specified in Clause 7.10, it shall cease to have any rights under the PPA or the Financing Agreements other than those expressly stated therein.
- 8.3. The Company warrants and covenants that any agreement entered into by the Company, in relation to the Power Station, shall include a legally enforceable clause providing for automatic novation of such agreement in favour of the Selectee, at the option of the Lenders or the Procurer. The Company further warrants and covenants that, in respect of any agreements which have already been executed in relation to the Power Station and which lack a legally enforceable clause providing for automatic novation of such agreement, the Company shall procure an amendment in the concluded agreement to incorporate such clause.

9. Interim Protection Of Service And Preservation Of Security

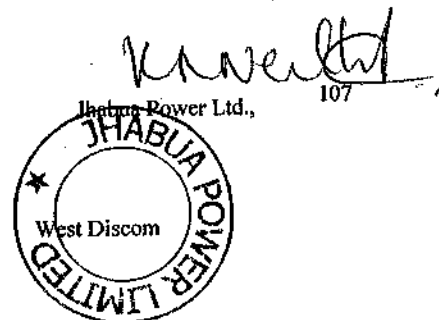
Appointment of a Receiver

- 9.1. In every case of the Lenders issuing a Substitution Notice and the Procurer refusing to takeover the Power Station and the Company failing to operate the Power Station in accordance with Clause 4.3 and the Procurer not electing to act as Receiver as per Clause 9.2 hereof, the Lenders may institute protective legal proceedings for appointment of a receiver (the "Receiver") to maintain, preserve and protect the assets held as security by the Lenders if such right is granted under the terms of the Financing Agreements.
- 9.2. If the assets of the Power Station are, in the opinion of the Procurer, necessary and required for the operation and maintenance of the Power Station, the Procurer shall be entitled to elect to act as the Receiver for the purposes of this Article and be entitled to maintain, preserve and protect the said assets by engaging an operator/service provider to act on their behalf and the Lenders and Company hereby consent and agree to the same. Upon the Procurer so intimating the Company and the Lender's representative their desire to act as Receiver, the Company and the Lender's representative shall co-operate with the Procurer to facilitate the same.
- 9.3. Upon appointment of the Court appointed Receiver or the Procurer acting as Receiver, all the Receivables received by such Receiver shall be deposited by the Receiver in the bank account jointly designated by the Procurer and the Lenders. The Receiver shall be responsible for protecting the assets in receivership and shall


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render a true and proper account of the receivership to the Lenders in accordance with the terms of its appointment.

- 9.4. When acting as a Receiver or operator in accordance with Clauses 9 or 4.2, the Procurer shall be entitled to be remunerated for such services as may be determined by the Appropriate Commission. Furthermore, when acting as a Receiver, the Procurer shall not be liable to the Lenders, the Lenders' Representative, Company or any third party for any default under the PPA, damage or loss to the Power Station or for any other reason whatsoever, except for willful default of the Procurer.

10. Substitution Consideration

- 10.1. The Lenders and Procurer shall be entitled to appropriate any consideration received for the substitution of the Company as hereinabove provided, from the Selectee towards the payment of Lenders' and the Procurer' respective dues, to the exclusion of the Company.

- 10.2. The Company shall be deemed to have nominated, constitutes and appoints the Lenders' Representative as its constituted attorney for doing all acts, deeds and things as may be required to be done for the substitution of the Company by the Selectee pursuant to these terms.

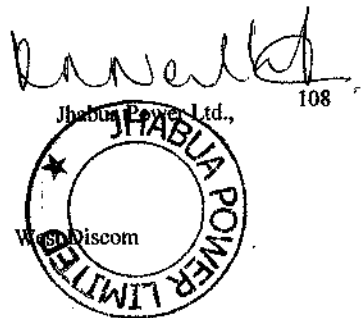
11. Change in the Lenders

- 11.1. The Parties hereto acknowledge that during the subsistence of the PPA, it is possible that any Lender may cease to remain as a Lender by reason of repayment of the debt or otherwise. Further it may possible that any Lender may be substituted or a new Lender may be added. In the event of any Lender ceasing to be a party to the PPA or Financing Agreements respectively, the term and conditions as prescribed in this Schedule shall cease to automatically apply to such Lender. Further, upon any entity being added as a Lender and in the event such entity is given the right to substitute the Company under the Financing Agreements and then the contents of this Schedule shall be applicable to the exercise of such right by the said new entity.



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**POWER PURCHASE AGREEMENT
BETWEEN
GOVERNMENT OF MADHYA PRADESH
AND
M/S Jhabua Power Ltd.,
FOR
PROCUREMENT OF POWER ON
VARIABLE CHARGE BASIS
JUNE 2011**


Secretary (Energy)
Govt. of M.P. Bhopal


MP Tradeco

For JHABUA POWER LIMITED


K.N. NEELKANT
CHIEF OPERATING OFFICER

Designation of Chief Operating Officer of IPP



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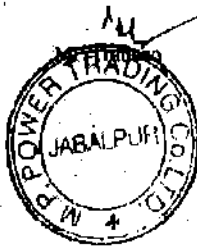
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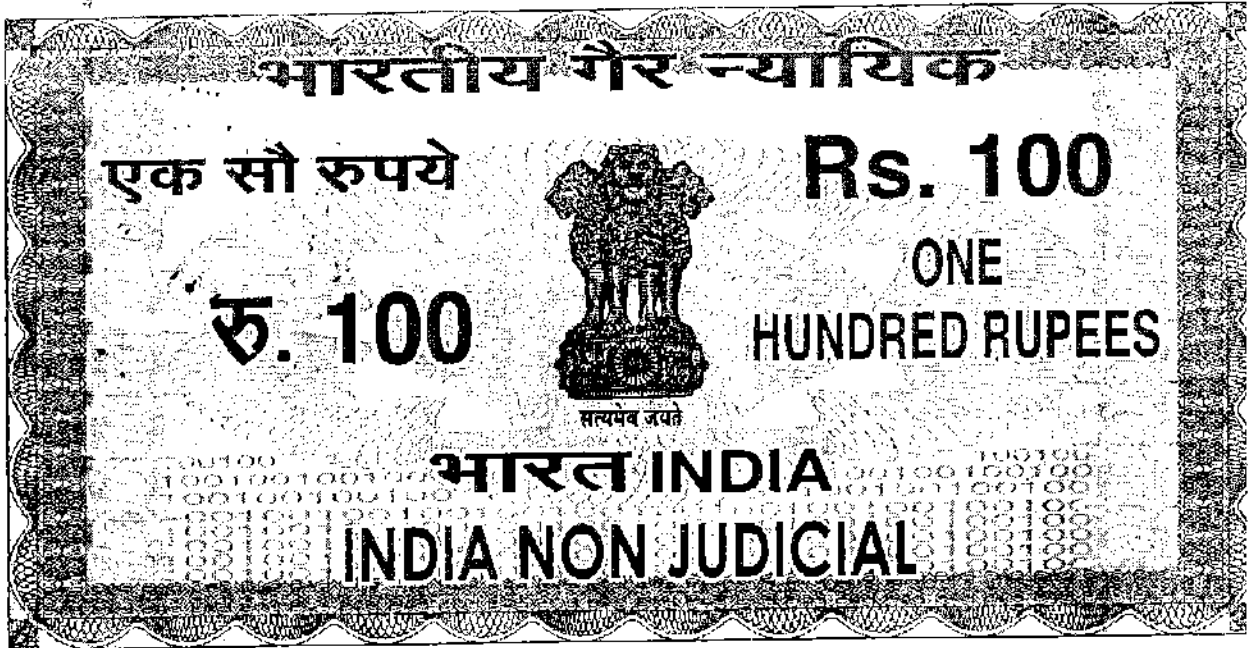
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 Dy. Secretary
 Secretary (Energy)
 Energy Deptt.
 Govt. of M.P., Bhopal


 Designation of Signatory of IPP





मध्य प्रदेश MADHYA PRADESH

S 194775

THIS AGREEMENT IS MADE ON THE 27th day of June 2011

BETWEEN

The Government of Madhya Pradesh through its Secretary, Energy Department, Vallabh Bhawan, Bhopal (hereinafter referred to as 'GoMP', which expression shall unless repugnant to the context or meaning thereof, include any person(s) nominated by GoMP for the purpose of this Agreement) as party of the First Part;

AND

M/s Jhabua Power Limited a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 6-B Express Tower, 42-A Shakespeare Sarani, Kolkata (hereinafter referred to as 'the Company', which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) as party of the Second Part.

The "GoMP" and "the Company" are individually referred to as "Party" and collectively to as the "Parties".

WHEREAS the Government of Madhya Pradesh is desirous of facilitating private sector participation and investments in power generation projects in the State of Madhya Pradesh by providing assistance and support and in terms of the Memorandum of Understanding and

Secretary (Energy)
GoMP

Secretary
Govt. of Madhya Pradesh
Energy Department



(Chief Operating Officer)
Jhabua Power Ltd.



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Implementation Agreements entered into with various developers for development of generation projects and in consideration being entitled to a certain share of power generated from such projects;

AND WHEREAS pursuant to the above, the Company and the GoMP have entered into a Memorandum of Understanding dated 17.01.2007, as amended on 14.01.2010 for setting up of Coal based Thermal Power Station by the Company with a proposed capacity of (1x600+1x660) 1260 MW to be located at Seoni District in the State of Madhya Pradesh;

AND WHEREAS pursuant to the terms of the MoU the Company and the GoMP had entered into an Implementation Agreement dated 14.01.2008, as amended on 14.1.2010 and 27.6.2011 (hereinafter referred to as "the I.A.") for construction, ownership, operation and maintenance of the said Power Station by the Company subject to the terms and conditions contained in the I.A. and the MOU;


AND WHEREAS this Agreement is being entered into pursuant to the terms of the I.A;

AND WHEREAS as per terms of the I.A., the GoMP has the right, inter alia, to purchase power from the Power Station at all times so long the Power Station exists including in any enhanced, expanded and /or renovated and/or modernized Plant equal to five percent (5 %) of the net power (the net power being the gross power generated minus the permitted auxiliary consumption) at a price equivalent to Variable Charge/Cost only (as defined herein below), from Unit No. 1 and five point four five percent (5.45 %) of the net power (the net power being the gross power generated minus the permitted auxiliary consumption) at price equivalent to variable charge / cost only from Unit No. 2 . If the company is allocated captive coal block also in the state of Madhya Pradesh for supply of coal to the Unit No.2, then the GoMP has right to purchase Seven point seven three percent (7.73%) of the net power (the net power being the gross power generated minus the permitted auxiliary consumption) at price equivalent to variable charge / cost only, from Unit No. 2

AND WHEREAS THE GoMP has nominated, for the present, the Madhya Pradesh Power Trading Company Limited a Government of Madhya Pradesh Undertaking (hereinafter referred to as MP Tradeco) to receive on behalf of GoMP the aforesaid net power at Variable Charge/Cost to be determined by the Appropriate Commission and has further directed that MP Tradeco shall deal with the said power purchased in such manner as may be directed by GoMP and in confirmation of the above MP Tradeco is signing this Agreement as a confirming party;

AND WHEREAS the Company has provided to the GoMP, Initial Contract Performance Guarantee as per the provisions of Article 3.4 as per format specified in Schedule-IA of this Agreement.

NOW THEREFORE IN CONSIDERATION OF THE PREMISE AND MUTUAL COVENANTS AND CONDITIONS SET FORTH HEREIN, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS UNDER:


Dy. Secretary
Energy Deptt.
Govt. of M.P., Bhopal


MP Tradeco


(Chief Operating Officer)
Jhabua Power Ltd.



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ARTICLE - 1: DEFINITIONS AND INTERPRETATION

1.1. Definitions

The words and expressions used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them in the Electricity Act, 2003 and the rules or regulations framed there under, including those issued / framed by the Appropriate Commission (as defined hereunder), and as amended or re-enacted from time to time.

The words and expressions mentioned below shall have the same meanings as respectively assigned to them hereunder:

"Act" or "Electricity Act 2003" shall mean the Electricity Act, 2003 and any rules, amendments, regulations, notifications, guidelines or policies issued there under from time to time;

"Agreement" or "Power Purchase Agreement" or "PPA" shall mean this Power Purchase Agreement including its recitals and Schedules, amended or modified from time to time in accordance with the terms hereof;

"Aggregate Capacity" shall mean, in relation to a Unit the proposed nameplate capacity of the Unit and in relation to the Power Station the total proposed nameplate capacity of the Power Station. Such proposed capacity of the Power Station in mega watt shall be the sum total of proposed nameplate capacities of each of the Units as mentioned below:

Unit 1: 600 MW, Unit 2 : 660 MW;


"Appropriate Commission" shall mean the Madhya Pradesh Electricity Regulatory Commission and wherever the context so admits the Central Commission constituted under the Electricity Act, 2003;

"Availability Based Tariff" or "ABT" shall mean the regulations contained in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, as amended or revised from time to time, to the extent applied as per the terms of this Agreement;

"Bill Dispute Notice" shall mean the notice issued by a Party raising a Dispute regarding a Weekly Bill or a Supplementary Bill issued by the other Party;

"Business Day" shall mean with respect to the Company and GoMP, a day other than Sunday or a statutory holiday, on which the banks remain open for business at Jabalpur in the State of Madhya Pradesh;

"CERC" or "Central Commission" shall mean the Central Electricity Regulatory Commission of India, constituted under sub-section (1) of Section 76 of the Electricity Act, 2003, or its successors;


Dy. Secretary
Secretary (Deptt.)
GoMP, Bhopal


MP Tradeco


(Chief Operating Officer)
Jhabua Power Ltd.



"Change in Law" shall have the meaning ascribed thereto in Article 12 of this Agreement;

"Commercial Operation Date" or **"COD"** shall mean, in relation to a Unit the date on which the Unit is Commissioned and in relation to the Power Station the date on which all the Units of the Power Station are so Commissioned;

"Commissioning" or **"Commissioned"** with its grammatical variations shall mean, in relation to a Unit, a written notice by the Company to the GoMP confirming the commissioning of the relevant Unit in accordance with applicable Law or in relation to the Power Station, such commissioning of all the Units of the Power Station;

"Competent Court of Law" shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;

"Conditions Subsequent" shall have the meaning set out in Article 3;

"Contract Performance Guarantee" shall mean the irrevocable unconditional bank guarantee submitted or to be submitted by the Company to the GoMP from a scheduled commercial bank and in the format provided in Schedule - 1B in accordance with the terms of this Agreement;

"Contract Year" shall mean the period commencing on the Effective Date (as defined hereunder) and ending on the immediately succeeding March 31 and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31;


Provided that the financial year in which the Scheduled COD, as the case may be, of the first Unit would occur, the Contract Year shall end on the date immediately before the Scheduled COD as the case may be, of such Unit and a new Contract Year shall commence once again from the Scheduled COD, as the case may be and end on the immediately succeeding March 31, and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31,

"Contracted Energy" shall mean energy equivalent to five percent (5%) of the Electrical Output of the Unit No.1 and five point four five percent (5.45 %) of the Electrical Output of the Unit No. 2 at all times contracted to be sold by the Company to the GoMP in accordance with the terms of this Agreement. If the company is allocated captive coal block in the state of Madhya Pradesh for supply of the coal to the Unit No.2, then contracted Energy for Unit No 2 shall mean energy equivalent to seven point seven three percent (7.73%) of the Electrical Output of the Unit No 2 at all times contracted to be sold by the Company to the GoMP in accordance with the terms of this Agreement;

"Delivery Point" shall mean the ex-bus point of the Power Station at the Power Station switchyard;


Dy. Secretary
Secretary (Energy)
GoMP
Ind. Dept., Bhopal


A.S. I.
MP Tradeco


(Chief Operating Officer)
Jhabua Power Ltd.



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"Despatch" shall mean to schedule and control the generation of the Power Station in order to commence, increase, decrease or cease the Electrical Output as delivered to the Grid System in accordance with the instructions from the SLDC/ RLDC in conformity with the Grid Code, this Agreement and Prudent Utility Practices;

"Despatch Instruction" shall mean any instruction for scheduling of power issued by the GoMP through the concerned SLDC and/or RLDC to the Company, in accordance with applicable Grid Code and this Agreement;

"Dispute" shall mean any dispute or difference of any kind between the Parties hereto in connection with or arising out of this Agreement including any issue on the interpretation and scope of the terms of this Agreement;

"Due Date" shall mean the thirtieth (30th) day after a Weekly Bill or a Supplementary Bill is delivered to and its receipt is acknowledged by the GoMP (or, if such day is not a Business Day, the immediately succeeding Business Day) by which date such Weekly Bill or Supplementary Bill is payable by the GoMP;

"Effective Date" shall have the meaning set out in Article 2.1 of this Agreement;


"Electrical Output" or "Net Power" shall mean the gross electrical energy in kilo watt hour (kWh) generated by one or more Unit(s) or the Power Station, as the case may be, reduced by normative auxiliary consumption for power station(s) having similar Unit capacity(s) as prescribed by the Appropriate Commission and delivered at the Delivery Point;

"Energy Account" or "Regional Energy Account" or "REA" shall mean the Regional Energy Account as defined in the Grid Code and issued by the Western Region RPC secretariat or other Competent Authority for each calendar month or part thereof (as per their prescribed methodology), including the revisions and amendments thereof;


"Event of Default" shall mean the events as defined in Article 13 of this Agreement;

"Financial Closure" shall mean the execution of all the Financing Agreements required for the Power Station and fulfillment of conditions precedent there under and/or waiver; of any of such conditions precedent for the initial draw down of funds there under;

"Financing Agreements" shall mean the agreements pursuant to which the Company has sought financing for the Power Station including the loan agreements, notes, indentures, security agreements, letters of credit and other documents, as may be amended, modified, or replaced from time to time, but without in anyway increasing the liabilities of the GoMP;


Dy. Secretary
Secretary (Energy)
Energy Deptt.
GoMP
Govt. of M.P., Bhopal


MP Tradeco


(Chief Operating Officer)
Jhabua Power Ltd.



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"Force Majeure" or "Force Majeure Event" shall have the meaning ascribed thereto in Article 11 of this Agreement;

"Fuel" means primary fuel (coal) used to generate electricity namely, domestic coal/imported coal/blended coal (as applicable);

"Fuel Supply Agreement(s)" shall mean the agreement(s) entered into between the Company and the Fuel supplier and/or others for the purchase, transportation and handling of the Fuel "GoI" shall mean the Government of India;

"GoMP" shall mean the Energy Department, Government of Madhya Pradesh and shall include the nominee or assignee, as the case may be, of the GoMP nominated or assigned in terms of this Agreement

"Grid Code" or "IEGC" shall mean any set of regulations or codes issued by the Appropriate Commission as amended and revised from time to time and as applicable to the Power Station and the GoMP governing the operation of the Grid System or any succeeding set of regulations or code;

"Grid System" shall mean the interconnection and transmission facilities and any other transmission or distribution facilities through which the GoMP supply electricity to its customers or the transmission company transmits electricity to the GoMP;

"IA" or "Implementation Agreement" shall have the meaning set out in the recitals above and as may be amended from time to time;


"Indian Governmental Instrumentality" shall mean the Government of India, Government of Madhya Pradesh and any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or Government of Madhya Pradesh or both, any political sub-division of any of them including any court or Appropriate Commission(s) or tribunal or judicial or quasi-judicial body in India; ;

"Initial Performance Guarantee" shall have the meaning ascribed thereto in Article 3.4;

"Insurance" shall mean the insurance cover to be obtained and maintained by the Company in accordance with Article 9 of this Agreement;

"Interconnection Facilities" shall mean the facilities beyond the Delivery Point for receiving and metering Electrical Output in accordance with this Agreement and which shall include, without limitation, all other transmission lines and associated equipment, transformers and associated equipment, relay and switching equipment and protective devices, safety equipment and, subject to Article 8, the Metering System required for the Power Station;

"Invoice" or "Bill" shall mean an Invoice and / or a Supplementary Invoice as per Article 10 or an invoice from the GoMP;


Dy. Secretary
Secretary (Energy)
Energy Dept.
Govt. of M.P., Bhopal


MP Tradeco


(Chief Operating Officer)
Jhabua Power Ltd.

"Late Payment Surcharge" shall have the meaning as defined in Article 10.4.1;

"Law" shall mean in relation to this Agreement, all laws including electricity laws in force in India and any statute, ordinance, regulation, notification or code, rule, or any interpretation of any of them by an Indian Governmental Instrumentality and having force of law and shall further include without limitation all applicable rules, regulations, orders, notifications by an Indian Governmental Instrumentality pursuant to or under any of them and shall include without limitation all rules, regulations, decisions and orders of the Appropriate Commission, and shall include for avoidance of doubt, any amendments thereto and replacements thereof;

"Lender(s)" shall mean the banks, other financial institutions, multilateral agencies, non banking financial companies registered with Reserve Bank of India, mutual funds and agents or trustees of debenture / bond holders, including their successors and assignees, who have agreed as on or before COD of the Power Station to provide the Company with the debt financing and any successor banks or financial institutions to whom their interests under the Financing Agreements may be transferred or assigned or securitized;

Provided that, such assignment or transfer shall not relieve the Company of its obligations to the GoMP under this Agreement in any manner and shall also not lead to an increase in the liability of the GoMP at any given point of time;

"Letter of Credit" or "L/C" shall have the meaning ascribed thereto in Article 10.5 of this Agreement;


"Meters" or "Metering System" shall mean meters used for accounting and billing of electricity in accordance with Central Electricity Authority (Installation and Operations of Meters) Regulations, 2006, Grid Code and ABT, as amended from time to time;

"Month" shall mean a period of thirty (30) days from (and excluding) the date of the event where applicable, else a calendar Month;


"Power Station" shall mean the coal based Thermal Power Station having the proposed capacity of (1x600+1x660) 1260 MW, to be established in District Seoni in the State of Madhya Pradesh and shall also include any expansion, enhancement or increase in the above capacity as well as any renovation and modernization of the Power Station;

"Preliminary Default Notice" shall have the meaning ascribed thereto in Article 13.2 (i);

"Prudent Utility Practices" shall mean those practices, methods, techniques and standards, as prevalent from time to time, that are generally accepted internationally by electric utilities for the purpose of ensuring safe, efficient and economic design, construction, commissioning, testing, operation and maintenance of the various components of the Power Station and which


Dy. Secretary
Energy Deptt.
Govt. of M.P., Bhopal


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(Chief Operating Officer)
Jhabua Power Ltd.



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practices, methods and standards shall be adjusted as necessary to take into account:

- i) Installation, operation and maintenance guidelines recommended by the manufacturers of plant and equipment to be incorporated in the Power Station.
- ii) The requirement of Indian Law
- iii) Conditions affecting the Grid System and
- iv) Physical conditions at the Site;

"RLDC" shall mean the relevant Regional Load Dispatch Centre established under Sub-section (1) of Section 27 of the Electricity Act, 2003;

"RPC" shall mean the Regional Power Committee established by the Government of India for the western region in accordance with the Electricity Act, 2003 for facilitating integrated operation of the power system in that region;

"Scheduled Commercial Operation Date" or "Scheduled COD" shall mean the scheduled date for achieving COD,

"Scheduled Connection Date" means the date on or before which the evacuation facilities for the Contracted Energy beyond the Delivery Point shall have to be established by GoMP, which shall be the date falling two hundred ten (210) days before the Scheduled COD or Revised Scheduled COD, as the case may be, for the first unit.

"Scheduled Energy" shall mean the Contracted Energy determined in relation to the available capacity of a Unit or the Power Station, to be scheduled by the GoMP in accordance with ABT as confirmed by RLDC;

"Settlement Period" shall mean the time period for the issuance of daily generation and drawl schedules as provided in ABT;

"SLDC" shall mean the centre established under Sub-section (1) of Section 31 of the Electricity Act-2003 for the State of Madhya Pradesh being at present the Madhya Pradesh Power Transmission Company Limited;


"SLDC Charges" shall mean the charges levied by SLDC for the supply of power by the Company to the GoMP;

"State Energy Accounts" or "SEA" shall mean as defined in the Grid Code and issued by the Madhya Pradesh SLDC for each calendar month or part thereof (as per their prescribed methodology), including the revisions and amendments thereof;

"State Transmission Utility" or "STU" shall mean the Government company notified by the Madhya Pradesh State Government under Sub-section (1) of Section 39 of the Act;

"Supplementary Bill" shall mean a Bill other than a Weekly Bill raised by any of the Parties;

"Tariff" shall mean the Variable Charge/Cost;


Dy. Secretary
Secretary (Energy)
Energy Dept.
GoMP
Cyt. of M.P., Bhopal


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(Chief Operating Officer)
Jhabua Power Ltd.



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"Tariff Payment" shall mean the payments to be made by the GoMP under Weekly Bills and the relevant Supplementary Bills;

"Unit" shall mean, in relation to the Power Station one steam generator, one turbine, one electrical generator and associated auxiliaries of the Power Station, all of which together are capable of generating electricity at the terminals of the electrical generator;

"Variable Charge/Cost"

shall have the meaning ascribed to the term under "CERC Tariff Regulation 2009" in priority the following

(a) in case any part of the power from the power station is sold subject to the determination of tariff (variable cost) by the Madhya Pradesh Electricity Regulatory Commission, the variable cost so determined by such Commission; and

(b) in case no part of the power is sold subject to the determination of the tariff (variable cost) by the Madhya Pradesh Electricity Regulatory Commission, then variable cost shall be as determined by the Madhya Pradesh Electricity Regulatory Commission on a reference being made by the GoMP requesting the said Commission for such determination of variable cost under the provisions of the Electricity Act, 2003.

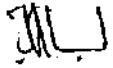
"Weekly Bill" or "Weekly Invoice" shall mean a Weekly invoice to be raised by the Company for the Tariff, in accordance with Article 10;

"Wheeling Charges" or "Transmission Charges" shall mean the charges to be paid by the GoMP to the CTU or STU or any other transmission licensee or any other agency as applicable under Law, for the transfer of power corresponding to Contracted Energy from the Delivery Point onwards;

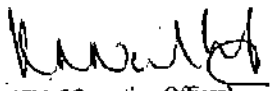
1.2. Interpretation

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

- 1.2.1. "Agreement" shall be construed as including a reference to its Schedules
- 1.2.2. An "Article", a "Recital", a "Schedule" and a "paragraph/clause" shall be construed as a reference to an Article, a Recital, a Schedule and a paragraph/clause respectively of this Agreement;
- 1.2.3. A "Crore" means a reference to ten million (10,000,000) and a "Lakh" means a reference to one tenth of a million (1,00,000);
- 1.2.4. 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;


Dy. Secretary
Secretary (Energy)
Govt. of M.P., Bhopal



MP Tradeco


(Chief Operating Officer)
Jhabua Power Ltd.



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- 1.2.5. "Indebtedness" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.6. A "person" shall be construed as a reference to any person, firm, company, limited liability partnership, 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;
- 1.2.7. "Rupee", "Rupees" and "Rs." shall denote Indian Rupees, the lawful currency of India;
- 1.2.8. 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;
- 1.2.9. Words importing the singular shall include the plural and vice versa;
- 1.2.10. This Agreement itself or any other agreement; or deed, instrument, license 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;
- 1.2.11. A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time;
- 1.2.12. A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time;
- 1.2.13. Any reference to period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include such days or dates;
- 1.2.14. 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;
- 1.2.15. The words / expressions used in this Agreement shall have the same meaning as assigned to them in the context in which these have been used in this Agreement provided that their respective meaning, if any, assigned to such undefined word / expression in the Electricity Act, 2003 shall also be taken into consideration for harmonious interpretation of the Agreement.
- 1.2.16. The tables 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;


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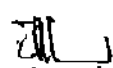


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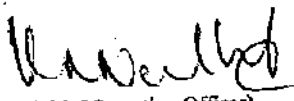
1.2.17. All interest payable under this Agreement shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty five (365) days;

1.2.18. The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement;

1.2.19. The terms "including" or "including without limitation" shall mean that any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;


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ARTICLE - 2: TERM OF AGREEMENT

2.1. Effective Date

2.1.1. This Agreement shall come into effect from the date it is executed by the Parties and delivered by the last of all the Parties and such date shall be referred to as the Effective Date.

2.2. Term of Agreement

2.2.1. This Agreement shall have a term commencing from the Effective Date and shall be co-terminus with the life of the Power Station without termination or determination by efflux of time or otherwise by any notice by either Party till the operation of the Power Station, including any expanded, or increased capacity or additional units that may be established from time to time and continues to be operated through Renovation or Modernization or otherwise or till the resumption of the facilities by the GoMP for default or reasons attributable to the Company as provided in this Agreement (hereinafter referred to as the "Term"). The Term of this Agreement shall expire on the day the Power Station is de-commissioned and ceases to operate forever.

2.3. Survival

2.3.1. The cessation of the operation of the Power Station shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the termination.


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ARTICLE - 3: CONDITIONS PRECEDENT AND SUBSEQUENT

3.1. IA to be part of this PPA

The IA will be deemed to be valid part of this Agreement. However in case of conflict between IA and this Agreement, the provision of this Agreement shall prevail.

3.2. Satisfaction of Conditions Subsequent by the Company


3.2.1. The Company agrees and undertakes to duly perform and complete the following activities at the Company's own cost and risk.

3.2.1.1. Within twelve (12) Months from the Effective Date complete the following activities, unless such completion is affected by any Force Majeure Event or due to the GoMP's failure to comply with its obligations under this Agreement, or if any of the activities is specifically waived in writing by the GoMP.

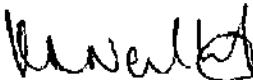
- (i) The Company shall have taken the possession of land required, for the setting up of the Power Station and shall have submitted a letter to this effect to the GoMP;
- (ii) The Company shall have awarded the Engineering, Procurement and Construction contract ("EPC contract") or main plant contract for boiler, turbine and generator ("BTG"), for setting up of the Power Station and shall have given to such contractor an irrevocable instruction to proceed and shall have submitted a letter to this effect to the GoMP;
- (iii) The Company shall have achieved Financial Closure and shall have provided a certificate from the lead banker to this effect to the GoMP;
- (iv) The Company shall have made available to the GoMP the data with respect to the Power Station for design of Interconnection Facilities;
- (v) The Company shall have submitted to the GoMP, the milestone schedule for setting up of the Power Station.
- (vi) The Company shall have obtained clearances from the Ministry of Environment and Forests, Government of India;
- (vii) In the event the Company exercises its right under Article 15.1.4, then the Company shall have provided an irrevocable letter to the Lenders duly accepting and acknowledging the rights provided to the Lenders under the terms of this Agreement and all other Power Station Documents.

3.3. Consequences of non-fulfillment of Conditions Subsequent by the Company

3.3.1. If any of the conditions specified in Article 3.2 is not duly fulfilled by the Company even within three (3) Months after the time specified under Article 3.2 otherwise than for reasons attributable to GoMP or Force Majeure Event then on and from the


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expiry of such period and until the Company has satisfied all the conditions specified in Article 3.2, the Company shall be liable to furnish to the GoMP additional weekly performance guarantee (the "Additional Weekly Performance Guarantee") of Rupees twenty four point seven five lakhs (Rs. 24.75 Lakhs) only for Unit No.1 and 2 within two (2) Business Days of expiry of every such week. Such Additional Weekly Performance Guarantee shall initially be valid for twelve (12) Months, and shall be extended from time to time, at least fifteen (15) days prior to the expiry, to be valid up to three (3) Months after the achievement of Conditions Subsequent. The GoMP shall be entitled to hold and/or invoke the Initial Contract Performance Guarantee, including such Additional Weekly Performance Guarantee, in accordance with the provisions of this Agreement.

For avoidance of doubt it is clarified that:

- (a) the Additional Performance Guarantee to be furnished by the Company to the GoMP, as may be required under this Agreement, shall be in addition to the Initial Contract Performance Guarantee; and
- (b) the GoMP shall have the right to encash the Initial Contract Performance Guarantee and/or the Additional Weekly Performance Guarantee, individually or in combination, to compensate itself, without any obligation to issue any notice to the Company before doing so, according to the terms hereof;


3.3.2. If:

- (i) Fulfilment of any of the conditions specified in Article 3.2 is delayed beyond the period of three (3) Months after the date specified in Article 3.2.1.1 above and the Company fails to furnish any Additional Weekly Performance Guarantee to the GoMP in accordance with Article 3.3.1 hereof; or
- (ii) The Company furnishes Additional Weekly Performance Guarantee to the GoMP in accordance with Article 3.3.1 hereof but fails to fulfil the conditions specified in Article 3.2 for a period of eight (8) Months beyond the period specified therein,

the GoMP shall have the right (but not an obligation) to terminate this Agreement by giving a Termination Notice to the Company in writing of at least seven (7) days. The termination of the Agreement shall take effect upon expiry of the last date of the said notice period ("Termination Date"). On such termination becoming effective all rights conferred to the Company under and in terms of the I.A. shall revert back to the GoMP and the land and all facilities provided to or availed by the Company under the I.A. (collectively referred to as "the Benefits") shall be withdrawn in addition to the Liquidated Damages provided in this Agreement.

3.3.3. If the GoMP elects to terminate this Agreement in the event specified in the preceding Article 3.3.2, the Company shall be liable to pay to the GoMP on the Termination Date an amount of Rupees six hundred sixty lakhs (Rs:6 60 lakhs) only as pre-estimated liquidated damages.

The GoMP shall be entitled to recover this amount of liquidated damages by invoking the Initial Contract Performance Guarantee and Additional Weekly


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Performance Guarantee to the extent of Rupees six hundred sixty lakhs (Rs. 6,60,00,000 lakhs) only and shall then return the balance Performance Guarantee, if any, to the Company. If the GoMP is unable to recover the said amount of Rupees six hundred sixty lakhs (Rs. 6,60 lakhs) only or any part thereof from the Initial Contract Performance Guarantee and/or Additional Weekly Performance Guarantee, the amount not recovered from these performance guarantees, if any, shall be payable by the Company to the GoMP within ten (10) days from the date of Termination..

For the avoidance of doubt, it is clarified that:


- (a) The Company shall have no right to terminate this Agreement for non fulfilment of any Conditions Subsequent on the part of the Company as mentioned in this Article;
- (b) This Article shall survive the termination of this Agreement;
- (c) Notwithstanding the termination of the Agreement and recovery of the liquidated damages as mentioned above, in the event the Company establishes the Power Station or any Unit thereof at any time in future, then the GoMP shall, subject to re instatement of the Benefits that may have been withdrawn under Article 3.3.2 above, have an option and a right of first refusal to require the Company to sell electrical output equivalent to the Contracted Energy to it, on the same terms and conditions contained in this Agreement and accordingly this Agreement shall revive and bind the Parties for such Contracted Energy, without in any manner affecting the appropriation of the liquidated damages mentioned above.

3.3.4. In case of inability of the Company to fulfill any one or more of the conditions specified in Article 3.2 due to any Force Majeure Event, the time period for fulfillment of the Conditions Subsequent as mentioned in Article 3.2 shall be extended for the period equivalent to the period required to cure the effects of such Force Majeure Event.

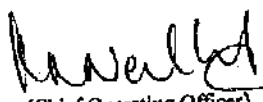
3.3.5. Notwithstanding the above terms contained in clauses 3.2. and 3.3 the parties agree that in the event of the Company deciding to abandon the Unit No. 2 of the project at any time within 12 months from the Effective Date for non availability of Fuel and in consequence thereof the Company unconditionally and irrevocably surrenders all privileges, rights and interests under the IA to the GoMP, the Company shall be entitled to terminate this Agreement without any liability to pay liquidated damages. In such an event the Company shall have no right to develop the Unit No. 2 of the project and no claim against GoMP for cost and expenses incurred by the Company in the development of the Project

3.4. Initial Contract Performance Guarantee and Contract Performance Guarantee

3.4.1. Prior to or simultaneously with the execution of this Agreement, the Company has provided to the GoMP, an unconditional and irrevocable performance guarantee (the "Initial Contract Performance Guarantee") as per proforma given in Schedule - IA from any scheduled bank, of an aggregate amount of Rupees One hundred ninety


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eight lakhs (Rs. 198.00 lakhs) only. Subject to Article 3.3 the Initial Contract Performance Guarantee shall be initially valid till Fifteen (15) months from the Effective Date and shall be extended from time to time, at least fifteen (15) days prior to the expiry, to be valid till three (3) Months after the fulfillment of Conditions Subsequent by the Company. If such extended Initial Contract Performance Guarantee is not received as per the date specified above, even after giving atleast 7 days prior notice for extension of validity of Initial Contract Performance guarantee, GoMP shall have the right to encash the then existing Initial Contract Performance Guarantee without giving any notice to the Company.

3.4.2. Upon fulfillment of Conditions Subsequent by the Company, the Company shall provide to the GoMP an unconditional and irrevocable contract performance guarantee (the "Contract Performance Guarantee") as per proforma given in Schedule - 1B from any scheduled commercial bank, of an aggregate amount of Rupees four hundred ninety five lakhs (Rs. 495 lakhs) only. Subject to Article 3.3.2 the Contract Performance Guarantee shall be initially valid till three (3) Months after the Scheduled COD of the Power Station and which shall be extended from time to time, at least fifteen (15) days prior to the expiry, to be valid up to three (3) Months after the COD of the Power Station. If such extended Contract Performance Guarantee is not received as per the date specified above, the GoMP shall have the right to encash the then existing Contract Performance Guarantee.


3.4.3. The Initial Contract Performance Guarantee or the Contract Performance Guarantee, as the case may be, including the Additional Weekly Performance Guarantee furnished under this Agreement shall be for fulfillment of conditions subsequent within the period specified under this Agreement and for guaranteeing the due and timely completion of the Power Station, achievement of Scheduled COD of each Unit.

3.4.4. The failure on the part of the Company to furnish and maintain Initial Contract Performance Guarantee or the Contract Performance Guarantee, as the case may be, and/ or the Additional Weekly Performance Guarantee shall be a material breach of the term of this Agreement.

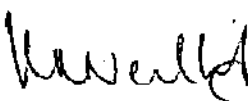
3.4.5. If the Company fails to achieve COD of any of the Units on their respective Scheduled COD subject to conditions mentioned in Article 4.3, the GoMP shall have the right (but not an obligation) to encash the Contract Performance Guarantee, without any notice to the Company, and appropriate in its favour as liquidated damages an amount specified in Article 4.4 without prejudice to the other rights of the GoMP under this Agreement.

3.4.6. Subject to the provisions of the Articles 3.3.4 and any increase in the time period for completion of Conditions Subsequent mentioned in Article 3.2, shall also lead to an equal increase in the time period for Scheduled COD.

3.5. Return of Performance Guarantee



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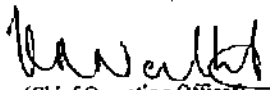

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- 3.5.1. Upon satisfaction of the Conditions Subsequent by the Company the Initial Contract Performance Guarantee and/or the Additional Weekly Performance Guarantee shall be returned/ released by the GoMP to the Company within a reasonable time after the Company has duly furnished to the GoMP the Contract Performance Guarantee;
- 3.5.2. In the event of applicability of Article 3.3.2 the GoMP shall return / release the performance guarantee(s) to the extent the performance guarantee is valid for an amount in excess of Rupees Six Hundred Sixty Lakhs (Rs. 660 lakhs) only.
- 3.5.3. The GoMP shall return / release the Contract Performance Guarantee to the Company at the end of the third (3rd) Month of the actual COD of the Power Station.
- 3.5.4. The return/release of the Contract Performance Guarantee shall be without prejudice to other rights of the GoMP under this Agreement and subject to adjustment by the GoMP of any amount due to the GoMP from the Company at the relevant time.


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ARTICLE - 4: DEVELOPMENT OF PROJECT

4.1. Company's Obligations

4.1.1. Subject to the terms and conditions of this Agreement, the Company undertakes to be responsible, at its own cost and risk, for:

- (i) Obtaining and maintaining in full force and effect all Consents, Clearances, and Permits during the Term of this Agreement required by it pursuant to this Agreement and Law;
- (ii) Setting up of the Power Station in a timely manner so as to enable each of the Units and the Power Station as a whole to be commissioned not later than its Scheduled COD or the Revised Scheduled COD, as the case may be and to make available the Contracted Energy reliably through the use of Prudent Utility Practices throughout the Term of this Agreement;
- (iii) Operation and maintenance of the Power Station in accordance with the provisions of this Agreement, Grid Code and Prudent Utility Practices;
- (iv) Procure the requirements of electricity at the Power Station (including construction, commissioning and start-up power) and to meet in a timely manner all formalities for getting such supply of electricity;
- (v) Providing to the GoMP, on a timely basis, relevant technical information on Power Station specifications, which may be reasonably required by the GoMP to design the Interconnection Facilities;
- (vi) Performance and fulfillment of all other obligations of the Company in accordance with the provisions of this Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the Company under this Agreement.

4.1.2. Submission of progress reports


The Company shall furnish to the GoMP, quarterly progress reports of actual progress of the Power Station and shall give all such other relevant information as may be required by the GoMP from time to time till COD of the Power Station.

4.1.3. To provide all information required under Consents, Clearances and Permits

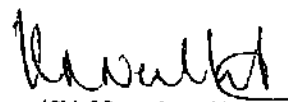
The Company shall provide all information and supporting documentation required to be submitted under Law, to any Competent Authority.

4.1.4. Safety Measures

The Company shall ensure proper safety measures during implementation of the Power Station including, but not limited to, any geological study, construction and testing at the Site as per Law.


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4.1.5. Scheduled Commercial Operation Date

The Company shall achieve Commercial Operation Date for the first Unit by 31st of March 2013 and second Unit of the Power Station within 3 (Three) Months thereafter.

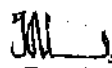
4.1.6. Revised Scheduled Commercial Operation Date

The Parties may mutually agree to revise the Scheduled CoD for Commissioning of any Unit or the Power Station (hereinafter referred to as Revised Scheduled Commercial Operation Date or Revised Scheduled COD) and such Revised Scheduled COD shall thereafter be the Scheduled COD.

[Provided that where the Company has separately entered into an agreement with the GoMP or its nominee for sale of energy at non-concessional tariffs from the project, then the Revised Scheduled COD under that agreement shall be the Revised Scheduled COD for this Agreement too.]

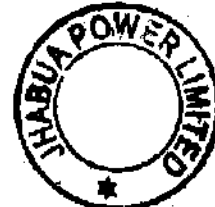
4.2 Supply of Energy

- 4.2.1 Subject to the terms and conditions of this Agreement, the Company undertakes to make available to the GoMP the Contracted Energy and the GoMP undertakes to purchase the Contracted Energy and pay the Tariff. The title, and risk to the Contracted Energy as scheduled shall pass from the Company to the GoMP at the Delivery Point. The Company's obligation to supply Contracted Energy in terms of this Agreement shall stand discharged upon its offering the Contracted Energy to the GoMP at the Delivery Point and the GoMP shall be responsible for evacuation of the same beyond the Delivery Point. Failure by the GoMP for any reason whatsoever to evacuate such Contracted Energy when offered by the Company shall entitle the Company to deal with such energy in any manner that it deems appropriate.
- 4.2.2 Subject to the provisions of this Agreement, the entire Contracted Energy shall at all times be for the exclusive benefit of the GoMP who shall have the exclusive right to purchase the Contracted Energy. The Company shall not grant to any third party or allow any third party to obtain any entitlement to the Contracted Energy. Upon failure by the GoMP to pay the Tariff for the Contracted Energy in accordance with the provisions of this agreement, the Company shall be entitled to sell the Contracted Energy to any third party and shall not share any revenue arising out such sell. The GoMP shall ensure that it opens and maintains the Letter of Credit in accordance with Article 10.5.
- 4.2.3 If the GoMP does not avail of the Contracted Energy provided by the Company, the Company shall be entitled to sell such Contracted Energy not taken by the GoMP, to any other person. For any such third party sale, all open access charges including losses, as may be applicable, shall not be payable by the GoMP. The Company shall


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maintain accounts and provide all details regarding price of sale etc. to the GoMP in respect of such sales under this Article.

4.2.4 In the case referred in Article 4.2.3, the sale realization in excess of Energy Charges shall be equally shared by the Company and the GoMP. In the event, the Company sells such Contracted Energy to any direct or indirect Affiliate of the Company/ shareholders of the Company the same shall be on arms length basis without any preference being given.

4.2.5 Where the sale under Article 4.2.3 by the Company is consequent to a notice issued by the GoMP to the Company indicating its unwillingness to purchase the Contracted Energy or part thereof for a period specified in such notice, the GoMP shall be entitled to request the Company for the resumption of supply of the Contracted Energy at any time. However, the Company shall not be liable to resume such supply earlier than the period specified in the said notice, and subject to the provisions regarding scheduling as per the Grid Code.

4.3 Extensions of time

4.3.1 In the event that the Company is prevented from performing its obligations to Commission any Unit by its Scheduled COD or Revised Scheduled COD, as the case may be, due to reasons attributable to GoMP or any Force Majeure Event, then in such events, the Scheduled COD or Revised Scheduled COD, as the case may be, shall be deferred for a period required and to be determined on 'day to day' basis, to permit the Company through the use of due diligence to overcome the said aforementioned events, as the case may be affecting the Company.


4.3.2 In the event of any extension under this Article 4.3.1, the date newly determined shall be deemed to be the Scheduled COD for the purposes of this Agreement.

4.4 Liquidated damages for delay in providing Contracted Energy

4.4.1 If the Company is unable to Commission any Unit of the Power Station by the Scheduled COD other than for force majeure reasons, the Company shall pay to GoMP liquidated damages as per Article 4.4.2, for the delay in such Commissioning and making the Contracted Energy available for dispatch by the Scheduled COD, without in any manner affecting the other rights of the GoMP.

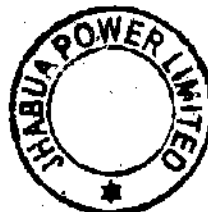
4.4.2 The liquidated damages payable by the Company to the GoMP shall be calculated considering for the purpose of this clause that GoMP has contracted for five percent (5%) of the Aggregate Capacity proposed to be established for Unit No. 1 and five point four five / seven point seven three percent (5.45/7.73%) for Unit No. 2 and as follows:

If $dn \leq 60$ days, then the liquidated damages shall be calculated as follows:


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
$SLDb = [CCun \times dn \times DR1] \times \text{five/five point four five/seven point seven three percent } (5 / 5.45/7.73\%)$

If $dn > 60$ days, then the liquidated damages shall be calculated as follows:

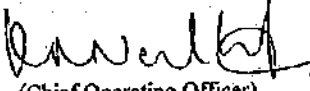
$SLDb = \{[CCun \times 60 \times DR1] + [CCun \times (dn - 60) \times DR2]\} \times \text{five/five point four five/seven point seven three percent } (5/5.45/7.73\%)$

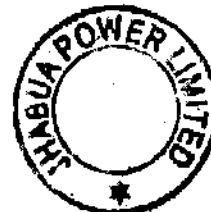
Where:

- (a) "SLDb" is the liquidated damages payable by the Company during the period beginning with the day from the Scheduled COD up to and including the day on which supply of power to the GoMP actually commences from the generation source as provided in this Agreement;
 - (b) "CCun" is the Aggregate Capacity of the relevant Unit "n";
 - (c) "dn" is the number of days in the period beginning with the day after the Scheduled COD, of Unit "n" up to and including the day on which such Unit is actually Commissioned;
 - (d) "DR1" is Rupees Ten Thousand (Rs. 10,000) of damages per MW per day of delay in case "d" is equal to or less than 60 days and "DR2" is Rs. Fifteen Thousand (Rs. 15,000) of damages per MW per day of delay in case "d" is more than 60 days. The amount so determined shall be paid by the Company without any demur and it agrees to pay the same unequivocally and unconditionally in the manner provided herein.
- 4.4.3 The Company shall pay the amount calculated pursuant to Article 4.4.2 to the GoMP within ten (10) days of the amount becoming due.
- 4.4.4 If the Company fails to pay the amount of damages within the said period of ten (10) days, the GoMP shall be entitled to recover the said amount of the liquidated damages by invoking the Contract Performance Guarantee. If the then existing Contract Performance Guarantee is for an amount which is less than the amount of the liquidated damages payable by the Company to the GoMP under this Article 4.4 then the Company shall be liable to forthwith pay the balance amount within ten (10) days of the invocation of the Contract Performance Guarantee by the GoMP.
- 4.4.5 The Parties agree that the formula specified in Article 4.4.2, for calculation of liquidated damages payable by the Company under this Article 4.4 is a genuine and accurate pre-estimation of the actual loss that will be suffered by the GoMP in the event of the Company's delay in starting supply of power by the Scheduled COD.
- 4.4.6 In addition to the liquidated damages payable by the Company to the GoMP for delay in Commissioning a Unit and commencement of supply of power, as specified in Article 4.4.2, the Company shall further pay to the GoMP liquidated damages as per this Article. Such additional liquidated damages payable by the Company to the GoMP shall be equivalent to the damages payable by the GoMP to the CTU/STU (as the case may be) for the period of delay, as per the terms of agreement entered into


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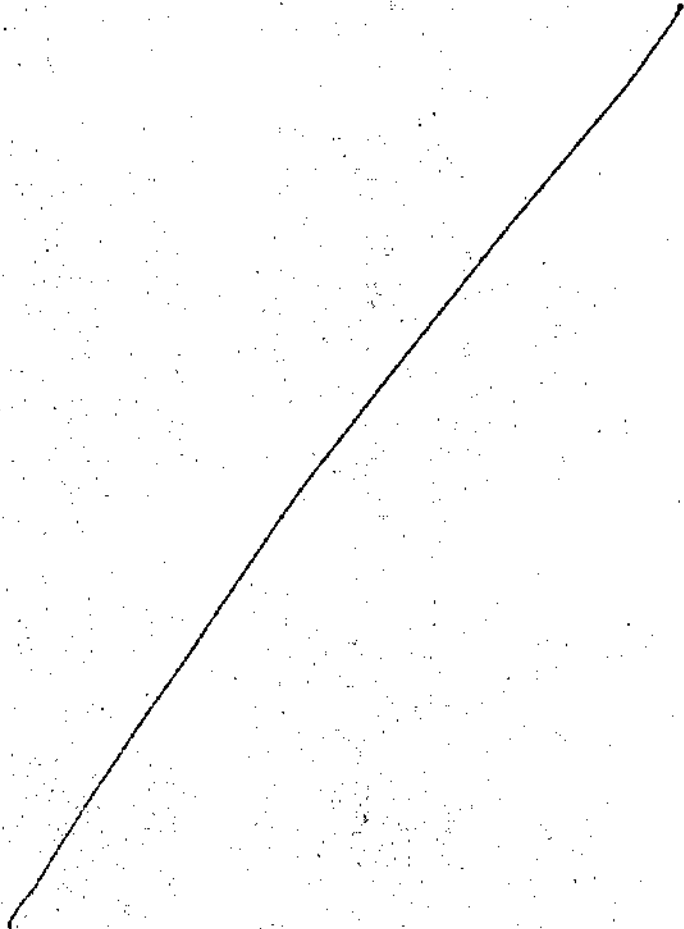

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by the GoMP with CTU/STU for establishment of transmission system and/ or transmission services beyond the Delivery Point.

4.4.7 It is clarified that the liquidated damages payable under this Article 4.4.7 shall be in addition to the liquidated damages determined in terms of Article 4.4.2.

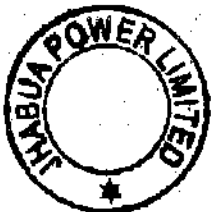
4.4.8 Notwithstanding the receipt of liquidated damages as specified in this Article and even when the Agreement is terminated by GoMP because of the Schedule COD not being accomplished for any reason whatsoever in the event at any time the Company achieve COD of the Power Station or any of the units of the Power Station the GoMP shall have the option and right to revive this Agreement and require the Company to supply power to GoMP of the Contracted Energy on the same terms and conditions as contained in this Agreement and in such an event this Agreement shall revive and bind the parties for all intent and purposes.



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Energy Dept.
GoMP
Govt. of M.P., Bhopal

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MP Tradeco

[Signature]
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ARTICLE – 5: SYNCHRONISATION AND COMMERCIAL OPERATION


5.1. Synchronisation

- 5.1.1. The Company shall give GoMP, the SLDC and RLDC at least sixty (60) days advance written notice intimating the Scheduled Synchronization Date i.e. the date on which the Company intends to synchronize a Unit to the Grid System. Any final date proposed by the Company that is earlier than the Scheduled Synchronization Date, shall be subject to written consent of GoMP.
- 5.1.2. Subject to Article 5.1.1, a Unit may be synchronised by the Company to the Grid System when it meets all connection conditions prescribed in the Grid Code then in effect and otherwise meets all other Indian legal requirements for synchronisation to the Grid System.

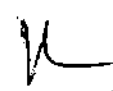
5.2. Commercial Operation Date

- 5.2.1. In the event that the actual COD of a Unit occurs prior to the Scheduled COD, of the said Unit, and the GoMP is:
- 5.2.1.1. able to cause off-take of the Scheduled Energy from such Unit commencing from the day on which the said Unit is Commissioned, such earlier date shall be taken as COD of the said Unit, or
- 5.2.1.2. able to cause off-take of Scheduled Energy from the said Unit commencing from the day falling between:
- (a) the day on which the Unit is Commissioned; and
 - (b) the Scheduled COD of the said Unit.
- such earlier date of off-take shall be taken as COD of the said Unit.


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ARTICLE - 6: AVAILABILITY, SCHEDULING AND DESPATCH

6.1. Availability, Scheduling and Despatch

- 6.1.1. The Company agrees that the entitlement of GoMP over the Contracted Energy for despatch over any Settlement Period is the exclusive right of GoMP and it cannot be offered to any third party other than for conditions under Article 4.2.3.
- 6.1.2. Subject to GoMP paying the amounts due to the Company under the terms of this Agreement, within the time specified in this Agreement, without demur and notwithstanding any dispute, the Company shall not offer the Contracted Energy, in part or fully, to any third party in contravention to the conditions specified in Article 6.1.1. The Company agrees to and acknowledges the GoMP's right to instruct the RLDC/ SLDC, as the case may be, not to schedule such power to any third party. The Company further agrees and waives any and all objections or claims in respect of such right or any other legal remedy including but not limited to seek specific performance of this Agreement, the GoMP may have under the Law with respect to such default of the Company. In such event, GoMP shall be obliged to schedule such power and pay the Tariff for the Scheduled Energy. It is clarified and re iterated that the remedy provided to GoMP under this Article shall not be available to GoMP if it fails to pay any amount due to the Company in terms of this Agreement.
- 6.1.3. The quantum of Contracted Energy will be computed on real time basis based on actual generation of the Power Station. The quality of such power shall be firm power and at no time the Company shall be supplying such power less than ninety (90) percent of the Contracted Energy. However, such percentage shall not be more than one hundred and ten (110) percent of the Contracted Energy during the off-peak period. The off-peak period shall be notified by the GoMP or its nominated agency from time to time. The Parties shall undertake a bi-annual reconciliation on June 30 and Dec 31 of each calendar year, to ascertain the aggregate Contracted Energy actually supplied against the Contracted Energy required to be supplied in terms hereof, and variations if any, between the two, over such reconciliation period, shall be settled/adjusted in the supplies of Contracted Energy to be made over the immediately succeeding 6 months period.


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ARTICLE - 7: OPERATION AND MAINTENANCE

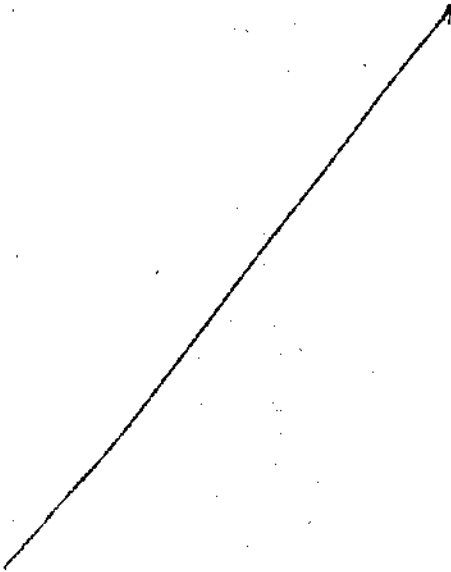
7.1. Operation and Maintenance of the Power Station

7.1.1. The Company shall be responsible at its own expense for ensuring that the Power Station is operated and maintained in an efficient, coordinated and economical manner and in accordance with all legal requirements, including the terms of all Consents, Clearances and Permits, Prudent Utility Practices, and in particular, the Grid Code, so as to meet its obligations under this Agreement and so as not to have an adverse effect on the Grid operation.

7.2. Maintenance of Records

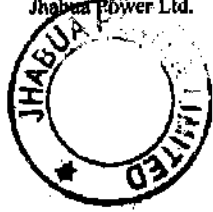
7.2.1. Each Party shall keep complete and accurate records of the meter records and other records needed to reflect power exchange between the Parties for each Settlement Period and Electrical Output of the Power Station on a continuous real time basis.

7.2.2. Each Party shall have the right, upon reasonable prior notice to the other Party, to examine the records and data of the other Party relating to this Agreement or the operation and maintenance of the Power Station at any time during normal office hours on normal Business Days.



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ARTICLE - 8: METERING AND ENERGY ACCOUNTING

8.1. Meters

For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the Company and the GoMP shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, the Grid Code and ABT as amended and revised from time to time or any other Law in force at the relevant point of time.

8.2. ENERGY ACCOUNTING

The Energy Account shall be binding on the Parties for billing and payment purposes.


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ARTICLE - 9: INSURANCES


9.1. Insurance

The Company shall effect and maintain or cause to be effected and maintained during and before the Operating Period, Insurances against such risks, with such deductibles and with such endorsements and co-insured(s), which the Prudent Utility Practices would ordinarily merit maintenance of and as required under the Financing Agreements.

9.2. Application of Insurance Proceeds


Save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Power Station or any part of the Power Station shall be first applied to reinstatement, replacement or renewal of such loss or damage.

If a Force Majeure Event renders the Power Station no longer economically and technically viable and the insurers under the Insurances make payment on a "total loss" or equivalent basis, the GoMP shall have no claim on such proceeds of such Insurance.


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ARTICLE - 10: TARIFF, BILLING AND PAYMENT


10.1. General

- 10.1.1. The Tariff for the Contracted Energy shall comprise only the Variable Charge/Cost. The Variable Charge/Cost shall be as determined by the Madhya Pradesh Electricity Regulatory Commission on a reference being made by the GoMP under the appropriate provisions of the Electricity Act 2003, requesting the said Commission for such determination of Variable Charge/Cost in terms of this Agreement.
- 10.1.2. From the COD of the first Unit, the GoMP shall pay the Company the Tariff Payment, on or before the Due Date, determined in accordance with this Article 10.
- 10.1.3. All Tariff Payments by the GoMP shall be in Indian Rupees (INR).
- 10.1.4. The Company shall issue to the GoMP a signed Weekly Bill for the Scheduled Energy supplied by it to GoMP during the immediately preceding week. In case the Weekly Bill for the immediately preceding week is delayed, the Due Date for payment of such Weekly Bill shall be extended by the same number of days by which the issue of such Weekly Bill has been delayed.

10.2. Weekly Billing

The Tariff under this Agreement shall be billed by the Company and shall be paid by the GoMP in accordance with the following provisions:

- (i) The Weekly Bill to be raised as per the billing cycle mentioned below:
- 1st Week: From 00:00 hrs of 1st day of month to 24:00 hrs of the 8th day of Month
 - 2nd Week: From 00:00 hrs of 9th day of month to 24:00 hrs of the 15th day of Month
 - 3rd Week: From 00:00 hrs of 16th day of month to 24:00 hrs of the 23rd day of Month
 - 4th Week: From 00:00 hrs of 24th day of month to 24:00 hrs of the last day of the Billing Month.
- (ii) The Company shall submit the Weekly Bill to the GoMP, which shall include:
- Availability and Energy Account for the relevant week as per scheduled energy as provided by concerned RLDC;
 - the Company's computation of the Weekly Tariff payment in accordance with Article 10.1; and
 - supporting data, documents and calculations in accordance with this Agreement.


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(iii) The Weekly Bill for the energy supplied to GoMP shall be in accordance with the provisions of this Agreement. If for certain reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the Weekly Bill, such charges shall be billed as soon as possible through Supplementary Bill(s). Furthermore, the Company shall reconcile the Weekly Bills with the monthly REA/SEA Accounts and in the event the aggregate of the Weekly Bills constituting the relevant calendar month are less than the amounts determined to be billed as per the REA/SEA Accounts, then the Company shall issue a Supplementary Bill. Conversely, in the event the aggregate of the Weekly Bills for the relevant calendar month are in excess of the amounts determined to be billed as per the REA/SEA Accounts, then the Company shall provide a credit to the GoMP for such excess amounts in its immediately subsequent Bill.

(iv) The Bill(s) of the Company 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 the Tariff determined by the Appropriate Commission.
- (c) They are in accordance with the Energy Accounts.
- (v) If GoMP disputes any amount, it shall pay according to Article 10.6.6 and file a written objection with the Company within thirty (30) days of presentation of the Bill, giving following particulars:
 - (a) Item disputed, with full details / data and reasons of Dispute;
 - (b) Amount disputed against each item;

10.3. Payment of Weekly Bills


10.3.1. The GoMP shall pay the amount payable under Weekly Bill by the Due Date to such account of the Company, as shall have been previously notified by the Company to GoMP in accordance with Article 10.3.3 below.


All payments made by the GoMP shall be appropriated by the Company in the following order of priority:

- (i) towards Late Payment Surcharge, payable by the GoMP, if any;
- (ii) towards earlier unpaid Bill, if any; and
- (iii) towards then current Bill.

10.3.2 All payments required to be made under this Agreement shall include any deduction or set off for:

- (i) deductions required by Law; and
- (ii) amounts claimed by the GoMP from the Company, through an Invoice duly acknowledged by the Company, to be payable by the Company, and not disputed by the Company within thirty (30) days of receipt of the said


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Invoice and such deduction or set-off shall be made to the extent of the amounts not disputed. It is clarified that the GoMP shall be entitled to claim any set off or deduction under this Article, after expiry of the said thirty (30) day period.

10.3.3 The Company shall open a bank account at Jabalpur, Madhya Pradesh (the "Designated Account") for all Tariff Payments to be made by GoMP to the Company, and notify the GoMP of the details of such account at least ninety (90) days before the despatch of the first Weekly Bill to GoMP. The GoMP shall instruct its bankers to make all payments under this Agreement to the Designated Account and shall notify the Company of such instructions on the same day. The GoMP shall also designate a bank account at Jabalpur, Madhya Pradesh for payments to be made by the Company (including Supplementary Bills) to the GoMP and notify the Company of the details of such account ninety (90) days before the COD of the first Unit.

10.4 Billing and Payment of charges

10.4.1 Late Payment Surcharge


In case the payment of any Bill for charges payable under this Agreement is delayed by the GoMP beyond the Due Date thereof, a Late Payment Surcharge shall be payable by the GoMP to the Company at the rate of 1.25% per Month on the amount of outstanding payment, calculated on a day to day basis for each day of the delay, compounded on monthly rests.

Similarly, if any amount outstanding against the Company and payable to GoMP is not paid beyond its Due Date a Late Payment Surcharge shall be payable by the Company to the GoMP at the rate of 1.25% per Month on the amount of outstanding payment, calculated on a day to day basis for each day of the delay, compounded on monthly rests. Late Payment Surcharge shall be claimed by the Company or GoMP through Supplementary Bills.


10.4.2 The rate of Late Payment Surcharge shall be revised from time to time on the basis of rates notified by the Appropriate Commission.

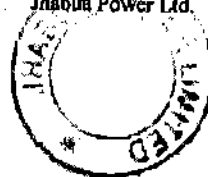
10.5 Letter of Credit

10.5.1 The GoMP shall provide to the Company, in respect of payment of its Weekly Bills, an unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained by the GoMP or by the nominee on behalf of the GoMP, which may be drawn upon by the Company in accordance with the provisions of this Agreement. The Letter of Credit shall be in the format annexed hereto as Schedule - 4.


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10.5.2 Not later than one (1) Month prior to the Scheduled COD of the first Unit, the GoMP shall through a scheduled bank at Jabalpur open the Letter of Credit in favour of the Company, to be made operative from a date prior to the Due Date of its first Weekly Bill under this Agreement. The Letter of Credit shall have an initial term of twelve (12) Months and shall be renewed annually, for an amount equal to:

- (i) for the first Contract Year, equal to one point one (1.1) times the estimated average Weekly billing based on Normative Availability corresponding to the Contracted Energy;
- (ii) for each subsequent Contract Year, equal to one point one (1.1) times the average of the Weekly Tariff Payments of the previous Contract Year plus the estimated Weekly billing during the current year from any additional Unit(s) expected to be put on COD during the current Contract Year based on Normative Availability.

Provided that if at any time, such Letter of Credit amount falls short of the amounts specified above, GoMP shall restore such shortfall within seven (7) days.


Provided further, that the Company shall not draw upon such Letter of Credit prior to the Due Date of relevant Weekly Bill and/ or Supplementary Bill.

10.5.3 GoMP shall cause the scheduled bank issuing the Letter of Credit to intimate the Company, in writing regarding the establishment of such irrevocable Letter of Credit.

10.5.4 In case of drawal of the Letter of Credit by the Company in accordance with the terms of this Agreement, the amount of the Letter of credit shall be reinstated in the manner in Article 10.5.2;

10.5.5 If GoMP fails to pay a Weekly Bill or a Supplementary Bill or part thereof within and including the Due Date, then the Company may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from the GoMP, an amount equal to such Weekly Bill or a Supplementary Bill or part thereof plus Late Payment Surcharge, if applicable, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- (i) a copy of the Weekly Bill or Supplementary Bill that has remained unpaid by the GoMP;
- (ii) a certificate from the Company to the effect that the Bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date; and
- (iii) calculations of applicable Late Payment Surcharge, if any.


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10.5.6 The Letter of Credit shall be renewed by the GoMP not later than forty five (45) days prior to its expiry.

10.5.7 All costs relating to opening and maintenance of the Letter of Credit shall be borne by the GoMP; however, Letter of Credit negotiation charges shall be borne and paid by the Company.

10.6 Disputed Bill

10.6.1. If a Party does not dispute a Weekly Bill or a Supplementary Bill raised by the other Party within Seven (7) days of receiving it, such Bill shall be taken as conclusive for the purpose of making payment.

10.6.2. If a Party disputes the amount payable under a Weekly Bill or a Supplementary Bill, as the case may be, that Party shall, within Seven(7) 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.


10.6.3. If the invoicing Party agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.6.2, the invoicing Party shall revise such Bill within seven (7) days of receiving such notice and if the disputing Party has already made the excess payment refund to the disputing Party such excess amount within fifteen (15) days of receiving such notice. In such a case excess amount shall be refunded along with interest at the same rate as Late Payment Surcharge which shall be applied from the date on which such excess payment was made to the invoicing Party and up to and including the date on which such payment has been received as refund.

10.6.4. If the invoicing Party does not agree to the claim raised in the Bill Dispute Notice issued pursuant to this Article 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.

Upon receipt of notice of disagreement to the Bill Dispute Notice one authorized representative(s) of the Company preferably 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.

10.6.5. 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 this Article the


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matter shall be settled through Dispute Resolution according to the provisions of Article 13.3.


10.6.6. For the avoidance of doubt, it is clarified that despite a Dispute regarding a Bill, the GoMP shall, without prejudice to its right to Dispute, be under an obligation to make payment, of the lower of (a) an amount equal to simple average of last three (3) Weekly Bills (being the undisputed portion of such three weeks invoices) and (b) the Bill which is being disputed, provided such disputed Bill, if it is a Weekly Bill, has been raised based on the Scheduling done by the GoMP and in accordance with this Agreement.

10.6.7 In case of Disputed Bills it shall be open to the aggrieved Party to approach the Appropriate Commission for Dispute Resolution in accordance with Article 13 and also for interim orders protecting its interest including for orders for interim payment pending Dispute Resolution and the Parties shall be bound by the decision of the Appropriate Commission including in regard to interest or delayed payment surcharge, if any directed to be paid by the Appropriate Commission.

10.6.8 If a Dispute regarding a Weekly Bill or a Supplementary Bill is settled pursuant to this 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 this Article along with interest. Such interest shall accrue on day to day basis for the period between the date of payment of the disputed Bill and receipt of refund in the Designated Account of the relevant Party at a rate equal to the Late Payment Surcharge.

10.7. Quarterly and Annual Reconciliation

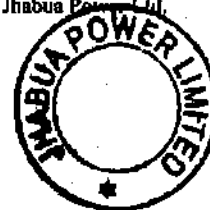
10.7.1. Parties acknowledge that all payments made against Weekly Bills, and Supplementary Bills shall be subject to quarterly reconciliation at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year to take into account Regional Energy Accounts / State Energy Accounts (as applicable), tariff adjustment payments, Rebates, Late Payment Surcharge, etc. 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 Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the Company and GoMP shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the Company or GoMP, as the case may be, shall raise a Supplementary Bill for the tariff adjustment payments for the relevant quarter/ Contract Year and shall make payment of such Supplementary Bill for the tariff adjustment payments for the relevant quarter/Contract Year. Late Payment Surcharge shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable. Any Dispute with


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regarding to the above reconciliation shall be dealt in accordance of the provision of Article 13.3.

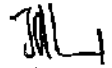
10.8. Payment of Supplementary Bill


10.8.1. Either Party may raise a Bill on the other Party ("Supplementary Bill") for payment on account of,


- (i) Adjustments required by the Regional Energy Account / State Energy Account, as applicable; or
 - (ii) Tariff Payment for change in parameters, pursuant to provisions in Article 10.1.1;
 - (iii) Change in Law as provided in Article 12;
- and such Bill shall be paid by the other Party

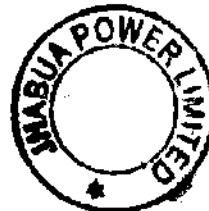
10.8.2. GoMP shall remit all amounts due under a Supplementary Bill raised by the Company to the Company's Designated Account by the Due Date and notify the Company of such remittance on the same day. Similarly, the Company shall pay all amounts due under a Supplementary Bill raised by the GoMP by the Due Date to the GoMP's designated bank account and notify the GoMP of such payment on the same day.

In the event of delay in payment of a Supplementary Bill by either Party beyond its Due Date, a Late Payment Surcharge shall be payable at the same terms applicable to the Weekly Bills as per Article 10.4.1.


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ARTICLE - 11: FORCE MAJEURE

11.1. Definitions

11.1.1. In this Article, the following terms shall have the following meanings.

11.2. Affected Party

11.2.1. An affected Party means the GoMP or the Company whose performance has been affected by an event of Force Majeure.

11.2.2. Any event of Force Majeure affecting the performance of the Company or affecting the transmission facilities beyond the Delivery Point shall be deemed to be an event of Force Majeure affecting either Party.

11.2.3. Any event of Force Majeure affecting the performance of the Company's contractors shall be deemed to be an event of Force Majeure affecting Company only if the Force Majeure Event is affecting and resulting in:

- (a) late delivery of plant, machinery, equipment, materials, spare parts, Fuel, water or consumables for the Power Station; or
- (b) a delay in the performance of any of the Company's contractors.


11.3. Force Majeure

11.3.1. '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. Natural Force Majeure Event(s)


act of God, including, but not limited to lightning, drought, fire and explosion (to the extent originating from a source external to the Site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred (100) years,

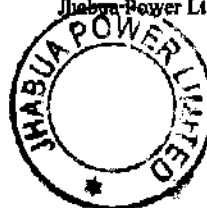
ii. Non-Natural Force Majeure Event(s)


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- a) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality of any material assets or rights of the Company; or
- b) the unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consents, Clearances and Permits required by the Company to perform its obligations under the Power Station Documents or any unlawful, unreasonable or discriminatory refusal to grant any Consents, Clearances and Permits required for the development / operation of the Power Station, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down.
- c) any other unlawful, unreasonable or discriminatory action on the part of an Indian Government Instrumentality which is directed against the supply of power by the Company to the GoMP, provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down.
- d) Any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or
- e) radio active contamination or ionising radiation originating from a source in India or resulting from another Indirect Non Natural Force Majeure Event mentioned above excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Power Station by the Affected Party or those employed or engaged by the Affected Party.
- f) industry wide strikes and labor disturbances having a nationwide impact in India.


11.4. Force Majeure Exclusions

11.4.1. Force Majeure shall not include (i) any event or circumstance which is within the reasonable control of the Parties and (ii) the following conditions, except to the extent that they are consequences of an event of Force Majeure:

- a. Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts, Fuel or consumables for the Power Station;
- b. Delay in the performance of any contractor, sub-contractor or their agents excluding the conditions as mentioned in Article 11.2;
- c. Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
- d. Strikes or labour disturbance at the facilities of the Affected Party;


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MP Tradeco


(Chief Operating Officer)
Jabalpur Power Co.



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- e. Insufficiency of finances or funds or the agreement becoming onerous to perform; and
- f. Non-performance caused by, or connected with, the Affected Party's:
 - i. Negligent or intentional acts, errors or omissions;
 - ii. Failure to comply with an Indian Law; or
 - iii. Breach of, or default under this Agreement or any other Power Station Documents.

11.5. Notification of Force Majeure Event

11.5.1. 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 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 unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement.

Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the Force Majeure Event.

11.5.2. 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.

11.6. Duty to perform and duty to mitigate

11.6.1. To the extent not prevented by a Force Majeure Event 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 Force Majeure Event as soon as practicable.

11.7. Available Relief for a Force Majeure Event

11.7.1. Subject to this Article 11:

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- a) no Party shall be in breach of its obligations pursuant to this Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event;
- b) every Party shall be entitled to claim relief in relation to a Force Majeure Event in regard to its obligations under this Agreement, including but not limited to those specified under Article 4.3.
- c) The existence of Force majeure or its continuation shall not however give any right to any of the party to terminate this Agreement


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Energy Deptt.
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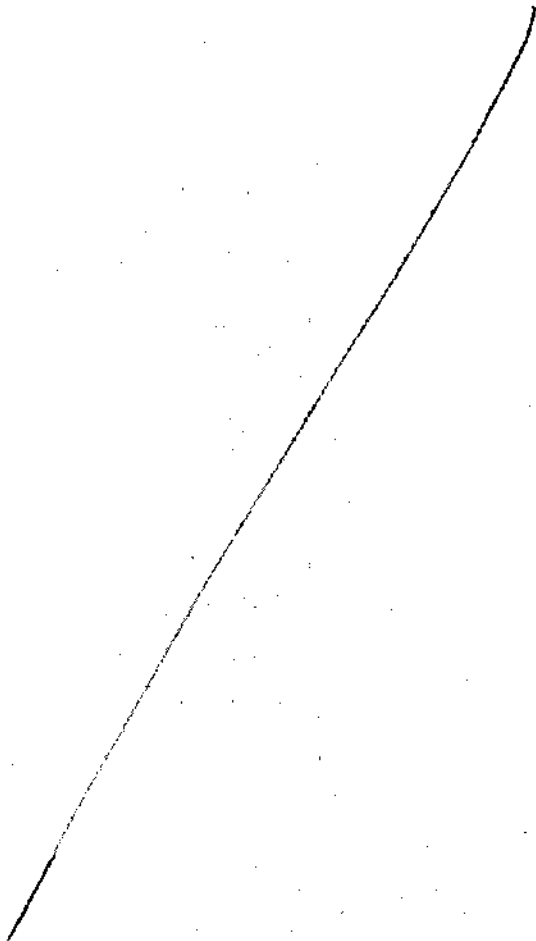

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ARTICLE - 12: CHANGE IN LAW

12.1 Since the Variable charge is being determined by the Appropriate Commission based on actual cost components of Variable Charge at the relevant time and there being no aspect of capacity or fixed charges payment under this Agreement the provisions relating to change in law are not required. However, it is clarified that Appropriate Commission while determining the Tariff will take into consideration any change in taxes, duties, cess and any other such impositions that may have financial implications on such Tariff.



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Secretary (Energy)
Energy Dept.
Govt.
Govt. of M.P., Bhopal




**ARTICLE - 13: EVENTS OF DEFAULT, DISPUTE RESOLUTION AND
TERMINATION**

13.1. Company Event of Default

13.1.1. 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 GoMP of its obligations under this Agreement, shall constitute a Company Event of Default:

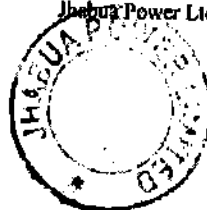
- (i) The failure to Commission any Unit by the date falling twelve (12) Months after its Scheduled COD or Revised Scheduled COD; or
- (ii) the Company fails to make any payment (a) of an amount exceeding Rupees one (1) crore in aggregate required to be made to GoMP under this Agreement, within three (3) Months after the Due Date of undisputed invoice(s) / demand raised by the said GoMP on the Company or (b) of an amount up to Rupees fifty (50) Lakhs required to be made to GoMP under this Agreement within six (6) Months after the Due Date of undisputed invoice(s) / demand; or
- (iii) if
 - (a) the Company assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Power Station in contravention of the provisions of this Agreement; or
 - (b) the Company transfers or novates any of its rights and / or obligations under this agreement, in a manner contrary to the provisions of this Agreement; except where such transfer:
 - 1. is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement or
 - 2. is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee; or
 - 3. is to another company in which Jhabua Power Ltd., holds not less than 51% of the equity shareholding and shall continue to hold equity shares in accordance with Article 16.1.
- (iv) if (a) any winding up or bankruptcy or insolvency order is passed against the Company, or (b) the Company goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

Provided that a dissolution or liquidation of the Company will not be an Event of Default if such dissolution or liquidation is for the purpose of a


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merger, consolidation or reorganization, and the resulting company retains creditworthiness similar to the Company and expressly assumes all obligations of the Company under this Agreement and is in a position to perform them; or

- (v) The Company repudiates this Agreement or otherwise evidences an intention not to perform its obligations under or to be bound by this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the GoMP in this regard; or
- (vi) , the Company is in breach of any of its material obligations pursuant to this Agreement and such material breach is not rectified by the Company within thirty (30) days of receipt of first notice in this regard given by the GoMP; or
- (vii) The Company fails to renew or replace or provide the Performance Guarantee to the GoMP in accordance with Article 3.3 and Article 3.4 of this Agreement, or
- (viii) Failure to meet any of the Conditions Subsequent as mentioned in Article 3.2; or
- (ix) Any direct or indirect change in the shareholding of the Company in contravention of Article 16.1;
- (x) Any of the representations and warranties made by the Company in Schedule - 2 of this Agreement; being found to be untrue or inaccurate; or
- (xi) Any other event which have been specified as an event of default or breach by the Company under any of the other provisions in this Agreement.

13.2. Procedure for cases of Company Event of Default

- (i) Upon the occurrence and continuation of any Company Event of Default under Article 13.1 except under Articles 13.1.1 (ii), the GoMP shall have the right to deliver to the Company a notice of their intention to terminate this Agreement (GoMP Preliminary Default Notice), under intimation to the Lender(s), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- (ii) Following the issue of GoMP Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply.
- (iii) During the Consultation Period, the Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- (iv) Upon the occurrence and continuation of Company Event of Default under this Article, the following consequences will apply—


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- a. If the event of default occurs before the COD or Revised COD, the liquidated damages shall be payable as specified in Article 4.4 above;
- (v) Subject to GoMP paying the amounts due to the Company under the terms of this Agreement, within the time specified in this Agreement, without demur and notwithstanding any dispute, the Company shall not offer the Contracted Energy, in part or fully, to any third party in contravention to the conditions specified in Article 6.1.1. The Company unconditionally and irrevocably agrees to and acknowledges the GoMP's right to instruct the RLDC/ SLDC, as the case may be, not to schedule such power to any third party. The Company further agrees and waives any and all objections or claims in respect of such right or any other legal remedy including but not limited to seek specific performance of this Agreement, the GoMP may have under the Law with respect to such default of the Company. In such event, the GoMP shall be obliged to schedule such power and purchase and pay the Tariff for the Scheduled Energy. It is clarified and reiterated that the remedy provided to GoMP under this Article shall not be available to GoMP if it fails for any reason whatsoever, to pay any amount due to the Company in terms of this Agreement, notwithstanding any dispute relating to any such amount and the Company's demand for such amounts outstanding shall, for purposes only of this Article, be conclusive and binding on GoMP.


13.3. Resolution of Disputes

13.3.1. Governing Law and Jurisdiction of Courts

This Agreement shall be governed by and construed in accordance with the Laws of India. Subject to the dispute resolution provided herein, any legal proceedings in respect of any matters, claims or Disputes under this Agreement shall be under the jurisdiction of the Appropriate Commission and subject to such jurisdiction, appropriate courts in Bhopal, unless required otherwise under Law.

13.3.2. Amicable Settlement

- (a) Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement including its existence or validity or termination (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.
- (b) The other Party shall, within thirty (30) days of issue of dispute notice issued under Article 13.3.2(a), furnish:
- (i) counter-claim and defences, if any, regarding the Dispute; and
 - (ii) all written material in support of its defences and counter-claim.


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(c) Within thirty (30) days of issue of notice by any Party pursuant to Article 13.3.2(a), or Article 13.3.2(b) both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days of receipt of the notice referred to in the preceding sentence, the Dispute shall be referred to Dispute Resolution in accordance with Article 13.3.3.

13.3.3. Dispute Resolution

All disputes and differences arising between the parties under or in respect of this Agreement including any interpretation or construction of the provisions shall be subject to adjudication under section 86 (1) (f) read with Section 158 of the Electricity Act, 2003.



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Energy Dept.
Govt. of M.P., Bhopal

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ARTICLE - 14: LIABILITY AND INDEMNIFICATION

14.1. Indemnity

14.1.1. The Company shall indemnify, defend and hold GoMP harmless against:

- (a) any and all third party claims, actions, suits or proceedings against the GoMP 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 any 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 GoMP, its contractors, servants or agents; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by GoMP from third party claims arising by reason of:
 - (i) breach by the Company of any of its obligations under this Agreement, (provided that this Article 14 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 losses, damages, costs and expenses including legal costs, fines, penalties and interest (together to constitute "Indemnifiable Losses") has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of GoMP, its contractors, servants or agents, or
 - (ii) any of the representations or warranties of the Company under this Agreement being found to be inaccurate or untrue.


14.1.2 Limitation on Liability:

The liability of the Company under this Article shall not exceed the liquidated damages payable by the Company under this Agreement.


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ARTICLE - 15: ASSIGNMENTS AND CHARGES

15.1. Assignments

- 15.1.1. The GoMP shall be entitled to nominate any entity owned and controlled by GoMP and for the present has nominated MP Tradeco as such entity to perform on its behalf and exercise all its rights under this Agreement and the reference to GoMP in this Agreement shall include such designated agencies. Accordingly, till further directions are given by the GoMP, the liability for payment of the amounts becoming due to the Company including arranging the Letter of Credit as envisaged in this Agreement, the raising and payment of bills for the electricity supplied shall by and in the name of MP Tradeco on behalf of GoMP. Notwithstanding such nomination, GoMP shall continue to be primarily responsible for fulfillment of its obligations under this Agreement.
- 15.1.2. The Company shall not assign any of its rights or obligations in this Agreement to any Party other than with the consent in writing of the GoMP:
- 15.1.3. The GoMP shall be free to deal with the Contracted Energy or any part thereof in any manner as the GoMP may in its discretion consider appropriate, including further sale of the Contracted Energy to any person subject to the condition that the GoMP shall continue to be liable to the Company in so far as the fulfillment of the obligations under this Agreement. The GoMP shall at all times be entitled to assign this Agreement to any other Government of Madhya Pradesh Undertaking or to any of the Discoms. Subject to the above the GoMP shall not assign the obligations of the GoMP under this Agreement to any Party other than with the consent in writing of the Company and such consent shall not be unreasonably withheld by the Company if the GoMP seeks to transfer to any transferee all of its rights and obligations under this Agreement.
- 15.1.4. The Company shall be entitled to assign its rights and obligations under this Agreement in favor of the Selectee duly appointed pursuant to the terms of Schedule - 6 of this Agreement.

15.2. Permitted Charges

- 15.2.1. Neither Party shall create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement. Provided that the Company shall be entitled to create such a charge in favour of the Lenders.
- 15.2.2. Notwithstanding anything contained herein the Company may create any encumbrance over all or part of the receivables, or any other assets of the Power Station in favour of the Lenders or the Lender's representative on their behalf, as security for:
- (a) amounts payable under the Financing Agreements; and
 - (b) any other amounts agreed by the Parties,

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Dy. Secretary
Secretary (Energy)
Energy Deptt.
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Provided that:

- (a) the Lenders or the Lender's Representative on their behalf shall have entered into the Financing Agreements; and
- (b) any encumbrances granted by the Company in accordance with this Article shall contain provisions pursuant to which the Lenders or the Lender's Representative on their behalf agrees unconditionally with the Company acting for itself and as trustee of the GoMP to release from such encumbrances all of the right, title and interest to Additional Compensation so as to enable the GoMP to claim its right of subrogation. For the purposes of this Article, Additional Compensation shall mean the compensation that the Company is entitled, whether actually or contingently, to receive from the GoMP as well as compensated by any person other than the GoMP for the same event; and
- (c) the Lenders or the Lender's Representative on their behalf shall have agreed in writing to the provisions of Schedule - 6.

15.2.3. Article 15.1.5 does not apply to:

- (a) liens or encumbrances arising by operation of law (or by an agreement evidencing the same) in the ordinary course of implementation of this Agreement by the Company;
- (b) hypothecation and pledge of goods, the related documents of title and / or other related documents, arising or created in the ordinary course of supply of power by the Company; or
- (c) security arising out of retention of title provisions in relation to goods acquired in the ordinary course of supply of power by the Company.


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ARTICLE - 16: MISCELLANEOUS PROVISIONS

16.1. Minimum Equity holding / Equity Lock-In

- 16.1.1. The minimum shareholding requirements specified in this Article shall apply to all of the promoters which have made equity investment in the Company. The Company confirms that is one of the promoters of the Company.
- 16.1.2. The aggregate equity share holding of the promoters in the issued and paid up equity share capital of the Company shall not be less than fifty-one percent (51%) from the Effective Date up to a period of two (2) years after COD of the Power Station ;
- 16.1.3. All shareholders of the Company shall be allowed to divest their equity as long as the promoters hold the minimum aggregate equity specified in Article 16.1.1.

16.2. Amendment

- 16.2.1. This Agreement may only be amended or supplemented by a written agreement between the Parties and after duly obtaining the approval of the Appropriate Commission, where necessary.


16.3. Waiver

- 16.3.1. No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorised representative of such Party;
- 16.3.2. Neither the failure by either 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 Party 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.

16.4. Severability

The invalidity or enforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.

16.5. Notices


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16.5.1 All notices to be given under this Agreement shall be in writing and in the English Language and sent to the addresses designated for the purpose by the Parties.

16.5.2 All notices or communications given by facsimile shall be confirmed by sending a copy of the same via post office in an envelope properly addressed to the appropriate Party for delivery by registered mail. All Notices shall be deemed validly delivered upon receipt evidenced by an acknowledgement of the recipient, unless the Party delivering the notice can prove in case of delivery through the registered post that the recipient refused to acknowledge the receipt of the notice despite efforts of the postal authorities.

16.5.3 Any Party may by notice of at least fifteen (15) days to the other Parties change the address and / or addresses to which such notices and communications to it are to be delivered or mailed.

16.6 Language

16.6.1 All agreements, correspondence and communications between the Parties relating to this Agreement and all other documentation to be prepared and supplied under the Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with English language.


16.6.2 If any of the agreements, correspondence, communications or documents are prepared in any language other than English, the English translation of such agreements, correspondence, communications or documents shall prevail in matters of interpretation.

16.7 Breach of Obligations

16.7.1 The Parties acknowledge that a breach of any of the obligations contained herein would result in injuries. The Parties further acknowledge that the amount of the liquidated damages or the method of calculating the liquidated damages specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the non-defaulting party in each case specified under this Agreement

16.8 Fraudulent and Corrupt Practices

16.8.1 The Company and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the subsistence of this Agreement. Notwithstanding anything to the contrary contained in the Agreement, the GoMP may terminate the Agreement without being liable in any manner whatsoever to the Company, if it determines that the Company has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the negotiation process. In such an event, the GoMP shall forfeit the Contract Performance Guarantee, without prejudice to any other


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right or remedy that may be available to the GoMP hereunder or subsistence otherwise.

16.8.2 Without prejudice to the rights of the GoMP under this Article and the rights and remedies which the GoMP may have under this Agreement, if a the Company is found by the GoMP to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the negotiation process, or after the execution of the PPA, the GoMP may terminate the Agreement without being liable in any manner whatsoever to the Company. Further, in such an event, the GoMP shall forfeit the Contract Performance Guarantee.

16.8.3 Further, the Company shall not be eligible to participate in any tender or RFP issued by the GoMP during a period of two (2) years from the date such the Company is found by the GoMP to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.

16.8.4 For the purposes of this Article the following terms shall have the meaning hereinafter respectively assigned to them:

- (a) "corrupt practice" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the negotiation process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the GoMP who is or has been associated or dealt in any manner, directly or indirectly with the negotiation process or has dealt with matters concerning the PPA or arising there from, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the GoMP, shall be deemed to constitute influencing the actions of a person connected with the negotiation process); or (ii) engaging in any manner whatsoever, whether during the negotiation Process or after the execution of the PPA, as the case may be, any person in respect of any matter relating to the Power Station or the PPA, who at any time has been or is a legal, financial or technical adviser of the GoMP in relation to any matter concerning the Power Station;
- (b) "fraudulent practice" means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the negotiation process;
- (c) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the negotiation process;
- (d) "undesirable practice" means (i) establishing contact with any person connected with or employed or engaged by the GoMP with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the negotiation process; or (ii) having a conflict of interest; and


Dy. Secretary
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Energy Deptt.
Govt. of M.P., Bhopal


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(e) "restrictive practice" means forming a cartel or arriving at any understanding or arrangement among prospective Companies with the objective of restricting or manipulating a full and fair competition in the negotiation process

16.9 Restriction of Shareholders/Owners Liability

16.9.1 Parties expressly agree and acknowledge that none of the shareholders of the Parties hereto shall be liable to the other Party for any of the contractual obligations of the concerned Party under this Agreement. Further, the financial liabilities of the shareholder/s of each Party to this Agreement shall be restricted to the extent provided in Section 426 of the Indian Companies Act, 1956.

16.10 Representations and Warranties

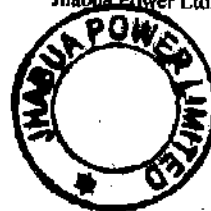
16.10.1 The Company hereby provides the Representation and Warranties to the GoMP as contained in Schedule -2.


Dy. Secretary
Secretary (Energy)
Energy Deptt.
Govt. of M.P., Bhopal


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IN WITNESS WHEREOF the Parties have executed these presents through their authorized representatives at Bhopal, Madhya Pradesh.

| | |
|--|---|
| For and on behalf of: Government of Madhya Pradesh | For and on behalf of: M/s Jhabua Power Limited |
| Signature with seal <i>[Signature]</i> | Signature with seal <i>[Signature]</i> |
| Name Designation .. MOHD..SULEMAN Secretary Address Govt. of Madhya Pradesh Energy Department | Name: KN NEELKANT Designation: Chief operating officer Address: |
| Witness: 1. <i>[Signature]</i> Kafeel Ahmed Dy. Secy. Energy Dept, Bhopal 2. <i>[Signature]</i> Naveen Agrawal EE. (Energy Dept) | Witness: 1. <i>[Signature]</i> ANAND KUMAR MISRA 2. <i>[Signature]</i> A. N. Mishra |
| For and on behalf of MP Power Trading Co. Ltd. as conforming party | |
| Name Designation M.P. Power Trading Co. Ltd. Jabalpur Address | Witness: <i>[Signature]</i> 1. (A.B. BAJPAI) Chief General Manager (Commercial) M.P. Power Trading Co. Ltd. Jabalpur 2. <i>[Signature]</i> (S.S. Agrawal) |

Dy. Secretary
Energy Dept.
Govt. of M.P., Bhopal

MP Tradeco

(Chief Operating Officer)
Jhabua Power Ltd.



SCHEDULE - 1A: FORMAT OF THE INITIAL CONTRACT PERFORMANCE GUARANTEE

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)


In consideration of the[Insert name of the Company] agreeing to undertake the obligations under the PPA and the GoMP, agreeing to execute the Agreement with the Company for purchase of power on long term basis [Insert name of the Bank] (hereinafter referred to as "Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to the GoMP at[Insert address of GoMP] forthwith on demand in writing from the GoMP or any officer authorized by it in this behalf, any amount up to and not exceeding Rupees (Rs) [insert amount of BG computed on the basis of Rs. 3 lakhs /MW] only (with the respect to proposed Contracted Capacity as per the terms of PPA on behalf of the Company).

This guarantee shall be valid and binding on the Guarantor Bank up to and including[Insert date of validity of CPG] and shall in no event be terminable by notice or any change in the constitution of the Bank or the term of the PPA or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. (Rs. only). Our Guarantee shall remain in force until [Insert the date of validity of the CPG]. The GoMP shall be entitled to invoke this Guarantee up to thirty (30) days of the last date of the validity of this Guarantee by issuance of a written demand to invoke this guarantee.

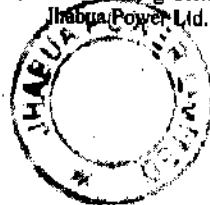
The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand from the GoMP, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the GoMP .

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by, [Insert name of the Company] and/ or any other person. The Guarantor Bank shall not require the GoMP to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the GoMP in respect of any payment made hereunder.


Dy. Secretary
Secretary (Personnel)
Energy Deptt.
GoMP
Govt. of M.P., Bhopal


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(Chief Operating Officer)
Jhabua Power Ltd.



This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Jabalpur (M.P.)..... shall have exclusive jurisdiction..

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the GoMP shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Company, to make any claim against or any demand on the Company or to give any notice to the Company or to enforce any security held by the GoMP or to exercise, levy or enforce any distress, diligence or other process against the Company.


The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the GoMP and may be assigned, in whole or in part, (whether absolutely or by way of security) by the GoMP to any entity to whom it is entitled to assign its rights and obligations under the PPA.

The Guarantor Bank hereby agrees and acknowledges that the GoMP shall have a right to invoke this Bank Guarantee either in part or in full, as it may deem fit.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. crore (Rs. crore only) and it shall remain in force until [Date to be inserted is twenty four (24) Months from the Effective Date and three (3) months thereafter], with an additional claim period of thirty (30) days thereafter. This BANK GUARANTEE shall be extended from time to time for such period, as may be desired by [Insert name of the Company]. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the GoMP serves upon us a written claim or demand.

In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this day of at

.....
Signature:


Dy. Secretary
Secretary (Energy)
Energy Deptt.
Govt. of M.P., Bhopal
A


MP Tradeco



(Chief Operating Officer)
Jabalpur Power Ltd.


Name:

Designation with Bank Stamp

Attorney as per power of attorney No.

For:

..... [Insert Name of the Bank]

Full Address:

Dated this day of 20.....

Witness:

1.

Signature

Name and Address:


2.

Signature

Name and Address:

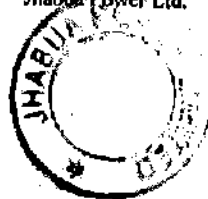
* 12 months period would be applicable for the companies with whom Implementation Agreement has been signed before December'2010 and for the other companies 24 months time would be applicable,

[Note: The Stamp Paper should be in the name of the Executing Bank.]


Dy. Secretary
Secretary (Energy)
Energy Dept.
Govt. of M.P., Bhopal


MP Tradeco


(Chief Operating Officer)
Jhabua Power Ltd.



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SCHEDULE - 1B: FORMAT OF THE CONTRACT PERFORMANCE GUARANTEE

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)


In consideration of the M/s SEW Thermal Power Corporation Limited agreeing to undertake the obligations under the PPA and the GoMP, agreeing to execute the Agreement with the Company for purchase of power on long term basis [Insert name of the Bank] (hereinafter referred to as "Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to the GoMP at [Insert address of GoMP] forthwith on demand in writing from the GoMP or any officer authorized by it in this behalf, any amount up to and not exceeding Rupees (Rs) [insert amount of BG computed on the basis of Rs. 7.5 lakhs /MW] only (with the respect to proposed Contracted Capacity as per the terms of PPA on behalf of the Company).

This guarantee shall be valid and binding on the Guarantor Bank up to and including [Insert date of validity of CPG] and shall in no event be terminable by notice or any change in the constitution of the Bank or the term of the PPA or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. (Rs. only). Our Guarantee shall remain in force until [Insert the date of validity of the CPG]. The GoMP shall be entitled to invoke this Guarantee up to thirty (30) days of the last date of the validity of this Guarantee by issuance of a written demand to invoke this guarantee.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand from the GoMP, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the GoMP .

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by, [Insert name of the Company] and/ or any other person. The Guarantor Bank shall not require the GoMP to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the GoMP in respect of any payment made hereunder.


Dy. Secretary
Secretary (Energy)
Energy Deptt.
Govt. of M.P., Bhopal




(Chief Operating Officer)
Jhabuar Power Ltd.



This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Jabalpur (M.P.)..... shall have exclusive jurisdiction..

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the GoMP shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Company, to make any claim against or any demand on the Company or to give any notice to the Company or to enforce any security held by the GoMP or to exercise, levy or enforce any distress, diligence or other process against the Company.


The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the GoMP and may be assigned, in whole or in part, (whether absolutely or by way of security) by the GoMP to any entity to whom it is entitled to assign its rights and obligations under the PPA.

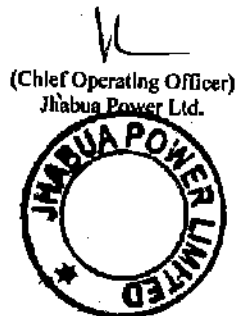
The Guarantor Bank hereby agrees and acknowledges that the GoMP shall have a right to invoke this Bank Guarantee either in part or in full, as it may deem fit.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. crore (Rs. crore only) and it shall remain in force until [Date to be inserted is three (3) months after the Scheduled COD], with an additional claim period of thirty (30) days thereafter. This BANK GUARANTEE shall be extended from time to time for such period, as may be desired by [Insert name of the Company]. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the GoMP serves upon us a written claim or demand.

In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this day of at

Signature:


Dy. Secretary
Secretary (Energy)
Energy Deptt.
Govt of M.P., Bhopal



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Name:

Designation with Bank Stamp

Attorney as per power of attorney No.

For:

..... [Insert Name of the Bank]

Full Address:

Dated this day of 20.....

Witness:

1.

Signature


Name and Address:

2.

Signature

Name and Address:

[Note: The Stamp Paper should be in the name of the Executing Bank.]


Dy. Secretary
Secretary (Energy)
Energy Dept.
Govt. of M.P., Bhopal




SCHEDULE - 2: REPRESENTATION AND WARRANTIES OF THE COMPANY

1.1.1. The Company hereby represents and warrants to and agrees with the GoMP as follows and acknowledges and confirms that the GoMP is relying on such representations and warranties in connection with the transactions described in this Agreement:

- (i) The Company has all requisite power authorizing and has been duly authorized to execute and consummate this Agreement;
- (ii) This Agreement is enforceable against the Company in accordance with its terms;
- (iii) The consummation of the transactions contemplated by this Agreement on the part of the Company will not violate any provision of, nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the Company is a party or to which the Company is bound which violation, default or power has not been waived;
- (iv) The Company is not insolvent and no insolvency proceedings have been instituted, or not threatened or pending by or against the Company;
- (v) There are no actions, suits, claims, proceedings or investigations pending or, to the best of the Company's knowledge, threatened in writing against the Company at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to execute the project or supply power or to comply with its obligations under this Agreement.
- (vi) The Company has neither made any statement nor provided any information, which was materially inaccurate or misleading at the time when such statement was made or information was provided. Further, all the confirmations, undertakings, declarations and representations made are true and accurate and there is no breach of the same.

The Company makes all the representations and warranties above to be valid as on the date of this Agreement.


Dy. Secretary
Secretary (Energy)
Energy Deptt.
Govt. of M.P., Bhopal


MP Tradeco





(Chief Operating Officer)
Jhabua Power Ltd.



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SCHEDULE - 3: TECHNICAL LIMIT AND CONTRACTED PERFORMANCE PARAMETERS

| S No. | Description | Unit | Particulars |
|--|-------------|------|------------------------------|
| 1.1. Grid Conditions at Delivery Point: | | | |
| (i) Voltage: | Nominal | kV | [400] |
| | Variation | % | [(+) 3% to (-) 5%] |
| (ii) Frequency : | Nominal | Hz. | [50] |
| | Variation | % | [(+) 3% to (-) 5%] |
| (iii) Combined Voltage and Frequency variation for Contracted Capacity | | % | [5] |
| (iv) Power Factor: | Nominal | | [0.85] lag |
| | Variation | | [0.85] to [0.95] lag lead |
| (v) Basic Impulse Level (Peak) | | kVp | [1425] |
| 1.2. Fault Levels: | | | |
| (i) 3 Phase | Maximum | kA | [50] |
| (ii) Clearance time | Maximum | ms | [100] |

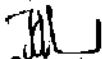

 Dy. Secretary
 Secretary (Energy)
 Energy Deptt.
 Govt. of M.P., Bhopal




 (Chief Operating Officer)
 Jabua Power Ltd.


1.3. Ramp Rates

All Units of the Power Station shall be capable of increasing or decreasing their output (generation level) by not less than one percent (1%) per minute. Such capability shall be demonstrated during the Unit load of more than 60%.

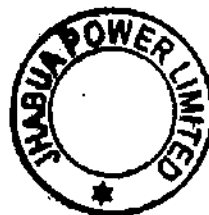

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Govt. of M.P., Bhopal

Handwritten mark


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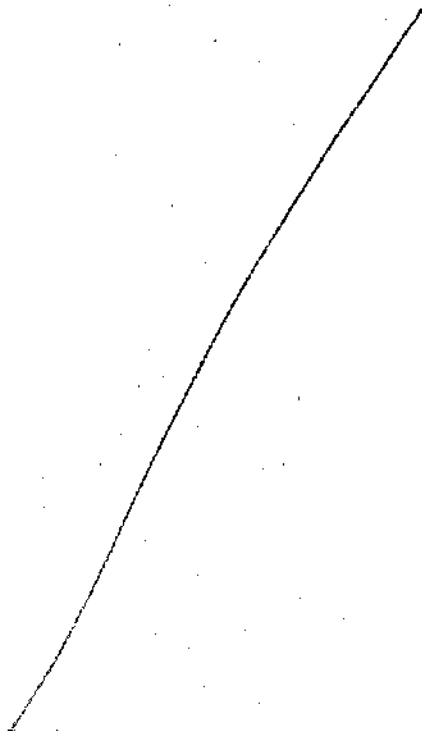
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
SCHEDULE - 4: FORMAT OF LETTER OF CREDIT

[To be finalized between the Parties atleast six (6) months before Scheduled CoD or Revised Scheduled CoD, as the case may be]

SCHEDULE - 5: INDEPENDENT ENGINEERS

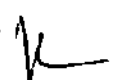
NOT REQUIRED

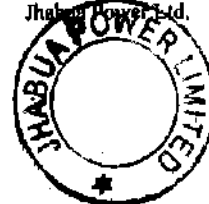



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Secretary (Energy)
Energy Dept.
Govt. of M.P., Bhopal


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Jhabua Power Ltd.



SCHEDULE - 6: SUBSTITUTION RIGHTS OF THE LENDERS

1. **Substitution of the Company**
 - 1.1. Subject to the terms of the PPA, upon occurrence of a Company Event of Default under the PPA, the Lenders shall, have the right to seek substitution of the Company by a Selectee for the residual period of the PPA, for the purposes of securing the payments of the Total Debt Amount from the Company and performing the obligations of the Company, in accordance with the provisions of this Schedule.
 - 1.2. The Lenders may seek to exercise right of substitution by an amendment or novation of the PPA and other Power Station Documents executed between GoMP and the Company in favour of the Selectee, the GoMP and the Company shall cooperate with the Lenders to carry out such substitution.
2. **GoMP Notice of Default**
 - 2.1. The GoMP, upon serving the Preliminary Default Notice on the Company as per this PPA, shall simultaneously also issue a copy of the same to the Lenders.
3. **Substitution Notice**
 - 3.1. In the event of failure of the Company to rectify the Company Event of Default giving rise to Preliminary Default Notice and on receipt of a copy of the Termination Notice by the GoMP, the Lenders, either on their own or through its representative (the "R") shall be entitled to notify the GoMP and the Company of the Lenders' Representative intention of the Lenders to substitute the Company by the Selectee for the residual period of the PPA (the "Substitution Notice").
4. **Interim operation of Power Station**
 - 4.1. On receipt of a Substitution Notice, no further action shall be taken by any Party to terminate the PPA, except under and in accordance with the terms of this Schedule of this PPA.
 - 4.2. On issue of a Substitution Notice, the Lenders shall have the right to request the GoMP to enter upon and takeover the Power Station for the interim and till the substitution of the Selectee is complete and to otherwise take all such steps as are necessary for the continued operation and maintenance of the Power Station, including levy, collection and appropriation of payments thereunder, subject to, the servicing of monies owed in respect of the Total Debt Amount as per the Financing Agreements and the Company shall completely cooperate in any such takeover of the Power Station by the GoMP. If the GoMP, at its sole and exclusive discretion agree to enter upon and takeover the Power Station, till substitution of


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Energy Deptt.
Govt. of M.P., Bhopal
u.




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the Selectee in accordance with this PPA, then the GoMP shall be compensated for rendering such services in accordance with Clause 9.4 of this Schedule.

- 4.3. If the GoMP refuses to takeover the Power Station on request by the Lenders in accordance with Clause 4.2 above, the Company shall have the duty and obligation to continue to operate the Power Station in accordance with the PPA till such time as the Selectee is finally substituted.
- 4.4. The Lenders and the GoMP shall, simultaneously have the right to commence the process of substitution of the Company by the Selectee in accordance with these terms and the Company hereby irrevocably consents to the same.

5. Process of Substitution of Company

- 5.1. The Lenders' Representative may, on delivery of a Substitution Notice notify the GoMP and the Company on behalf of all the Lenders about the Lenders' decision to invite and negotiate, at the cost of the Lenders, offers from third parties to act as Selectee, either through private negotiations or public auction and / or a tender process, for the residual period of the PPA. Subject to and upon approval of the GoMP, such Selectee shall be entitled to receive all the rights of the Company and shall undertake all the obligations of the Company under the PPA and other Power Station Documents executed between the Company and the GoMP, in accordance with these terms of substitution.
- 5.2. The Lenders and the Company shall ensure that, upon the GoMP approving the Selectee, the Company shall transfer absolutely and irrevocably, the ownership of the Power Station to such Selectee simultaneously with the amendment or novation of the PPA and other Power Station Documents executed between the Company and the GoMP in favour of the Selectee as mentioned in Clause 1.2 of this Schedule.

6. Modality for Substitution


Criteria for selection of the Selectee

- 6.1. The Lenders and / or the Lenders' Representative shall in addition to any other criteria that they may deem fit and necessary, apply the following criteria in the selection of the Selectee:
- (a) if the Company is proposed to be substituted prior to the Scheduled COD or the Selectee shall possess the financial capability used to qualify bidders in the MoU stage (including the methodology prescribed therein) to perform and discharge all the residual duties, obligations and liabilities of the Company under the PPA. If the Company is proposed to be substituted during the Operation Period, these criteria shall not be applicable.
- (b) the Selectee shall have the capability and shall unconditionally consent to assume the liability for the payment and discharge of dues, if any, of the


Dy. Secretary
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Govt. of M.P., Bhopal
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(Chief Operating Officer)
Jhabua Power Ltd.



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Company to the GoMP under and in accordance with the PPA and also payment of the Total Debt Amount to the Lenders upon terms and conditions as agreed to between the Selectee and the Lenders;

(c) the Selectee shall have not been in breach of any agreement between the Selectee and any Bank or any Lender or between the Selectee and the GoMP, involving sums greater than Rupees (Rs) [Insert amount] at any time in the last two (2) years as on the date of the Substitution Notice to the Company.

(d) any other appropriate criteria, whereby continuity in the performance of the Selectee's obligations under the PPA is maintained and the security in favour of the Lenders under the Financing Agreements is preserved.

7. Modalities

7.1. The following modalities shall be applicable to any substitution of the Company by the Selectee pursuant to this PPA:

7.2. The Lenders' Representative shall on behalf of the Lenders propose to the GoMP (the "Proposal") pursuant to Clause 7.3 below, the name of the Selectee for acceptance, seeking:


(a) grant of all the rights and obligations under the PPA and the other Power Station Documents executed between the GoMP and the Company, to the Selectee (as substitute for the Company);


(b) amendment of the PPA and the other Power Station Documents executed between the GoMP and the Company, to the effect that the aforementioned grant to the Selectee, shall be such that the rights and obligations assumed by the Selectee are on the same terms and conditions for the residual period of the PPA as existed in respect of the Company under the original PPA and the other Power Station Documents executed between the GoMP and the Company; and

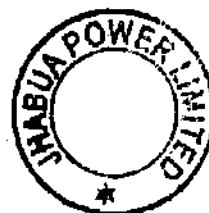
(c) the execution of new agreements as necessary, by the proposed Selectee for the residual period of the PPA on the same terms and conditions as are included in this PPA.

7.3. The Proposal shall contain the particulars and information in respect of the Selectee and the data and information as the GoMP may reasonably require. The GoMP may intimate any additional requirement within thirty (30) days of the date of receipt of the Proposal.

7.4. The Proposal shall be accompanied by an unconditional undertaking by the Selectee that it shall, upon approval by the GoMP of the Proposal:


Dy. Secretary
Secretary (Energy)
Energy Dept.
Govt. of M.P., Bhopal


(Chief Operating Officer)
Jhabua Power Ltd.



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(a) observe, comply, perform and fulfill the terms, conditions and covenants of the PPA and all other Power Station Documents executed between Company and the GoMP or a new PPA or respective RFP Document (in the case of the novation thereof), which according to the terms therein are required to be observed, complied with, performed and fulfilled by the Company, as if such Selectee was the Company originally named under the PPA; or the respective RFP Document; and

(b) be liable for and shall assume, discharge and pay the Total Debt Amount or then outstanding dues to the Lenders under and in accordance with the Financing Agreements or in any other manner agreed to by the Lenders and the GoMP as if such Selectee was the Company originally named under such Financing Agreements.

7.5. At any time prior to taking a decision in respect of the Proposal received under Clause 7.2, the GoMP may require the Lender/ Lenders' Representative to satisfy it as to the eligibility of the Selectee. The decision of the GoMP as to acceptance or rejection of the Selectee, shall be made reasonably and when made shall be final, conclusive and binding on the Parties.

7.6. The GoMP shall convey their approval or disapproval of such Proposal to the Selectee. Such decision shall be made by the GoMP at their reasonably exercised discretion within twenty one (21) days of:

(b) the date of receipt of the Proposal by the GoMP; or

(a) the date when the last of further and other information and clarifications in respect of any data, particulars or information included in the Proposal requested by the GoMP under Clause 7.3 above is received;


whichever is later.

Notwithstanding anything to the contrary mentioned in this PPA, the approval of the GoMP for the Selectee shall not be withheld in case the Selectee meets the criteria mentioned in Clause 6.1.

7.7. Upon approval of the Proposal and the Selectee by the GoMP, the Selectee mentioned in the Proposal shall become the Selectee hereunder.

7.8. Following the rejection of a Proposal, the Lenders and/ or the Lenders' Representative shall have the right to submit a fresh Proposal, proposing another Selectee (if the rejection was on the grounds of an inappropriate third party proposed as Selectee) within sixty (60) days of receipt of communication regarding rejection of the Selectee previously proposed. The provisions of this article shall apply mutatis mutandis to such fresh Proposal.

7.9. The substitution of the Company by the Selectee shall be deemed to be complete upon the Selectee executing all necessary documents and writings with or in favour


Dy. Secretary
Secretary (Energy)
Energy Deptt.
Govt. of M.P., Bhopal


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(Chief Operating Officer)
Jhabua Power Ltd.



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of the Company, the GoMP and the Lenders so as to give full effect to the terms and conditions of the substitution, subject to which the Selectee has been accepted by the Lenders and the GoMP and upon transfer of ownership and complete possession of the Power Station by the GoMP or the Company, as the case may be, to the Selectee. The GoMP shall novate all the Power Station Documents, which they had entered in to with the Company in order to make the substitution of the Company by the Selectee effective. The quantum and manner of payment of the consideration payable by the Selectee to the Company towards purchase of the Power Station and assumption of all the rights and obligations of the Company under the PPA and other Power Station Documents as mentioned in this PPA shall be entirely between the Company, Selectee and the Lenders and the GoMP shall in no way be responsible to bear the same.


- 7.10. Upon the substitution becoming effective pursuant to Clause 7.9 above, all the rights of the Company under the PPA shall cease to exist:

Provided that, nothing contained in this sub-article shall prejudice any pending / subsisting claims of the Company against the GoMP or any claim of the GoMP against the erstwhile Company or the Selectee.

- 7.11. The Selectee shall, subject to the terms and conditions of the substitution, have a period of ninety (90) Days to rectify any breach and/ or default of the Company subsisting on the date of substitution and required to be rectified and shall incur the liability or consequence on account of any previous breach and/ or default of the Company.
- 7.12. The decision of the Lenders and the GoMP in the selection of the Selectee shall be final and binding on the Company and shall be deemed to have been made with the concurrence of the Company. The Company expressly waives all rights to object or to challenge such selection and appointment of the Selectee on any ground whatsoever.
- 7.13. The Lenders shall be solely and exclusively responsible for obtaining any and all consents/ approvals or cooperation, which may be required to be obtained from the Company under this PPA and the GoMP shall not be liable for the same.
- 7.14. All actions of the Lenders' Representative hereunder shall be deemed to be on behalf of the Lenders and shall be binding upon them. The Lenders' Representative shall be authorised to receive payment of compensation and any other payments, including the consideration for transfer, if any, in accordance with the Proposal and the Financing Agreements and shall be bound to give valid discharge on behalf of all the Lenders.

8. Company's Waiver

- 8.1. The Company irrevocably agrees and consents (to the extent to which applicable law may require such consent) to any actions of the Lenders, the Lender's Representative and the GoMP or exercise of their rights under and in accordance with these terms.


Dy. Secretary
Energy Deptt.
Govt. of M.P., Bhopal






(Chief Operating Officer)
Jhabua Power Ltd.



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- 8.2. The Company irrevocably agrees and consents (to the extent to which applicable law may require such consents) that from the date specified in Clause 7.10, it shall cease to have any rights under the PPA or the Financing Agreements other than those expressly stated therein.
- 8.3. The Company warrants and covenants that any agreement entered into by the Company, in relation to the Power Station, shall include a legally enforceable clause providing for automatic novation of such agreement in favour of the Selectee, at the option of the Lenders or the GoMP. The Company further warrants and covenants that, in respect of any agreements which have already been executed in relation to the Power Station and which lack a legally enforceable clause providing for automatic novation of such agreement, the Company shall procure an amendment in the concluded agreement to incorporate such clause.

9. Interim Protection Of Service And Preservation Of Security

Appointment of a Receiver

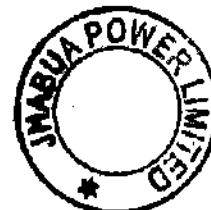
- 9.1. In every case of the Lenders issuing a Substitution Notice and the GoMP refusing to takeover the Power Station and the Company failing to operate the Power Station in accordance with Clause 4.3 and the GoMP not electing to act as Receiver as per Clause 9.2 hereof, the Lenders may institute protective legal proceedings for appointment of a receiver (the "Receiver") to maintain, preserve and protect the assets held as security by the Lenders if such right is granted under the terms of the Financing Agreements.
- 9.2. If the assets of the Power Station are, in the opinion of the GoMP, necessary and required for the operation and maintenance of the Power Station, the GoMP shall be entitled to elect to act as the Receiver for the purposes of this Article and be entitled to maintain, preserve and protect the said assets by engaging an operator/service provider to act on their behalf and the Lenders and Company hereby consent and agree to the same. Upon the GoMP so intimating the Company and the Lender's representative their desire to act as Receiver, the Company and the Lender's representative shall co-operate with the GoMP to facilitate the same.
- 9.3. Upon appointment of the Court appointed Receiver or the GoMP acting as Receiver, all the Receivables received by such Receiver shall be deposited by the Receiver in the bank account jointly designated by the GoMP and the Lenders. The Receiver shall be responsible for protecting the assets in receivership and shall render a true and proper account of the receivership to the Lenders in accordance with the terms of its appointment.
- 9.4. When acting as a Receiver or operator in accordance with Clauses 9 or 4.2, the GoMP shall be entitled to be remunerated for such services as may be determined by the Appropriate Commission. Furthermore, when acting as a Receiver, the GoMP shall not be liable to the Lenders, the Lenders' Representative, Company or any third party for any default under the PPA, damage or loss to the Power Station or for any other reason whatsoever, except for wilful default of the GoMP.


Dy. Secretary
Secretary (Energy)
Energy Deptt.
GoMP
Govt. of M.P., Bhopal

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(Chief Operating Officer)
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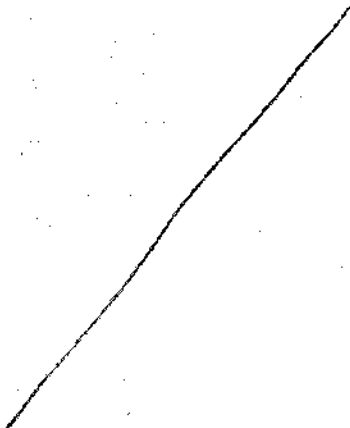
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10. Substitution Consideration

- 10.1. The Lenders and GoMP shall be entitled to appropriate any consideration received for the substitution of the Company as hereinabove provided, from the Selectee towards the payment of Lenders' and the GoMP' respective dues, to the exclusion of the Company.
- 10.2. The Company shall be deemed to have nominated, constitutes and appoints the Lenders' Representative as its constituted attorney for doing all acts, deeds and things as may be required to be done for the substitution of the Company by the Selectee pursuant to these terms.

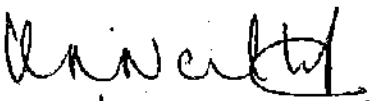

11. Change in the Lenders

- 11.1. The Parties hereto acknowledge that during the subsistence of the PPA, it is possible that any Lender may cease to remain as a Lender by reason of repayment of the debt or otherwise. Further it may possible that any Lender may be substituted or a new Lender may be added. In the event of any Lender ceasing to be a party to the PPA or Financing Agreements respectively, the term and conditions as prescribed in this Schedule shall cease to automatically apply to such Lender. Further, upon any entity being added as a Lender and in the event such entity is given the right to substitute the Company under the Financing Agreements and then the contents of this Schedule shall be applicable to the exercise of such right by the said new entity.




Dy. Secretary
Secretary (Energy)
Energy Dept.
GoMP
Govt. of M.P., Bhopal


MP Tradeco



(Chief Operating Officer)
Jhabua Power Ltd.



IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
KOLKATA

I.A. (IB) No. 586/KB/2021

in

C.P. (IB) No. 634/KB/2017

In the matter of:

An application under section 30(6) read with section 31(1) of the Insolvency and Bankruptcy Code, 2016.

And

In the matter of:

Flsmidth Private Limited

... Operational Creditor

Versus

Jhabua Power Limited

... Corporate Debtor

And

I.A. (IB) No. 586/KB/2021

In the matter of :

Abhilash Lal

Resolution Professional of Jhabua Power Limited

... Applicant

Coram:

Shri Rohit Kapoor, Member (Judicial)

Shri Harish Chander Suri, Member (Technical)

Appearances (via hybrid mode)

For the Resolution Professional : 1. Mr. Ratnanko Banerji, Senior Advocate
2. Ms. Mamta Binani, Advocate

3. Ms. Anindita Roy Chowdhury, Advocate
4. Mr. Rohit Sharma, PCS
5. Mr. Raghav Chadha, Advocate
6. Mr. Avinansh Subramaniam, Advocate
7. Mr. Kanishk Kejriwal, Advocate
8. Mr. Abhilash Lal, Resolution Professional

For the CoC

- : 1. Mr. Joy Saha, Senior Advocate

For NTPC

- : 1. Mr. Ramji Srinivasan, Senior Advocate

Date of hearing: 20 April 2022

Order pronounced on: 06 July 2022

ORDER

Per: Rohit Kapoor, Member (Judicial)

1. This Court convened through video conferencing.
2. **IA (IB) No. 586/KB/2021** is an application under section 30(6) of the Insolvency and Bankruptcy Code, 2016 (“Code”) read with regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**CIRP Regulation**”), filed by Mr. Abhilash Lal, Resolution Professional (“**RP**”) of Jhabua Power Limited (“**Corporate Debtor**”) (CIN: U40105WB1995PLC068616), for approval of the Resolution Plan in respect of the Corporate Debtor.
3. The underlying Company Petition in CP (IB) No. 634/KB/2017 was filed by Flsmidth Private Limited against the Corporate Debtor, under section 9 of the Code, which was admitted *vide* order dated 27.03.2019. Initially, Ms. Sonu Jain was appointed as the Interim Resolution Professional (“**IRP**”). The Applicant herein, Mr. Abhilash Lal (IBBI

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Reg. No. IBBI/IPA-001/ IP-P00344/2017-2018/10645) was appointed as the Resolution Professional of the Corporate Debtor at the first meeting of the Committee of Creditors on 26.06.2019.

4. Initially, Ms. Sonu Jain was appointed as the Interim Resolution Professional. The Applicant herein, Mr. Abhilash Lal (IBBI Reg. No. IBBI/IPA-001/ IP-P00344/2017-2018/10645) was appointed as the Resolution Professional of the Corporate Debtor at the first meeting of the Committee of Creditors on 26.06.2019.
5. The IRP made public announcement on 01.04.2019 in two newspapers i.e. the Economic Times (English daily) having circulation in Ahmedabad, Bengaluru, Bhubaneswar, Chandigarh, Chennai, Delhi, Goa, Hyderabad, Jaipur, Kochi, Kolkata, Lucknow, Madhya Pradesh, Mumbai, Nagpur, Patna, Pune, Ranchi and in Dainik Statesman (Bengali daily) having circulation in West Bengal regarding initiation of Corporate Insolvency Resolution Process [hereinafter referred to as “CIRP”] and called proof of claims from the financial and operational creditors, workers and employees of the Company in the specified forms till 10.04.2019.
6. The Applicant states that a total of 16 CoC meetings have been held during CIRP period, as follows

| Particulars | Date of CoC Meetings |
|------------------------------|----------------------|
| 1 st CoC Meeting | 26.06.2019 |
| 2 nd CoC Meeting | 09.08.2019 |
| 3 rd CoC Meeting | 16.09.2019 |
| 4 th CoC Meeting | 11.11.2019 |
| 5 th CoC Meeting | 10.12.2019 |
| 6 th CoC Meeting | 10.01.2020 |
| 7 th CoC Meeting | 24.01.2020 |
| 8 th CoC Meeting | 05.05.2020 |
| 9 th CoC Meeting | 17.10.2020 |
| 10 th CoC Meeting | 29.10.2020 |

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| | |
|------------------------------|------------|
| 11 th CoC Meeting | 21.12.2020 |
| 12 th CoC Meeting | 05.03.2021 |
| 13 th CoC Meeting | 24.03.2021 |
| 14 th CoC Meeting | 21.04.2021 |
| 15 th CoC Meeting | 15.06.2021 |
| 16 th CoC Meeting | 26.06.2021 |

7. The Applicant submits that in terms of the provisions of Section 25(2)(h) of the Code read with regulation 36A(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, invitation in Form ‘G’ for Expressions of Interest [hereinafter referred to as “EoI”] from potential resolution applicants was issued on 19.08.2019 for submission of resolution plans for the Corporate Debtor by 03.09.2019. This was published in Economic Times (English), Kolkata edition, Bartaman Patrika (Bengali), Kolkata edition and Navbharat Times (Hindi) Delhi Edition newspapers on 19.08.2019. The notice was also published on the website of the Insolvency and Bankruptcy Board of India [hereinafter referred to as “IBBI”]. Subsequently, an extension of EOI was issued by the RP on 30.08.2019 whereby the last date for submission of EOI was extended upto 09.09.2019, and 30.12.2019 as the last date for submission of the Resolution Plan.
8. The Applicant/RP submits that in response to the invitation for EoI, upto the last date, i.e., 09.09.2019, 10 EoIs were received. On 01.10.2019, the Applicant / RP shared the Request for Resolution Plan (“RFRP”), Information Memorandum and the evaluation matrix with all the prospective resolution applicants. However, up till the last date of submissions of resolution plan i.e., till 30.12.2019, out of the 10 prospective resolution applicants only 2 resolution applicants i.e. NTPC Limited and Adani Power Limited submitted their Resolution Plans.
9. The Resolution Plan submitted by NTPC Limited and Adani Power Limited was present by the RP and put up for discussion in the 7th CoC meeting held on 24.01.2020. After series of negotiations between the

two resolution applicants and the CoC of the Corporate Debtor, the resolution applicant namely Adani Power Limited communicated to the RP vide email dated 20.01.2021 that it would like to withdraw its EOI and requested the RP for refund of its Proposal Performance Guarantee. Consequently, pursuant to the negotiations between the CoC and NTPC Limited, the plan dated 16.04.2021 submitted by NTPC Limited was put up for discussion and voting in the 16th CoC meeting dated 26.06.2021. The resolution plan submitted by NTPC Limited was voted in favor by 100% vote percentage of the CoC. Copies of minutes of 16th CoC meeting as well as e-voting results are annexed to the application as Annexure H at pages 351 to 353, Vol – II.

10. Upon receipt of the approval from the CoC, the Applicant / RP issued a Letter of Intent (“LOI”) to the successful resolution applicant (RA) on 26.06.2021. A copy of the said LOI is annexed to the application as Annexure J at pages 369 to 371, Vol – II.
11. The RA has provided Performance Security of Rs. 100,00,00,000 (Rupees One Hundred Crores Only) by way of Proposal Performance Guarantee dated 28.06.2021. A copy of the said Performance Security is annexed to the application as Annexure K at pages 372 to 377, Vol – II.
12. The Applicant / RP submits details of various compliances as envisaged within the Code and the CIRP Regulations which requires a Resolution Plan to adhere to, which is reproduced hereunder:

13. Submission of Resolution Plan in terms of sub-Section (2) of Section 30 of the Code (as amended vide Amendment dated 16 August 2019):

| Clause of S.30(2) | Requirement | How dealt with in the Resolution Plan |
|-------------------|---|---|
| (a) | Plan must provide for payment of CIRP cost in priority to repayment of other debts of CD in the manner specified by the Board. | Page 40 - Clause 7 of the Resolution Plan, Page 46 - Clause 9.2.2(f) of the Resolution Plan, and Page 51 - Clause 9.4 of the Resolution Plan |
| (b) | Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be less than the amount payable to them in the event of liquidation u/s 53; or Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be not less than amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-Section (1) of Section 53, whichever is higher and provides for payment of debts of financial creditors who do not vote in favour of the resolution plan, in such manner as may be specified by the Board. | Page 40 - Clause 7 of the Resolution Plan, Page 47- Clause 9.2.3 of the Resolution Plan, Page 51- Clause 9.4 of the Resolution Plan Page 47- Clause 9.2.2(l) of the Resolution Plan Page 51 - Clause 9.4 of the Resolution Plan |
| (c) | Management of the affairs of the Corporate Debtor after approval of the Resolution Plan. | Page 29 - Clause 5.2.1 of the Resolution Plan and Page 32 - Clause 5.2.2 of the Resolution Plan |
| (d) | Implementation and Supervision. | Page 29- Clause 5.2.1 of the Resolution Plan, Page 33 - Clause 5.3 of the Resolution Plan |
| (e) | Plan does not contravene any of the provisions of the law for the time being in force. | Clause 15(d) of the Resolution Plan |
| (f) | Conforms to such other requirements as may be specified by the Board. | ----- |

14. Regulation 38 of CIRP Regulations:

| Reference to relevant Regulation | Requirement | How dealt with in the Plan |
|----------------------------------|---|---|
| 38(1) | The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors. | Clause 7 at Page 40 and Clause 9.4 at Page 51 of the Resolution Plan. |
| 38(1A) | A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors of the corporate debtor. | Clause 9.2.1 at Page 45 of the Resolution Plan. |
| 38(1B) | A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past. | Clause 15(h) at Page 66 of the Resolution Plan. |
| 38(2) | A resolution plan shall provide: (a) the term of the plan and its implementation schedule; | Clause 5.3.1 at Page 33 and Clause 5.3.2 at Page 37 of the Resolution Plan. |
| | (b) the management and control of the business of the corporate debtor during its term; and | Clause 5.2.1(a) (ii) Page 29, Clause 5.2.2(ii) Page 32, of the Resolution Plan. |
| | (c) adequate means for supervising its implementation. | Clause 5.2.1 (ii) Page 29, Clause 5.3 Page 33, of the Resolution Plan. |
| 38(3) | A resolution plan shall demonstrate that – (a) it addresses the cause of default; | Clause 3.1 at Page 14 of the Resolution Plan. |
| | (b) it is feasible and viable; | Clause 4.3.4 at Page 28 of the Resolution Plan. |
| | (c) it has provisions for its effective implementation; | Clause 5.3 at Page 33 of the Resolution Plan. |
| | (d) it has provisions for approvals required and the timeline for the same; and | Clause 5.1 at Page 28 and Clause 12.1.3 at Page 61 of the Resolution Plan. |
| | (e) the Resolution Applicant has the capability to implement the resolution plan. | Clause 2.1 at Page 9 and Clause 2.5 at Page 10 of the Resolution Plan. |

15. The Applicant submits the relevant information with regard to the amount claimed, amount admitted, and the amount proposed to be paid

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by the Resolution Applicant. i.e., NTPC Limited under the said
Resolution Plan is tabulated as under:

| S.No. | Creditor | Amount Claimed (in Rs.) | Amount Admitted (in Rs.) | Amount proposed in Resolution Plan (in Rs.) |
|-------|-----------------------|-------------------------|--------------------------|---|
| 1. | Financial Creditors | 50,68,53,05,043/- | 50,66,90,88,284/- | 18,29,87,83,700/- |
| 2. | Operational Creditors | 6,84,49,64,235/- | 1,07,18,07,556/- | 20,13,16,300/- |
| 3. | CIRP Cost | | | As per actuals |

16. Summary of the financial proposal/payment under the Resolution Plan dated 14.06.2021 of M/S NTPC Limited is tabulated hereunder:

| Creditor | INR (Cr) | Remarks |
|-------------------------------|----------|--|
| Unpaid CIRP Costs | Actuals | Payable in cash in priority to all other creditors of the CD and to be adjusted from the payout to the Secured Financial Creditors |
| Secured Financial Creditors | 1,830 | |
| | 905 | Upfront payment made in cash on Transfer date** |
| | 600 | Total face value of NCD issued on settlement of debt on Transfer date |
| | 325 | Total face value of equity shares issued on settlement of debt on Transfer date |
| Unsecured Financial Creditors | Nil | |
| Operational Creditors | 20 | Payable in cash |
| Unpaid Employee & Workmen | Actuals | Payable in cash in priority to all other creditors of the CD |
| Total Payouts | 1,850 | |
| Fund Infusion | 576 | 3 years from transfer date for Capex work |

** Transfer Date - The Date payouts are made (within 90 days of approval date) in terms of the Resolution Plan.

*If there are sub-categories in a category, please add rows for each sub-category.

Amount provided over time under the Resolution Plan and includes estimated value of non-cash components. It is not NPV.]

17. The Resolution Plan defines “Approval Date” or “Date of Approval” as the date on which the Adjudicating Authority approves this Resolution Plan under the provisions of the Code and CIRP Regulations.

Details on Management/Implementation and Reliefs as per the Resolution Plan

18. The Resolution Plan also provides for –

- a. Management of Company after resolution in Clause 5.2.1 and Clause 5.2.2 of the Resolution Plan
- b. Term of the resolution plan in Clause 5.3.1 of the Resolution Plan.; and
- c. Implementation and Supervision of the resolution plan in Clause 6.8.

19. Relinquishment/Waiver of liabilities

| Sl.No. | Relief and/or Concessions Sought | Orders Thereon |
|--------|--|--|
| 1. | No action by Financial Creditors: Pending the occurrence of the Transfer Date, no Financial Creditor shall take, initiate or continue any steps or proceedings against the Company or its assets (whether by way of demand, legal proceedings, alternative determination process including arbitration/expert determination process, the levying of distress, execution of judgment or otherwise) in any jurisdiction whatsoever for the purpose of obtaining payment of any liability, or for the purpose of placing the Company into liquidation or any analogous proceedings. | Granted in terms of the <i>Ghanashyam Mishra and Sons Pvt Ltd v Edelweiss Asset Reconstruction Company Ltd</i> , ¹ wherein the Hon'ble Supreme Court has held in para 95(i) that once a resolution plan is duly approved by the Adjudicating |
| 2. | No action by Operational Creditors or Other Creditors: Pending the occurrence of the Transfer Date, no Operational Creditor or Other Creditors shall be entitled to take, initiate or continue any steps or proceedings against the Company or its assets whether by way of demand, legal proceedings, alternative determination process including arbitration/expert determination process, the levying of distress, execution of judgment or otherwise in any jurisdiction whatsoever for the purpose of obtaining payment of any liability, or for the | Authority under sub-section (1) of section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the Corporate Debtor and its employees, members, creditors, including the Central Govt, any State Govt or |

¹ 2021 SCC OnLine SC 313 decided on 13.04.2021.

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| Sl.No. | Relief and/or Concessions Sought | Orders Thereon |
|--------|--|--|
| | purpose of placing the Company into liquidation or any analogous proceedings. | any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan. The Hon'ble Supreme Court also held that all the dues including the statutory dues owed to the Central Govt, any State Govt or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the Adjudicating Authority grants its approval under section 31 could be continued. |
| 3. | Licenses and approvals held by the Company, which have expired or may expire prior to the Transfer Date or may expire within a period of 6 (six) months from the Transfer Date, thereafter, shall be renewed / extended by the relevant Governmental Authorities, and the Company shall be permitted to continue to operate its business and assets in the manner operated prior to submission of this Plan until the renewal / extension of such licenses and approvals. The relevant Governmental Authorities will provide a reasonable period of time after the Transfer Date (at least one year) in order for the Resolution Applicant to: (i) assess the status of licenses and approvals required by the Company and to procure that the Company applies for the same; and (ii) regularize any non-compliances under the Applicable Law (including non-registration, inadequate / non-stamping of documents as required under Applicable Law) existing prior to the Transfer Date. | Granted |

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| Sl.No. | Relief and/or Concessions Sought | Orders Thereon |
|--------|---|---|
| 4. | The relevant Governmental Authorities shall not initiate any investigations, actions or proceedings in relation to any non-compliance with Applicable Law by the Company during the period prior to the Transfer Date. Neither shall the Resolution Applicant, nor the Company, nor their respective directors, officers and employees appointed on and as of the Transfer Date be liable for any violations, liabilities, penalties or fines with respect to or pursuant to the Company not having in place the requisite licenses and approvals required to undertake its business as per Applicable Law, or any non-compliances of Applicable Law by the Company. Further, the relevant Governmental Authorities will provide a reasonable period of time after the Transfer Date, for the Resolution Applicant to assess the status of any non-compliances under the Applicable Law (including with respect to applicable environmental laws, directions or orders by the Ministry of Environment and Forest, permits, clearances and forest related clearances) and to procure that the Company regularizes such non-compliances under the Applicable Law existing prior to the Transfer Date. | Granted in terms of Section 32A of the Code |
| 5. | All legal proceedings against the Corporate Debtor (including criminal proceedings but excluding those against the existing promoters) including by Serious Fraud Investigation Office, Enforcement Directorate, Central Bureau of Investigation or any other governmental or regulatory authority and all reference to enquiry, investigation, summon, notice or any other proceedings pertaining to seizure or attachment of the assets of the Corporate Debtor shall stand irrevocably and unconditionally withdrawn, abated, settled and extinguished in perpetuity on and with effect from the Approval Date. | Granted in terms of Section 32A of the Code |
| 6. | Under Section 115JB of the Income-tax Act, 1961, assessee company for which a rehabilitation scheme was approved, or reference was made under the provisions of the erstwhile Sick Industrial Companies (Special Provisions), Act, 1985 was not subject to minimum alternate tax until the net worth becomes positive. Accordingly, a similar benefit ought to be extended to a resolution plan approved in accordance with the IBC since the IBC supersedes all other Applicable Law and deals with the same subject matter as the erstwhile Sick Industrial Companies (Special Provisions), Act, 1985. In light of this, the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India (hereinafter referred to as "CBDT/DOR") shall: (i) exempt income / gain / profits, if any, arising as a result of giving effect to the Plan as on the Transfer Date from being subjected to minimum alternate tax in the hands of Company under the provisions of the Income-tax Act, 1961; (ii) exempt income / gain / profits, if any, arising | Granted in terms of Section 32A of the Code |

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| Sl.No. | Relief and/or Concessions Sought | Orders Thereon |
|--------|---|--|
| | as a result of giving effect to the Plan as on the Transfer Date from being subjected to tax in the hands of the Company under the provisions of the Income-tax Act, 1961; (iii) grant an exemption to receive all income without deduction of any Tax under the provisions of Chapter XVII-B of the Income-tax Act, 1961 for a period of 10 (ten) years from the Transfer Date; and (iv) waive all Liabilities in respect of Taxes (including interest and penalty) arising in respect of periods up to the Transfer Date, including such Liabilities for the period up to the Transfer Date that may crystallize subsequent to the Transfer Date. | |
| 7. | The exceptional gains on account of waivers of financial liabilities shall be exempted from Income Tax applicable as per relevant provisions of Income Tax Act. | Granted |
| 8. | The current liabilities mentioned herein and further accruing up to Transfer Date in terms of Section 31(1) of IBC shall be waived off. | Granted in terms of the <i>Ghanashyam Mishra and Sons Pvt Ltd v Edelweiss Asset Reconstruction Company Ltd.</i> ² |
| 9. | The Ministry of Corporate Affairs and/or the Adjudicating Authority shall exempt procedural compliance including but not limited to the provisions of Section 66 of the Companies Act, 2013 (and the corresponding rules issued under the Companies Act, 2013) and Section 42 read with Section 62 and other applicable provisions of the Companies Act, 2013 (and the corresponding rules issued under the Companies Act, 2013) in respect of the capital reduction, conversion of debt into equity, issuance of new equity shares and issuance of NCDs proposed under the Plan. Further, capital reduction, conversion of debt into equity, allotment of equity shares and NCDs in the manner envisaged under this Resolution Plan shall not require the consents of any of the creditors of the Company or approval of any of the shareholders of the Company, or any other person having security interest over such shares and the approval of the NCLT (pursuant to Section 31 of the IBC) to the Resolution Plan shall constitute approval of the reduction of share capital, conversion of debt into equity, allotment of equity shares and NCDs and shall be binding on the Company and its stakeholders (including its creditors and shareholders). | Granted |
| 10. | The Department of Registration and Stamps of the relevant States (including State of Madhya Pradesh, Kerala and West Bengal) and the Ministry of Corporate Affairs shall exempt the Resolution Applicant and the Company, from the levy of | Not granted. The Resolution Plan cannot be in violation of any law for the time being in force. |

² 2021 SCC OnLine SC 313 decided on 13.04.2021.

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|--------|--|--|
| | stamp duty and fees applicable in relation to this Plan and its implementation. | Therefore, if there are any documents on which |
| 11. | The concerned state revenue/ stamp authorities shall waive off any penalties for non-registration and inadequate/ non-stamping of the documents executed by the Company. | stamp duty is required to be paid, or in respect of which non-registration will have adverse consequences, they shall apply with full force and no waiver can be granted in this regard. |
| 12. | Notwithstanding the terms of any Agreement, the Adjudicating Authority shall direct that the respective counterparties of the Company in various agreements, including but not limited to PPAs and FSAs, that the said parties: shall waive all objections/ liabilities of the Company arising out of the initiation of CIRP against the Company; shall not exercise any specific termination rights available to it, or take any adverse actions under the respective agreement; shall continue to perform its obligations under the respective agreement; shall be deemed to have given consent/permissions required, if any, owing to change in ownership of the Company on the Transfer Date and no further action in respect of such consent/permission shall be required to be taken by the Company. | Granted |
| 13. | The Adjudicating Authority shall direct that all consents/ approvals shall be deemed to have been given by all relevant authorities in relation to approval for 100MW and 115 MW PPAs as per terms of executed PPAs of the Company with KSEB and no further action in respect of such consents/permissions shall be required to be taken by the Company. | Granted |
| 14. | The Adjudicating Authority shall direct that the Company shall not be liable for any non-compliance, default, breach, etc., during the period prior to the Transfer Date, in relation to the following: Any contractual arrangements of the Company with counterparties, including Governmental Authorities; and Failure to take or obtain any approvals, consents or permits including but not limited to use of land for industrial purposes. | Granted |
| 15. | Notwithstanding the terms of any Agreement, the Adjudicating Authority shall direct that the respective counterparties of the Company in various agreements, including but not limited to PPAs and FSAs, to waive late payment surcharge, if any, arising on account of late payment | Granted |

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|--------|---|----------------|
| | by the Company on account of financial distress faced by the Company prior or during CIRP. | |
| 16. | The Directorate of Industries shall be deemed to have given its approval/ consent, if required, in respect of change in ownership/ constitution / management of the Company and shall continue to grant all incentives. | Granted |
| 17. | All the consents and clearances are in the name of JPL currently. It is expected that the consents and clearances shall remain in effect post-acquisition as they are linked to the asset or with JPL and not related to the shareholders of JPL. | Granted |
| 18. | The relevant Governmental Authority in relation to Tax shall waive any Tax/any interest/penalties and shall not initiate any penal proceedings in case of non-fulfillment of any obligations of the Company in relation to which benefit has been claimed by the Company prior to the Approval Date. | Granted |
| 19. | The relevant Governmental Authorities (including the land and revenue authorities) shall provide a reasonable period of time after the Transfer Date, for the Resolution Applicant to obtain necessary approvals to convert the land parcels over which the Company has freehold or leasehold rights, to use for non-agricultural purposes, and shall waive any non-compliance in this regard, if required. | Granted |
| 20. | The Resolution Applicant and its affiliates shall not in any manner be implicated in, or in any manner adversely affected by (including in respect of transactions in foreign exchange), or have any Liability in relation to, any investigations / proceedings / orders or any matters relating to the Company. | Granted |
| 21. | The Adjudicating Authority shall direct that upon grant of the approval of the Adjudicating Authority under Section 30 of the IBC, the terms and provisions of this Plan shall have effect, notwithstanding anything inconsistency contained herein with the provisions of any other Applicable Law for the time being in force or any other instrument having such effect by virtue of any Applicable Law. | Granted |

20. On hearing the submissions made by the Resolution Professional, and perusing the record, we find that the Resolution Plan has been approved with 100% voting share. As per the CoC, the plan meets the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.

21. On perusal of the documents on record, we are also satisfied that the

Resolution Plan is in accordance with Sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

22. As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under Section 31(4) of the Code.
23. In case of non-compliance of this order or withdrawal of Resolution Plan, the CoC shall forfeit the EMD amount already paid by the Resolution Applicant.
24. Subject to the observations made in this Order, the Resolution Plan in question is hereby APPROVED by this Bench. The Resolution Plan shall form part of this Order.
25. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect.
26. The Moratorium imposed under Section 14 shall cease to have effect from the date of this order.
27. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record and also return to the Resolution Applicant or New Promoters.
28. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance.
29. Liberty is hereby granted for moving any Application if required in connection with implementation of this Resolution Plan.
30. A copy of this Order is to be submitted in the Office of the Registrar of

Companies, West Bengal.

31. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order.
32. The Resolution Professional is further directed to handover all records, premises/factories/documents to the Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records/premises/factories/documents through the Resolution Professional to finalise the further line of action required for starting of the operation.
33. IA (IB) No. 586/KB/2021 and the main Company Petition i.e., CP (IB) No. 634/KB/2017 shall stand disposed of accordingly.
34. The Registry is directed to communicate the Order to the Applicants, Respondents, to the Resolution Applicant and to IBBI, through e-mail and free copy is to be given, if applied for.
35. The Certified copy of the Order may be issued to all the concerned parties, if applied for, upon compliance with all the requisite formalities.

Harish Chander Suri
Member (Technical)

Rohit Kapoor
Member (Judicial)

The order is pronounced on the 6th day of July, 2022

GGRB_LRA

File No.CEA-PL-14-40/1/2018-PDM Division-Part(1)



भारत सरकार
विद्युत मंत्रालय
केन्द्रीय विद्युत प्राधिकरण



सत्यमेव जयते

भारत सरकार
Government of India
विद्युत मंत्रालय
Ministry of Power
केन्द्रीय विद्युत प्राधिकरण
Central Electricity Authority
पी .डी एम .प्रभाग
Power Data Management Division

Vinod Kumar Jain
AGM (Commercial)
Jhabua Power Ltd –
JV of NTPC Ltd.

विषय: सिओनी टीपीपी के स्वामित्व में परिवर्तन के सम्बन्ध में ।


Subject: Change in ownership of Seoni TPP – regarding.

महोदय,

This has reference to your letter dated 15.11.2022 to Power Data Management Division, CEA. Whereby it was informed about change in the ownership of Seoni TPP (1x600 MW) from IPP to JV of NTPC Ltd.

After going through the documents provided in support of the change in ownership, the name of the owner company of Seoni TPP (1x600 MW) has been changed in CEA records to JHABUA POWER LTD. – JV of NTPC Ltd. and the sector from Private sector to Central sector. This is for your information please.

भवदीय


06/01/2023
(इरफान अहमद)

मुख्य अभियन्ता (पी.डी.एम.)

सूचना की प्रति :

1. Chief Engineer (FM), CEA
2. Chief Engineer (OPM), CEA
3. Chief Engineer (TPM), CEA
4. Chief Engineer (IRP), CEA

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION5thFloor, "Metro Plaza", Bittan Market, Bhopal (M.P.) - 462 016**Petition No. 61 of 2023****PRESENT:**

S. P. S Parihar, Chairman
Gopal Srivastava, Member (Law)
Prashant Chaturvedi, Member

IN THE MATTER OF:

True-up of Generation Tariff for 1x600 MW (Phase-1) Coal Based Thermal Power Project at Barela-Gorakhpur, Dist. Seoni, (M.P.) for FY 2022-23 determined by Madhya Pradesh Electricity Regulatory Commission vide MYT Order dated 8th May, 2021 in Petition No 47 of 2020.

M/s. Jhabua Power Limited:**PETITIONER****Vs.**

- 1. M.P. Power Management Company Ltd., Jabalpur**
- 2. M. P. Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur**
- 3. M. P. Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal**
- 4. M. P. Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore**

RESPONDENTS

ORDER**(Passed on this day of 5th March, 2024)**

1. M/s. Jhabua Power Limited (hereinafter called “the petitioner”) filed the subject petition for Truing-up of Generation Tariff for FY 2022-23 for its 1x600 MW coal based thermal power project (herein after referred to as “project”) at District Seoni, Madhya Pradesh, determined by the Madhya Pradesh Electricity Regulatory Commission (hereinafter called “the Commission” or ‘MPERC”) vide Multi Year Tariff (MYT) Order dated 8th May, 2021 in Petition No. 47 of 2020.
2. The subject true-up petition has been filed under Sections 62 and 86(1)(a) of the Electricity Act, 2003 and based on the MPERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 {RG- (IV) of 2020} (herein after referred to as “Regulations, 2020”) for the control period FY 2019-20 to FY 2023-24 notified on 28th February, 2020.
3. Jhabua Power Project under the subject petition comprises of one generating unit of 600 MW capacity. The generating unit achieved Date of Commercial Operation (CoD) on 3rd May, 2016.
4. The petitioner executed long term Power Purchase Agreement (PPA) on 5th January, 2011 with MP Power Management Company Ltd., (hereinafter called “MPPMCL” or “Respondent No. 1”) for supply of 30% power from the project at the tariff determined by the Commission. The petitioner executed another PPA with GoMP on 27th June, 2011 for sale of 5% net power on variable charges only determined by the Commission.
5. The petitioner had earlier filed Petition No. 47 of 2020 for determination of Multi Year Tariff for its generating station for the control period from FY 2019-20 to FY 2023-24 based on the Regulations, 2020. Vide Order dated 08th May, 2021 in the aforesaid petition, the Commission determined the multi-year tariff for the aforesaid generating unit subject to true-up based on the Annual Audited Accounts for the respective financial year.
6. In the aforesaid MYT order dated 8th May, 2021, the following Annual Capacity (fixed) Charges for FY 2022-23 were determined by the Commission:

Table 1: Annual Capacity (Fixed) Charges determined in MYT Order for FY 2022-23

| Sr. No. | Particulars | Unit | Amount |
|---------|--------------------------|-----------|--------|
| 1 | Return on Equity | Rs. Crore | 153.14 |
| 2 | Interest on Loan Capital | Rs. Crore | 237.02 |
| 3 | Depreciation | Rs. Crore | 202.37 |

| | | | |
|----------|--|------------------|---------------|
| 4 | Interest on Working Capital | Rs. Crore | 48.31 |
| 5 | O & M Expenses | Rs. Crore | 134.82 |
| 6 | Annual Capacity (fixed) Charges | Rs. Crore | 775.66 |
| 7 | Less: Non-Tariff Income | Rs. Crore | (-)0.11 |
| 8 | Net Annual Capacity (Fixed) Charges | Rs. Crore | 775.55 |
| 9 | Annual Capacity Charges corresponding to 30% of the installed capacity of the Project | Rs. Crore | 232.67 |

7. In the subject petition, the petitioner has sought true-up of Annual Capacity (fixed) Charges for FY 2022-23 prior to acquisition of the project by the NTPC Ltd, i.e., till 4th September, 2022 considering actual Additional Capital Expenditure incurred during FY 2022-23 till 4th September, 2022 in accordance with Regulation 9.4 of the Regulations, 2020, which provides as under:

“A generating company shall file a petition at the beginning of the Tariff period. A review shall be undertaken by the Commission to scrutinize and true up the Tariff on the basis of the capital expenditure and additional capital expenditure actually incurred in the Year for which the true up is being requested. The generating company shall submit for the purpose of truing up, details of capital expenditure and additional capital expenditure incurred for each year of the period from 1.4.2019 to 31.3.2024, duly audited and certified by the auditors”.

8. The petitioner in the subject petition has submitted that, its company has been taken over by NTPC Limited as a Joint Venture with Secured Financial Creditors (50:50) through CIRP (Corporate Insolvency Resolution Process) vide NCLT Order dated 6th July 2022. The petitioner also mentioned that the Management control lies with NTPC post-acquisition w.e.f. 5th September, 2022. Thus, amounts claimed in the subject petition are based on the Annual Audited Accounts for FY 2022-23 prepared till the date prior to the takeover of plant by NTPC Ltd for 157 days i.e. till 4th September, 2022. Since NTPC Limited is a Central Sector Generating Company, effective 05.09.2022, petitioner submitted that Jhabua Power intends to file the tariff for remaining period (post NTPC takeover) with Hon'ble CERC under Section 79 (1) (a) of Electricity Act 2003.
9. In the subject petition, the petitioner filed the additional capitalization of Rs 3.23 Crore on accrual basis and Rs. 4.62 Crore on cash basis during FY 2022-23 till 4th September, 2022. Based on the aforesaid additional capitalization of Rs. 4.62 Crore on cash basis, the petitioner claimed the following Annual Capacity (fixed) Charges for the project:

Table 2: Annual Capacity Charges claimed in the petition for FY 2022-23 till 4th September, 2022:

| S. No. | Particulars | Unit | Amount |
|-----------|---|------------------|---------------|
| 1 | Return on Equity | Rs. Crore | 156.73 |
| 2 | Interest on Loan Capital | Rs. Crore | 251.29 |
| 3 | Depreciation | Rs. Crore | 206.50 |
| 4 | Interest on Working Capital | Rs. Crore | 45.34 |
| 5 | O & M Expenses | Rs. Crore | 134.82 |
| 6 | Less: Non-Tariff Income | Rs. Crore | 0.00 |
| 7 | Total Annual Capacity (Fixed) Charges | Rs. Crore | 794.68 |
| 8 | Total Amount proportionate to 4th September, 2022 | Rs. Crore | 341.82 |
| 9 | Un-recovered Depreciation | Rs. Crore | 0.29 |
| 10 | Total | Rs. Crore | 342.11 |

10. With the above submission, the petitioner prayed the following:
- Carry out the truing-up of tariff for Unit-1 of the Project for the period from 01.04.2022 to 04.09.2022 and allow to recover the gap amount along with carrying cost.*
 - Extend the Cut-Off date on account of uncontrollable factors till two (02) years after the resolution of the asset (Date of order of the National Company Law Tribunal, NCLT) i.e., till 05.07.2024, keeping in view the extraordinary circumstances engulfing the Petitioner and the execution time required for completion & discharging of all the liabilities of the balance works.*
 - Approve the Additional Capital Expenditure of Rs. 4.62 Cr (Cash Basis) for FY 2022-23 till 4th September, 2022 in accordance with the Regulations, 2020.*
 - Allow to recover E.D., Water Charges, WRLDC Fees & Charges and Cess on auxiliary power consumption and other taxes, if any, levied by the Statutory Authorities from the beneficiaries on submission of documentary evidence;*
 - To allow the expenditure incurred on Ash utilisation & transportation in FY 2022-23 till 4th September'22 to be directly recovered from the Respondent No. 1.*
 - Allow recovery of Carrying Cost of an amount of Rs. 11.62 Crore which was deducted from monthly bills against GST of Rs. 15.25 Crore (as per the order of Hon'ble NCLT, Kolkata). The deducted amount of Rs. 15.25 Crore has been paid by MPPMCL on 14.07.2023.*

(g) Allow the un-recovered depreciation of Rs. 0.29 Crore towards the Depreciation of Lease Land pertaining to the period from CoD to FY 2022-23.

(h) Allow to recover the fees paid to the Commission and publication expenses from the beneficiaries on submission of documentary evidence.

11. The subject petition has been examined by the Commission in accordance with the principles, methodology and norms specified in the Regulations, 2020, Annual Audited Accounts and other supplementary submissions filed by the petitioner in response to the additional information / details sought by the Commission along with all other documents placed on record by the petitioner. The Commission also examined the subject petition in light of the comments / suggestions offered by the Respondent No.1 and other stakeholder and response of the petitioner on the same.
12. In this true-up order, the Commission has considered opening figures of Gross Fixed Assets (GFA), Equity, Loan and Accumulated Depreciation as per the closing figures considered by the Commission in last true-up Order for FY 2021-22 in Petition No. 87 of 2022 issued on 29th March, 2023.

Procedural History

13. Motion hearing in the subject matter was held on 13th December, 2023, wherein representatives of M/s Jhabua Power Limited (A joint venture of NTPC Limited) was also present and submitted that from 5th September, 2022 onwards, after taking over the ownership by NTPC Limited, the Jhabua Power Limited became Central Generating Station. As such for the balance period, i.e., from 5th September, 2022 to 31st March, 2023, true-up petition shall be filed before Hon'ble CERC under Section 79(1) (a) of the Electricity Act, 2003.
14. Vide daily order dated 13th December, 2023, the petition was admitted and the petitioner was directed to serve copies of petition to all Respondents in the matter. Respondents were also asked to file their response on the petition within 15 days. The petitioner was asked to file rejoinder within one week, thereafter.
15. Vide Commission's letter dated 19th December, 2023, information gaps and requirement of additional information on scrutiny of the petition were communicated to the petitioner seeking comprehensive response by 10th January, 2024.
16. By affidavit dated 11th January, 2024, Respondent No. 1 (M.P. Power Management Co. Ltd.) filed its response/ comments on the subject petition.

17. The public notice for inviting comments/ objections/ suggestions from stakeholders was published on 12th January, 2024 in the following newspapers:
 - i. Nayi Duniya (Hindi), Bhopal,
 - ii. Nayi Duniya (Hindi), Gwalior,
 - iii. Nayi Duniya (Hindi), Indore
 - iv. Nayi Duniya (Hindi), Jabalpur
 - v. Business Standards (English), Bhopal.
18. The above public notice along with copy of the petition was uploaded on Commission's website also for inviting comments/objections/suggestions from stakeholders.
19. In response to Public Notice, the Commission received comments from one stakeholder, Shri Rajendra Agarwal on 17th January, 2024. By affidavit dated 9th February, 2024, the petitioner filed its response on aforesaid comments of the stakeholder. The response of the petitioner on the comments/suggestions filed by the stakeholder along with observations is mentioned in Annexure- II of this Order.
20. By affidavit dated 31st January, 2024, petitioner filed reply to the issues communicated to it by the Commission.
21. By affidavit dated 9th February, 2024, petitioner filed its rejoinder to the response/ comments filed by Respondent No.1. The petitioner's responses on each comment offered by the Respondent No.1 are mentioned in Annexure-I of this Order.
22. The public hearing in the subject petition was held on 13th February, 2024 through video conferencing, wherein the representatives of petitioner, Respondent No. 1 and stakeholder appeared.
23. During the course of the Public Hearing, the petitioner requested the Commission for submission of legal opinion on the issue of jurisdiction of the Electricity Regulatory Commission after takeover of the project by NTPC. Considering the request of petitioner, the Commission allowed the petitioner to file copy of a legal opinion by 14th February, 2024. Petitioner was also directed to serve copy of the same to Respondent No.1 and other stakeholder. By affidavit dated 13th February, 2024, the petitioner filed copy of legal opinion in the subject matter. Vide submission dated 19.2.2024, Respondent No.1 (MPPMCL) filed its reply on the legal opinion submitted by the petitioner.
24. On 5.09.2022 (Transfer date), Jhabua Power Limited (JPL) has become a Joint Venture (JV) of NTPC Limited, wherein, NTPC Limited is responsible for managing

and controlling the Petitioner's Company with 50% shareholding in JPL. The issue before Commission for this true up was whether Commission can undertake part true-up only upto the transfer date of 5.9.2022. Commission has noted that from the transfer date, Jhabua Power Limited has acquired the status of Company owned and controlled by the Central Government. As per Section 79(1) (a) of the Electricity Act, 2003, Central Electricity Regulatory Commission (CERC) has powers to regulate tariff of such Company. Since these powers are vested with CERC **exclusively**, the Commission is of the opinion that it has powers to true up the tariff before the transfer date in this case, i.e., 5.9.2022. The petitioner has already bifurcated its accounts in two parts during the Financial Year, i.e., before and after the transfer date. The Commission has therefore decided to undertake part true-up till 4.9.2022 for the FY 2022-23.

Disclaimer for Rounding

25. In this Order, certain numbers as a whole, upto several decimal places have been rounded up or down. Therefore, there may be discrepancies between the totals of the individual numbers shown in the tables upto 2 decimal places and numbers given in the corresponding analysis in the text of this order.

Capital Cost as on 1st April, 2022

Petitioner's Submission:

26. Regarding the capital cost of the project, the petitioner submitted that the Commission in last true-up order dated 29th March, 2023 has considered closing capital cost of Rs. 4025.30 Crore as on the 31st March, 2022. The same capital cost has been considered by the petitioner as opening capital cost as on the 01st April, 2022 for the purpose of true-up of tariff for FY 2022-23 (till 4th September, 2022) in the subject petition.

Provisions of Regulations:

27. With regard to capital cost of the existing power project, Regulation 21.3 of the Regulations, 2020 provides as under:

21.3 "The Capital cost of an existing project shall include the following:

- (i) the capital cost admitted by the Commission prior to 1.4.2019 duly true up by excluding liability, if any, up to last true-up order issued by the Commission;*
- (ii) additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulations;*
- (iii) capital expenditure on account of renovation and modernization as admitted by the Commission in accordance with these Regulations;*
- (iv) capital expenditure on account of ash disposal including handling and transportation facility;*
- (v) capital expenditure incurred towards railway infrastructure and its augmentation for*

transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and

(vi) capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries”

Commission’s Analysis:

28. The petitioner has considered the opening capital cost as on the 1st April, 2022 as considered in Commission’s tariff order dated 29th March, 2023 in true-up petition No. 87 of 2022 for FY 2021-22. The breakup of the capital cost determined by the Commission as on 31st March, 2022 in aforesaid true-up order dated 29th March, 2023 is as given below:

Table 3: Capital Cost considered in last true up Order as on the 31.03.2022
(Rs. in Crore)

| Sr. No | Particulars | Amount |
|--------|---------------------------|----------------|
| 1 | Land and Site Development | 55.48 |
| 2 | Civil Works | 203.72 |
| 3 | Plant & Machinery | 3750.95 |
| 4 | Furniture & Fixtures | 7.10 |
| 5 | IT Equipments (Computers) | 4.04 |
| 6 | Office Equipments | 3.80 |
| 7 | Vehicles | 0.21 |
| | Total | 4025.30 |

29. The Commission has considered the opening Gross Fixed Assets (GFA) as on 01.04.2022 of Rs. 4025.30 Crore, same as considered in the last true-up order for FY 2021-22 as closing GFA as on 31st March, 2022, in this Order.

Additional Capitalization

Petitioner’s Submission

30. In the subject true-up petition, the petitioner has claimed the additional capitalization of Rs 4.62 Crore on cash basis out of which, Rs 3.23 Crore is on accrual basis during FY 2022-23 till 4th September, 2022. The break-up of additional capitalization claimed on accrual basis and cash basis by the petitioner is as given below:

Table 4: Additional Capitalization claimed by the petitioner for FY 2022-23 till 4.9.2022

| S. No | Particulars | Amount on (Accrual Basis) (Rs. Crore) | Amount on (Cash Basis) (Rs. Crore) |
|-------|-----------------------|--|--|
| 1 | Railway Related Works | - | 0.94 |

| | | | |
|---|---------------------------------|-------------|-------------|
| 2 | Capital Spares | 3.19 | 3.27 |
| 3 | Coal Handling Plant | - | 0.16 |
| 4 | Ash Handling Plant/Ash Disposal | - | 0.01* |
| 5 | Others | 0.04 | 0.24 |
| | Total | 3.23 | 4.62 |

(*Petitioner has wrongly mentioned Rs 0.01 Crore towards Ash Handling System/Ash Disposal Works. Actual figure of Rs 0.02 Crore against this expenditure head is mentioned subsequently in para 6.65 of the subject petition.)

31. With regard to the additional capitalization claimed in the subject petition, the petitioner submitted the following:

Railway Related Works:

- i. *It is submitted that the dedicated railway line has been operational from 21.08.2020 and is utmost essential for the everyday operation of the Plant. Furthermore, the Commission in its True-up Orders dated 18.08.2022 & 29.03.2023 has also recognized the importance of the work and has allowed Rs. 79.43 Crore & additional capitalisation of Rs. 2.07 Crore respectively towards railway related works.*
- ii. *It is submitted that the Commission has already approved the scheme to allow Capex in its orders dated 18.08.2022 & 20.03.2023 and therefore, the Commission is requested to allow the discharge of liability of Rs. 0.94 Crore for the work already been carried out in FY 2022-23 till 4th September, 2022 as admitted by the Commission as per Regulation 27.1 (vi) of the Regulations, 2020. It is further submitted that the cost incurred on account of the balance works amounting to Rs. 3.69 Crore (cash basis) incurred in FY 2022-23 till 4th September, 2022 may also be kindly allowed under Regulation 26.1(ii).*

Capital spares:

The petitioner has filed list of capital spares amounting to Rs. 3.19 Crore were capitalised in FY 2022-23 till 4th September, 2022.

- iii. *It is submitted that the Petitioner had barely allowed to incur additional capital expenditure during CIRP process and therefore capital spares could not be procured in one go and therefore could not be procured before the cut-off date. Like Railways, Capital Spares is also an integral part for running the plant smoothly. Considering the fact that the Commission has allowed expenditure incurred for Railways, as the delays are not completely attributable to the Petitioner, the same principle lies with the Capital Spares as well. It is therefore requested that Commission may please approve the same, because even after allowing capital spares, the ceiling limit of 4% of the Plant & Machinery cost is not violated in accordance with the Regulations, 2020.*

- iv. *Further, liability of Rs. 3.19 Crore towards spares procured in the FY 2021-22 till 4th September, 2022 has been discharged by the Petitioner related to capital spares. Therefore, the Commission is requested to allow the total cost of Rs. 3.19 Crore related to the capital spares. It is further submitted that even after allowing the same the amount of spare will be well within the limits specified in the Regulations, 2020.*
- v. *An extension of cut-off date is therefore being sought in the above regard and the same has been claimed under Regulation 26.1 (iii) of Regulations, 2020. The Petitioner requests the Commission to approve the same. .*

Other Works

- vi. *It is submitted that some of the works, which are essential for efficient operation of the Plant pertaining to Misc. Electrical works could not be completed before the cut-off date of the project owing to the uncontrollable factors as detailed in the earlier Paras. Therefore, the petitioner requests the Commission to approve the same in FY 2022-23 till 4th September, 2022 under Regulation 26.1(ii) of Regulations, 2020.*
- vii. *It is submitted that during the year, Rs. 0.04 Crore is claimed towards Misc. BoP Electrical/Mechanical Works.*
- viii. *It is further submitted that the petitioner has discharged the liability of Rs. 0.19 Crore for the previous year (FY 21-22 & FY 20-21) out of which Rs. 0.13 Crore pertains to AoH carried out in FY 2021-22, Rs. 0.01 Crore pertains to Ventilation and Rs. 0.05 Crore pertains to Misc. Civil works. These balance works were part of original scope of works and are essential for safe & smooth operation of the Power Plant.*
- ix. *In view of the above, it is submitted that the above works were essential works that is required for safe and efficient operation of the plant and could not be completed within the cut-off date for the reasons discussed in detail in the Petition and hence the Petitioner requests the Commission to approve the same under Regulation 26.1 (ii) of the Regulations, 2019.*

Ash Handling System / Ash Disposal

- x. *It is submitted that an amount of Rs. 0.02 Crore pertain to liability discharged during the year for works which were previously carried out and is now being claimed under Regulation 26.1(i) of the Regulations, 2020. These works were required for safe and reliable operations of the plant.*

Coal Handling Plant

- xi. It is submitted that an amount of Rs. 0.16 Crore corresponds to CHP works which pertains to the liability discharged during the year for works which were previously carried out and is now being claimed under Regulation 26.1(i) of the Regulations, 2020. These works were required for safe and reliable operations of the plant.*
- xii. It is submitted that the Petitioner was barely allowed to incur additional capital expenditure during CIRP process and therefore assets could not be procured in one go and could not be procured before the cut-off date. It is therefore requested that Commission approves the same.*
- xiii. Since the above works were deferred for execution and the Petitioner seeks extension of cut-off date in view of the uncontrollable nature of the reasons which restricted the Petitioner from completing the works within the Original Cut-off date. Accordingly, they have been claimed under Regulation 26.1 (ii) of the Regulations, 2020.*
- xiv. With the above background, it is prayed that the additional capitalization of Rs. 3.23 Crore (accrual basis) and Rs. 4.62 Crore (cash basis) claimed for FY 2022-23 may be allowed.*

Provisions in Regulations

32. Regarding additional capitalization within the original scope of work after the cut-off date, Regulation 27.1 of the Regulations, 2020 provides as under:

27.1 The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:

- (i) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;*
- (ii) Change in law or compliance of any existing law;*
- (iii) Deferred works relating to ash pond or ash handling system including ash transportation facility in the original scope of work;*
- (iv) Liability for works executed prior to the cut-off date;*
- (v) Force majeure events;*
- (vi) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payment; and*
- (vii) Additional capitalization on account of raising of ash dyke as a part of ash disposal system.*

- 27.2 In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:
- (a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these Regulations;
 - (b) The replacement of the asset or equipment if necessary, on account of change in law or Force Majeure conditions;
 - (c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and
 - (d) The replacement of such asset or equipment has otherwise been allowed by the Commission.

Commission's Analysis

33. The petitioner has filed the additional capitalization of Rs. 4.62 Crore on cash basis however, the additional capitalization claimed in the subject petition on accrual basis is Rs. 3.23 Crore. The petitioner submitted that the additional capitalization claimed during FY 2022-23 till 4th September, 2022 is entirely for the works covered under original scope of works but were deferred for execution due to uncontrollable factors. Out of the total additional capitalization on accrual basis, assets of Rs. 3.19 Crore pertain to Capital Spares and Rs 0.04 Crore pertains to Other misc. BoP Electricity / Mechanical Works.
34. Vide Commission's letter dated 19th December, 2023, certain necessary details/documents related to additional capitalization claimed in the subject petition were sought from the petitioner and the petitioner was asked to file a comprehensive reply on various issues related to additional capitalization. By affidavit dated 31st January, 2024, the petitioner filed its response on the issues raised by the Commission. The response of the petitioner on all such issues is mentioned below:

Issues

- i) **Whether additional capitalization claimed are under original scope of work. If so, the claim of additional capitalization be justified in light of the Regulation 27.1 of the Regulations, 2020. All supporting documents was asked to be filed in this regard.**

Petitioner's Response:

The Petitioner submitted that the assets capitalized during the year FY 2022-23 till 4th September, 2022 are under original scope of work. It is submitted that the works

for the additional capital expenditure claimed were already envisaged in the DPR, however, the same could not be completed within cut-off date owing to the uncontrollable reasons which is explained in detail in the Petition. With regard to the supporting documents, the Petitioner submits that the works proposed under the Original Scope of Works are reflected in the DPR along with cost estimates and the same is submitted.

With regard to the justification of addition of assets in light of Regulations, 2020, the Petitioner submits that it has claimed the additional capitalization for FY 2022-23 till 4th September, 2022 under Regulation 26.1 and Regulation 27.1 as referred by the Commission. The Petitioner has submitted justification in the Petition as to why the Petitioner has claimed the additional capitalization under Regulation 26.1 and Regulation 27.1 of the Regulations, 2020. The Petitioner is not repeating the same for the sake of brevity.

- ii) If additional capitalization is claimed beyond Original Scope of work, the petitioner was asked to clarify whether the addition of asset was as per Regulation 28.1.

Petitioner's Response

The petitioner submitted that all the works which are claimed under additional capitalization for FY 2022-23 till 4th September, 2022 are under Original Scope of Works as already submitted in the Petition and in this reply and no asset addition has been proposed on account of works, which are new or beyond Original Scope of Works.

- iii) The petitioner was asked to file list of assets capitalized under additional capitalization with detailed reasons in the following format:

Details of Additional Capitalization:

| S. No. | Particulars | Asset Additions (Rs. Crore) | Reasons of Asset Additions | Provisions of Regulations under which Add. Cap. filed | Reference supporting doc. Enclosed |
|---------------|--------------------|------------------------------------|-----------------------------------|--|---|
| 1 | | | | | |

Petitioner's Response:

The petitioner submitted the information as follows:

Table 5 Information regarding the additional capitalization claimed in FY 2022-23

| S No | Particular | Asset Addition (Rs. Crore) | Detailed reasons of Asset Additions | Provision of Regulations under which Add. Cap is Filed | Reference of supporting documents |
|-------------|-------------------|-----------------------------------|---|---|---|
| 1. | Capital Spares | 3.19 | In line with the Regulation 25 of the Regulations, 2020 which allows initial spares to be claimed at 4% of Plant & Machinery Cost of the Project. | 26.1 (iii) | Copies of the invoices are submitted. And Copies of Orders are provided to this Submission. |
| 2. | Others | 0.04 | Deferred works under original scope of works which are essential are Safety, reliability and smooth running of the Plant. | 26.1 (ii) | |
| | Total | 3.23 | | | |

- iv) The petitioner was asked to file copy of work orders/ purchase orders placed to different vendors for additional capitalization claimed in the petition along with a statement indicating date of order and price at which contracts were awarded. If there was any delay in completion of works on account of contractor, the details of penalty, if any, imposed on contractor(s) be also informed.

Petitioner's Response:

The Petitioner submitted that the copy of work orders / purchase orders placed to different vendors for additional capitalization claimed in the petition are submitted. As regards to the details of penalty, the Petitioner submits that no penalty has been imposed by the Petitioner on any of the Contractors who were involved in the works claimed under the additional capitalization.

- v) Copy of the bills/invoices of all such assets under additional capitalization was asked to be filed.

Petitioner's Response:

The petitioner submitted that copies of Bills/Invoices of the assets (covering almost 96% of capitalisation claim) have been submitted. The Petitioner further submits that all the invoices against the total additional capitalization claimed in the Petition are available with the Petitioner and the same can be provided in case the same are required by the Commission. Accordingly, petitioner requests the Commission

to consider the same and approve the additional capitalization as claimed in the Petition.

- vi) **Actual Loan drawn and Equity infused towards additional capitalization during FY 2022-23 till 4th September, 2022 claimed in the subject petition was asked to be filed.**

Petitioner's Response:

The Petitioner submitted that the assets during FY 2022-23 till 4th September'22 are capitalized through cash inflow of the Petitioner. Therefore, no actual loan and equity was infused towards the additional capitalization during FY 2022-23.

35. On perusal of the aforesaid petitioner's response on additional capitalization claimed in the subject petition, the Commission has observed the following:
- i. The petitioner has claimed additional capitalization on accrual basis under Regulation 26.1 of the Regulations, 2020, which is applicable for the additional capitalization within the original scope of work and upto cut-off date. However, the assets under additional capitalization claimed in the subject petition have been capitalized after the cut-off date of the project. The petitioner has also claimed capitalization of asset related to railway related works under Regulation 27.1 of the Regulations, 2020.
 - ii. The petitioner submitted that the additional capitalization claimed is within the original scope of work of the project and no asset addition has been proposed on account of works which are new or beyond Original Scope of Works.
 - iii. The petitioner has filed the copies of the bills/invoices, purchase orders placed on various suppliers/contractors. The Petitioner also submitted that the asset additions during FY 2022-23 till 4th September, 2022 were funded through cash inflow of the petitioner. Therefore, no actual loan was infused towards the additional capitalization during FY 2022-23.
 - iv. The petitioner mentioned that the above works are deferred for execution and the petitioner seeks extension of cut-off date due to uncontrollable reasons, which were beyond the control of the petitioner.
36. By affidavit dated 11th January, 2024, Respondent No. 1 (MPPMCL) filed its response on the additional capitalization claimed in the subject petition. The response filed by Respondent No. 1 (MPPMCL) is as follows:

- i. In the subject petition, it is clear that the cut-off date for the plant is 31.03.2019 and the additional capital expenditure claim is incurred post cut-off date that can be allowed only if they are in accordance with Regulation 27.2. Since the additional capitalisation claimed have been incurred after the cut-off date and is not in accordance with Regulation 27.2 of the extant Regulations, the claims are untenable as per the Regulations, 2020.*
- ii. It is submitted that all the terms i.e. “Cut-off Date” “controllable factors” and “uncontrollable factors” are defined in the extant tariff regulations. It is settled law that the Regulations once notified are binding on all stakeholders including the Commission. Therefore, “Cut-off Date” cannot be extended as a matter of routine and such extension is only possible if the project is impacted by “uncontrollable factors”. While the definition of “uncontrollable factors” is an inclusive definition, what would constitute “uncontrollable factors” shall have to be guided by the illustrated heads in the definition which are Force Majeure Events, Change in Law, Time and cost over-runs on account of land acquisition except where the delay is attributable to the generating company. It is submitted that ‘includes’ in the definition of the “uncontrollable factors” would have to be interpreted ejusdem generis and financial difficulty of the generating company cannot be termed as an “uncontrollable factor”. The MPERC has previously time and again rightly held that events relied on by the Petitioner to extend the cut-off date were not entirely beyond the control of the Petitioner. As a result, the prayer for extension of cut-off date ought not to be allowed by the Commission.*
- iii. It is pertinent to note that the petitioner has not put any evidence on record suggesting that the difficulties faced by the Petitioner would qualify as such. In fact it is pertinent to submit that the ‘uncontrollable factors’ as alleged by the Petitioner pertains to financial difficulties faced by the Petitioner and such financial difficulties were solely attributable to the Petitioner. The Petitioner having practiced poor financial prudence had to go through the IBC proceedings and resolution thereunder. The liability of such poor financial handling cannot be put on the beneficiaries in the form of additional capitalisation expended past the cut-off date.*
- iv. Further, it is also pertinent to state that this Commission has consistently disallowed the Petitioner’s claim for extension of cut-off date and grant of additional capitalisation in lieu of the same. Grant of the same would not only lead to inconsistency but would open a pandora’s box of revision of all previous and further claims on the part of the petitioner and similarly placed entities. Further, the matter of whether cut-off date for commissioning the petitioner’s project should be extended is already sub-judice*

before the Hon'ble APTEL and any decision contrary to the same would lead to severe prejudice to the Answering Respondent before the Hon'ble APTEL.

- v. *It is the case of the Petitioner in the present Petition that certain railway related works had been accepted by this Commission vide its order dated 18.08.2022 & 29.03.2023. Towards such capitalization in terms of Regulation 27.1 (vi) of the Regulations, cost of Rs. 0.94 Crore has been incurred. The same is unchallenged in line with the previous decisions of this Commission.*
 - vi. *However, the petitioner seeks to approve Rs. 3.69 crore on account of balance works incurred in FY 2022-23 till 04.09.2022 in terms of Regulation 26.1 (ii) of the Regulations. It is reiterated that as averred hereinabove, such cost of balance works took place after the cut-off date and financial hardships clearly do not attract force majeure or change in law provisions. Therefore, there is no grounds in terms of the MPERC Tariff Regulations basis by which the cost of balance works amounting to Rs. 3.69 Crore can be allowed to be passed through in true up.*
 - vii. *Similarly as above, the Petitioner seeks to pass through liability of Rs. 3.19 crore on account of expenditure done on capital spares. Further other misc. electric works to the tune of Rs. 0.04 Crore is also sought to be passed through in true up. It is the case of the Petitioner that such expenditures were taken after the cut-off date on account of the inability of the Petitioner to invest money during the CIRP process. However, it is reiterated herein that financial hardships that were brought upon itself by the Petitioner cannot be passed on to the beneficiaries. In that regard the averments made hereinabove are reiterated.*
 - viii. *Further, additional expenditure towards ash handling system amounting to Rs. 0.02 Crore and additional expenditure towards coal handling plant amounting to Rs. 0.16 crore are also sought for similar reasons as above. It is reiterated that the present case as held by this Commission before, is not a fit case for extension of cut-off date and therefore, such claims on additional capitalization ought to be disallowed.*
 - ix. *In sum, the additional capitalization amount of Rs. 3.23 Crore (on accrual basis) and Rs. 4.62 Crore (on cash basis) claimed by the Petitioner is untenable under the scheme of the MPERC Tariff Regulations and ought to be disallowed by this Commission.*
37. The Commission has examined additional capitalization claimed by the petitioner in light of the Annual Audited Accounts, Asset-cum-Depreciation Register for the project, original scope of work of the project and provisions for additional capitalisation under

the Regulations, 2020. The Commission has also examined the claim of additional capitalization in light of the response filed by the Respondent No. 1 and reasons for delay in completion /capitalization of assets along with other details and documents submitted by the petitioner.

A. Annual Audited Accounts and Asset-cum-Depreciation Register

38. On perusal of the Annual Audited Accounts for FY 2022-23 (till 4th September, 2022) filed by the petitioner, it was observed that the additional capitalisation of Rs 3.23 Crore on accrual basis filed by the petitioner has been capitalized in Schedule 3 of the Annual Audited Accounts. These assets have also been recorded in Asset-cum Depreciation Register of the project.
39. However, for the purpose of claiming Annual Capacity (Fixed) Charges for FY 2022-23 till 4th September, 2022, the petitioner has considered additional capitalization of Rs. 4.62 Crore on cash basis with the contention that some undischarged liability of previous years is discharged during the year. The details of the additional capital expenditure (ACE) claimed on accrual basis and cash basis in the subject petition along with undischarged liability for FY 2022-23 till 4th September, 2022 and discharge of previous year liability as filed by the petitioner are given below:

Table 6: Summary of Additional Capitalization on Accrual Basis and Cash Basis filed by the petitioner during FY 2022-23 (till 4th September, 2022) (Rs. Crore)

| Head of Work / Equipment | ACE Claimed on Accrual basis | Un-discharged Liability | Discharge of previous years Liability | ACE Claimed on Cash basis |
|----------------------------------|------------------------------|-------------------------|---------------------------------------|---------------------------|
| | A | B | C | D=A-B+C |
| Railway Related Works | - | - | 0.94 | 0.94 |
| Capital Spares | 3.19 | 0.19 | 0.27 | 3.27 |
| Coal Handling Plant | - | - | 0.16 | 0.16 |
| Ash Handling System/Ash Disposal | - | - | 0.02 | 0.01* |
| Others | 0.04 | - | 0.19 | 0.24 |
| Total | 3.23 | 0.19 | 1.58 | 4.62 |

(*Petitioner has wrongly mentioned Rs 0.01 Crore in Column D towards Ash Handling System/Ash Disposal Works, since, actual figure of discharge of previous year liability is Rs 0.02 Crore in Column C and is also mentioned subsequently in para 6.65 of the subject petition.)

40. In view of the above, the Commission has observed that the additional capitalization on cash basis has been capitalized in Annual Audited Accounts and recorded in Asset-cum-Depreciation register. Therefore, the additional capitalization of Rs. 4.62 Crore filed on cash basis has been examined in light of the relevant provisions under the Regulations, 2020 and summarized as follows:

- i. Additional Capitalization on accrual basis (A) – Rs. 3.23 Crore
- ii. Less: undischarged liability during the year (B) – Rs. 0.19 Crore
- iii. Add: discharged of previous year liability (C) – Rs. 1.58 Crore
- iv. **Additional Capitalization on cash basis (A-B+C) - Rs. 4.62 Crore**

B. Capital Cost under Original Scope of Work and BoD Approval

41. Regarding the original scope of works of the project, the petitioner submitted that the assets capitalized during FY 2022-23 were within the original scope of works of the project and were envisaged in the DPR of the project.
42. It is observed that the petitioner in its final tariff Petition No 28 of 2018 had submitted the Investment approval of Rs. 2909.89 Crore for 1 x 600 MW of the project initially accorded by its Board of Directors of the Jhabua Power Ltd on 01.07.2008.
43. Subsequently, on 10th March, 2016, Board of Directors of the petitioner's company approved the revised estimated cost of Rs 4950 Crore. Break-up of the revised capital cost approved by the Board of Director of Company are as under:

Table 7: Approval of petitioner's BOD dated 10th March, 2016 (Rs Crore)

| Sr No | Description | Revised Project Cost approved by BOD |
|-------|--|--------------------------------------|
| 1 | Land & Site Development | 70.00 |
| 2 | Plant & Equipment-BTG, BOP & Civil Works | 2,965.00 |
| 3 | Initial spares | 100.00 |
| 4 | Total Overheads & pre-commissioning expenses | 100.00 |
| 5 | IDC, FC, FERV & Hedging Cost | 1,435.00 |
| 6 | Total Overheads | 280.00 |
| | TOTAL | 4,950.00 |

44. Details of the capital cost as on 31.03.2022 considered by the Commission, additional capitalization claimed by the petitioner during FY 2022-23 and total actual expenditure as on 31.03.2023 filed by the petitioner are as given below:

Table 8: Actual Expenditure as on 04.09.2022 filed by the petitioner: (Rs. Crore)

| Sr No | Capital Cost Components | GFA as on 31.03.2022 considered by the Commission | Additions claimed by the petitioner during FY 2022-23 till 4 th Sept, 2022 | Total actual expenditure as on 04.09.2022 filed by the petitioner |
|-------|---------------------------|---|---|---|
| 1 | Land and site development | 55.48 | - | 55.48 |

| | | | | |
|---|---------------------------|----------------|-------------|----------------|
| 2 | Civil Works | 203.72 | - | 203.72 |
| 3 | Plant & Machinery | 3750.95 | 4.58 | 3755.53 |
| 4 | Furniture & Fixture | 7.10 | - | 7.10 |
| 5 | IT Equipment | 4.04 | 0.04 | 4.08 |
| 6 | Office Equipments | 3.80 | - | 3.80 |
| 7 | Vehicles | 0.21 | - | 0.21 |
| | Total Capital Cost | 4025.30 | 4.62 | 4029.92 |

45. In view of the above and details submitted by the petitioner, the Commission has observed that the total capital expenditure as on 31st March, 2023 filed by the petitioner is within the revised project cost of Rs. 4950 Crore approved by the BoD of petitioner's company.

C. Cut-off Date

46. Regarding the Cut-off date of the project, Regulation 4.1 (I) of the MPERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2015 provides as under:
'Cut-off Date' means 31st March of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation:
47. The generating unit of Jhabua Thermal Power Project under subject petition achieved CoD on 3rd May, 2016, therefore, the cut of date of the project was 31st March, 2019 in accordance with the above provision under the Regulations, 2015. Accordingly, the additional capitalization claimed by the petitioner in the subject petition is beyond the cut-off date.
48. In the subject true-up petition, the petitioner claimed additional capitalization under Regulation 26.1 of the Regulations, 2020, which is applicable on asset additions within the original scope of works and up to cut-off date. The petitioner has also requested to extend the cut-off date of the project exercising inherent Power to Relax under Regulation 66 of the Regulations, 2020. The petitioner has submitted several reasons and uncontrollable factors for delay in capitalization of assets after the cut-off date.
49. The Commission has observed that the issue of extension of cut-off date has already been addressed by the Commission in earlier tariff/true up orders of the Petitioner's Project. Further, there is no provision under the Regulations, 2020 for extension of cut-off date of the project. Moreover, the petitioner has filed Appeal No 547/2023 against the Commission's Order dated 29th March, 2023 in P No 87 of 2022 regarding issue of

non-extension of the cut-off date of the project which is sub-judice before the Hon'ble Appellate Tribunal for Electricity (APTEL). Therefore, the request of the petitioner for extension of cut-off date is not considered in this Order.

50. Since, the additional capitalization claimed by the petitioner is beyond the cut-off date of the project and within the original scope of work, therefore, same has been examined and analysed under Regulation 27 of the Regulations, 2020.

D. Analysis of additional capitalization in light of the provisions under Regulations

51. The petitioner filed the additional capitalization of Rs 3.23 Crore on accrual basis and Rs 4.62 Crore on cash basis under major heads, i.e., Railway Related Works, Mandatory Spares, Coal handling Plant, Ash Handling Plant and other miscellaneous works. The additional capitalization under each of the aforesaid heads is discussed below in light of the provisions under the Regulations, 2020:

a) Railway Related Works:

52. The petitioner filed additional capitalization of Rs. 0.94 Crore on cash basis towards Railway Related works. The petitioner submitted that the aforesaid additional capitalization is deferred works under original scope of works, which are essential for safety, reliability and smooth running of the Plant and covered under Regulation 26.1 (ii) of the Regulations, 2020.
53. The petitioner submitted that the Commission in its True-up Orders dated 18.08.2022 & 29.03.2023 has considered the work towards railway siding and had allowed Rs. 79.43 Crore & additional capitalisation of Rs. 2.07 Crore respectively towards railway related works.
54. Petitioner has informed that discharge of liability of Rs. 0.94 Crore is considered in expenditure towards initial spares of railway related works in FY 2022-23 till 4th September, 2022. By affidavit dated 31st January, 2024, the petitioner submitted the breakup of initial spares on railway siding related works which are as follows:

Table 9: Break-up of initial spares claimed under head of Railway related Works

| Head | Amount (Rs. Crore) | Reason |
|-----------------------|--------------------|--|
| Railway related Works | 0.85 | Supply of ROTHE ERDE/ LIEBHERR make slew bearing along with set of two slew pinions and fasteners. |
| Railway related Works | 0.08 | Balance payment towards Supply of ballast. |
| Railway related Works | 0.01 | Payment for procurement of reinforcement steel. |
| Total | 0.94 | |

55. Regarding the discharge of previous year liability, the Commission had observed in last true up order dated 25th August, 2022, that the petitioner incurred Rs 84.47 Crore on an accrual basis and Rs. 81.89 Crore on cash basis in FY 2020–21 towards railway siding works. As a result, there was a liability of Rs 2.58 Crore for railway-related works in FY 2020–21, out of which the petitioner discharged its liability of Rs 0.63 Crore in FY 2021–22 and Rs.1.85 Crore incurred on cash basis during FY 2021-22 which amounts to Rs. 2.48 Crore claimed in FY 2021-22. Vide Order dated 29th March, 2023, the Commission allowed the said expenditure by adopting the consistent approach of applying escalation factor towards railway works. Presently, in FY 2022-23, the petitioner has claimed Rs. 0.94 Crore on cash basis, which is towards procurement of initial spares for railway related works.

56. Regarding Railway Related Works, the petitioner in the subject petition has submitted the following:

It is submitted that the dedicated railway line has been operational from 21.08.2020 and is utmost essential for the everyday operation of the Plant. Furthermore, the Commission in its True-up Order dated 18.08.2022 & 29.03.2203 has also recognized the importance of the work and has allowed Rs. 79.43 Crore & additional capitalisation of Rs. 2.07 Crore respectively towards railway related works.

It is submitted that the Commission has already approved the scheme to allow Capex in its orders dated 18.08.2022 & 29.03.2023 and therefore the Commission is requested to allow the discharge of liability of Rs. 0.94 Crore for the work already been carried out in FY 2022-23 till 4th September, 2022 as admitted by the Commission as per Regulation 27.1 (vi) of the Regulations, 2020. It is further submitted that the cost incurred on account of the balance works amounting to Rs. 3.69 Crore (cash basis) incurred in FY 2022-23 till 4th September, 2022 may also be kindly allowed under Regulation 26.1(ii).

57. In the last true-up orders dated 18th August, 2022 and 29th March, 2023, the works related to railway siding were examined by the Commission in details and after considering the reasons for delay in completion of these works, it was observed that the reasons for delay in execution of these works were not entirely attributable to the petitioner. Therefore, aforesaid railway related works were considered under Regulation 27.1(vi) of the Regulations, 2020. Further, in the aforesaid Orders dated 18th August, 2022 and 29th March, 2023, the Commission also mentioned that “The relaxation granted in the present case will not be quoted as precedent in any of the future cases, as each case is to be considered and decided on its own merits.”

58. It is observed that the petitioner failed to capitalise initial spares for railway siding works during FY 2020-21, when railway siding works were capitalised. Further, while claiming the additional capital expenditure towards deferred railway siding for FY 2020-21 in P No 13 of 2022, the petitioner did not mention anywhere in its submission that any balance capitalization towards initial spares of railway siding works would be capitalized and/or claimed in subsequent true-ups.
59. The Commission is of the opinion that the procurement of spares related to railway works of Rs 0.94 Crore claimed during FY 2022-23 does not fall under proviso 27.1 (vi) of the Regulations, 2020 which provides for “considering liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments”. At the time of claiming additional capital expenditure for railway siding, neither the petitioner proposed capitalisation of initial spares for this work nor was this allowed or admitted at that time by the Commission.
60. The initial spares towards railway related works of Rs. 0.94 Crore claimed by the petitioner during FY 2022-23 is not covered under the Regulations, 2020. Hence, this amount is not allowed in this Order.
61. It is also observed that the approach adopted by the Commission while allowing railway related works in previous year tariff orders has been challenged by the petitioner which is sub-judice before the before the Hon’ble Appellate Tribunal for Electricity (APTEL).
- b) AHP/Ash Disposal**
62. The petitioner has claimed Rs. 0.02 Crore on cash basis towards of Ash Handling Plant/Ash Disposal under additional capitalization. The petitioner submitted that the aforesaid works completed and claimed were deferred works under original scope of works which were essential for safety, reliability and smooth running of the Plant. The petitioner has claimed the aforesaid additional capitalization under Regulation 26.1 (i) of the Regulations 2020. The petitioner has submitted that discharge of previous year liability of Rs 0.02 Crore is considered in claiming expenditure in FY 2022-23.
63. The Commission observed that in last true up order dated 29th March, 2023, the petitioner had incurred expenses of Rs 0.68 Crore on an accrual basis and Rs 0.77 Crore on cash basis in FY 2021-22. As a result, there was a shortfall/deficit of Rs 0.09 Crore for ash handling plant/disposal works in FY 2021-22. Liability of Rs. 0.02 Crore towards ash handling plant and related works has also been discharged by the petitioner during FY 2021-22 and is claimed in the subject petition.

64. On examination of the aforesaid claim of Rs. 0.02 Crore towards Ash Disposal, it is observed that the aforesaid works related to Ash Handling Plant are deferred works under the original scope of works of the project, but discharged the liability after the cut-off date of the Project. The aforesaid additional capitalization work is covered under Regulation 27.1 (iii) of the Regulations, 2020, which provides that the deferred works relating to ash pond or ash handling system including ash transportation facility in the original scope of work and beyond the cut-off date may be considered by the Commission, subject to prudence check. Looking to the necessity of the work, the additional capitalization of Rs. 0.02 Crore towards AHP Works is allowed under Regulation 27.1 (iii) in this Order.

c) Capital Spares

65. The petitioner filed additional capitalization of Rs. 3.27 Crore on cash basis and Rs 3.19 Crore on accrual basis towards mandatory spares of the project. Vide letter dated 19th December, 2023, the petitioner was asked to justify its claim towards mandatory spares in light of the Regulation 25 of the Regulations, 2020.

66. By affidavit dated 31st January, 2024, the petitioner submitted following:

The petitioner submits that the Commission has allowed a total of Rs. 38.63 Crore towards mandatory spares till 31.03.2019. A summary of the mandatory spares approved by the Commission till March 31, 2019 is as follows:

Table 10 Details of initial mandatory capital spares approved till 31st March, 2019

| S. No | Particular/ Description | Amount in Rs. Crore | Remark |
|--------------|--|---------------------|--|
| 1 | Mandatory initial spares approved in Order dated November 30, 2018 | 23.54 | The approved initial spares of Rs. 23.54 Crore consists of Rs. 9.01 Crore towards initial spares as on CoD and Rs. 14.53 Crore towards initial spares procured after CoD during FY 2016-17 |
| 2 | Mandatory initial spares approved in Order dated January 5, 2021 | 15.09 | The approved initial spares of Rs. 23.54 Crore consists of Rs. 8.46 Crore which were pertaining to FY 2017-18 and Rs. 6.63 Crore pertaining to FY 2018-19 |
| Total | | 38.63 | |

With regard to the justification of claim of mandatory initial spares for FY 2022-23, petitioner submitted that Regulation 25 of the Regulations, 2020 provides as follows:

“25. Initial Spares:

25.1 Initial spares shall be capitalized as a percentage of the Plant and Machinery cost, subject to following ceiling norms:

- (a) **Coal-based thermal generating stations - 4.0%**
(b) *Hydro generating stations including pumped storage hydro generating system – 4.0%*

Provided that the, Plant and Machinery cost shall be considered as the original project cost excluding IDC, IEDC, Land Cost and cost of civil works. The generating company for the purpose of estimating Plant and Machinery Cost, shall submit the break-up of head-wise IDC and IEDC in its tariff application”

It is submitted that considering the Plant and Machinery cost of Rs. 2269.78 Crore (as on CoD) as approved by the Commission vide its Order dated 30.11.2018, the ceiling limit as per the above Regulations works out to Rs. 90.79 Crore and the petitioner’s claim till 4th September, 2022 including the claimed mandatory initial spares workout to be only Rs. 78.73 Crore on cash basis which is still 14% less than the allowed limit for Capital Spares. Therefore, the initial spares claimed by the Petitioner in FY 2022-23 till 4th September, 2022 along with earlier approved spares are well within the ceiling limit specified in Regulation 25 of the Regulations, 2020. Since commercial operations w.e.f 03.05.2016, this unit is supplying uninterrupted power to MPPMCL and other long-term customers along with market participants, therefore these spares are essential for smooth operations as already explained in para 6.57 of True-up Petition. The petitioner therefore requests Commission to approve the same.

67. The petitioner submitted that out of the total additional capitalization, an amount of Rs. 3.27 Crore is on account of capitalization of the initial / mandatory spares during FY 2022-23 (till 4th September, 2022) claimed in accordance with Regulation 26.1 (iii) of the Regulations, 2020. The petitioner further submitted that the total expenditure on initial spares is within the prescribed limit of 4% of the plant and machinery cost of the project in accordance with Regulation 25 of the Regulations, 2020.
68. In view of the above provision under the Regulations, the said expenditure claimed by the petitioner capitalized after the cut-off date, therefore, does not fall under the Regulation 26.1 (iii) of the Regulations, 2020. Since, the capital spares of Rs. 3.27 Crore capitalized and claimed by the petitioner are under the original scope of works but capitalized after the cut-off date of the project and Commission has not considered the request of the petitioner for extension of the cut-off date of the project, hence, this amount towards capitalization of initial spares is not allowed under Regulation 26.1 (iii) in this Order at this stage.

d) Coal handling Plant

69. The petitioner submitted that an amount of Rs. 0.16 Crore related to CHP works which pertains to the liability discharged during the year for works which were previously carried out and is now being claimed under Regulation 26.1(i) of the Regulations, 2020.
70. On perusal of claim of additional capitalization towards coal handling plant made by the petitioner, it is observed that the aforesaid works are under the original scope of works but capitalized beyond the cut-off date of the project. The petitioner claimed these expenses under Regulation 26.1(i) which is for additional capitalization within the cut-off date of the project. However, the Commission has not considered the prayer of the petitioner for extension of cut-off date of the project. Therefore, additional capitalization towards coal handling plant capitalized after cut-off date is not covered under provisions of the Regulations, 2020, hence, the aforesaid claim is not allowed in this Order.

e) Other Works

71. The petitioner submitted that out of the total additional capitalization, an amount of Rs. 0.24 Crore on cash basis and Rs 0.04 Crore on accrual basis during FY 2022-23 is claimed for works pertaining to Misc. Electrical works. The aforesaid works completed after the cut-off date of the project. The petitioner has claimed capitalizations towards other works under Regulation 26.1 (ii) of the Regulations, 2020.
72. By affidavit dated 31st January, 2024, the petitioner submitted the details of other works as follow:

Table 11: Detailed break-up of other works claimed by the petitioner (Rs. in Crore)

| Head | Amount (Rs. Crore) | Reason |
|--|--------------------|--|
| Air Condition & Ventilation System | 0.012 | A-row ventilation system works- Mechanical works, Ducting, Fabrication of Structural Works & A-Row HVAC system works |
| AoH Capitalised over FY 21-22 & FY 22-23 | 0.133 | Balance payment towards Refurbishment of Crusher Rotor Assembly. |
| Misc. BOP Electrical | 0.042 | Misc Electrical Equipment procured like UPS Battery Rack, Que Manager for CCR etc. |
| Main plant, Site level and Infra | 0.048 | Balance civil works of Air Washer building |
| Total | 0.24 | |

73. On perusal of the above submission of petitioner, it is observed that the aforesaid additional works are capitalized after cut-off date of the project, therefore, these are not covered under the Regulation 26.1 of the Regulations, 2020. Hence, the aforesaid claim is not allowed in this Order.

Additional Capitalization Considered in this Order:

74. As mentioned in the foregoing paragraphs, out of total additional capitalization of Rs. 4.62 Crore claimed on cash basis, the Commission has allowed additional capitalization of Rs. 0.02 Crore towards Ash Handling System during FY 2022-23 in this Order. The details of additional capitalization allowed during FY 2022-23 in this Order are as given below:

Table 12: Additional Capitalization allowed in this Order (Rs. in Crore)

| Sr No | Name of Asset/works with specifications | Amount of assets Addition allowed |
|-------|---|-----------------------------------|
| 1 | Ash Handling Plant/Ash Disposal | 0.02 |
| | Total | 0.02 |

75. Component wise break-up of opening GFA as on 1st April, 2022 and closing GFA as on 31st March, 2023 considered by the Commission in this Order is as given below:

Table 13: Opening & Closing Capital Cost Considered in this Order (Rs. in Crore)

| Particular | Opening GFA as on 01.04.2022 | Asset Additions allowed during FY 2022-23 | Closing GFA as on 31.03.2023 |
|---------------------------|------------------------------|---|------------------------------|
| Land and site development | 55.48 | - | 55.48 |
| Civil Works | 203.72 | - | 203.72 |
| Plant & Machinery | 3750.95 | 0.02 | 3750.97 |
| Furniture & Fixture | 7.10 | - | 7.10 |
| IT Equipment | 4.04 | - | 4.04 |
| Office Equipments | 3.80 | - | 3.80 |
| Vehicles | 0.21 | - | 0.21 |
| Total Capital Cost | 4025.30 | 0.02 | 4025.32 |

DEBT –EQUITY RATIO**Petitioner's Submission:**

76. In the subject true up petition, petitioner submitted that:

- i. *It is submitted that, the petitioner in terms of Regulation 33.5 of the Regulations, 2020, has considered the debt-equity ratio of 70:30 for the actual additional capital expenditure incurred in FY 2022-23 till 4th September, 2022. Further, the additional capital expenditure has been funded through the operational cash flows as no external borrowings are being granted to the petitioner's company. The lenders/Committee of Creditors (CoC) who were holding the operational control were initially hesitant to allow JPL to initiate any capital expenditure works. However, with the Petitioner's constant discussions & consistent efforts with the*

lenders stressing the importance of the works which were part of original scope of works and safety and reliability of the plant, the lenders agreed for the execution of the most critical works only with available resources with JPL. Accordingly, the Petitioner has funded the additional capitalization from the operational cash flows.

Provision in Regulation:

77. Regulation 33 of the Regulations, 2020 provides as under:

33.1 For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that:

- a. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:*
- b. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment: -*
- c. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio.*

Explanation.-The premium, if any, raised by the generating company while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station.

33.2 The generating company shall submit the resolution of the Board of the company regarding infusion of fund from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station.

33.3 In case of the generating station declared under commercial operation prior to 1.4.2019, debt- equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station which has completed its useful life as on or after 01.04.2019, if the equity actually deployed as on 01.04.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff determination.

33.4 In case of the generating station declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall

approve the debt : equity in accordance with Regulation 33.1 of these Regulations.

33.5 Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause 33.1 of this Regulation.

Commission's Analysis

78. Regarding opening balance of capital cost and funding, the Commission has considered closing figures of GFA, Equity and Loan as considered in true-up order dated 29th March, 2023 in Petition No 87/2022 as opening balance in this Order as follows:

**Table 14: Opening Capital Cost and funding considered for FY 2022-23
(Rs. in Crore)**

| Sr. No | Particular | Amount |
|---------------|----------------------|---------------|
| 1 | Opening Capital Cost | 4025.30 |
| 2 | Opening Equity | 1010.49 |
| 3 | Opening Loan | 1821.85 |

79. With regard to funding of additional capitalisation during FY 2022-23, vide Commission's letter dated 19th December, 2023, the petitioner was asked to inform actual loan and equity infused towards additional capitalisation during FY 2022-23 (till 4th September 2022).
80. By affidavit dated 31st January, 2024 the petitioner submitted that the assets during FY 2022-23 till 4th September, 2022 were capitalized through cash inflow/internal resources of the petitioner. Therefore, no actual loan was availed towards the additional capitalization during FY 2022-23 till 4th September, 2022.
81. In view of the above submission and provisions under Regulation 33.1, the Commission has considered the Debt: Equity ratio of 70:30 for additional capitalization as considered by the petitioner.
82. The detail of additional capitalization allowed during the period and its corresponding Debt and Equity considered by the Commission for FY 2022-23 in this Order are as given below:

Table 15: Additional Capitalization and Funding allowed in this Order:
(Rs. in Crore)

| Sr. No. | Particulars | Asset Addition and Source of Funding for FY 2022-23 | | |
|---------|---------------------------|---|------|--------|
| | | Asset | Loan | Equity |
| 1 | Debt : Equity Ratio | 70:30 | | |
| 2 | Additions during the year | 0.02 | 0.01 | 0.01 |

Annual Capacity (fixed) Charges:

83. Regulation 17 of the Regulations, 2020 provides that the Annual Capacity (fixed) Charges derived on the basis of annual fixed cost (AFC) of a generating station shall consist of following components:

- (a) Return on Equity;
- (b) Depreciation
- (c) Interest on Loan Capital;
- (d) Operation and Maintenance Expenses;
- (e) Interest on Working Capital

a. Return on Equity:**Petitioner's Submission:**

84. While claiming the Return on Equity for FY 2022-23, the petitioner submitted that:

The Opening Equity as on 01.04.2022 has been considered as Closing Equity as on 31.03.2022 as approved in the last true-up Order dated 29.03.2023. The Petitioner has claimed return on equity on the average equity considering the equity infused to fund the additional capital expenditure incurred in FY 2022-23 till 4th September, 2022.

Further, keeping in view that there was no tax liability in FY 2022-23 till 4th September, 2022, the RoE has not been grossed up with the applicable Tax rates and has therefore been claimed at 15.50% as per the above Regulations for FY 2022-23 and as considered by the Commission in its MYT Order dated 08.05.2021.

85. Accordingly, the petitioner claimed the Return on Equity for FY 2022-23 considering base rate of return @15.50% as given below:

Table 16: Return on Equity claimed by the petitioner for FY 2022-23 (Rs Crore)

| Sr No | Particulars | As claimed |
|-------|------------------------------------|------------|
| 1 | Gross Opening Equity (Normal) | 1010.49 |
| 2 | Less: Adjustment in Opening Equity | 0.00 |

| Sr No | Particulars | As claimed |
|--------------|--|-------------------|
| 3 | Adjustment during the year | 0.00 |
| 4 | Net Opening Equity (Normal) | 1010.49 |
| 5 | Add: Increase in equity due to addition during the year/period | 1.39 |
| 6 | Less: Decrease due to De-capitalization during the year/period | 0.00 |
| 7 | Less: Decrease due to reversal during the year/period | 0.00 |
| 8 | Add: Increase due to discharges during the year/period | 0.00 |
| 9 | Net Closing Equity (Normal) | 1011.87 |
| 10 | Average Equity (Normal) | 1011.18 |
| 11 | Rate of RoE (%) | 15.50% |
| 12 | Total RoE | 156.73 |

Provision in Regulations:

86. Regarding the Return on Equity, Regulation 34 of the Regulations, 2020, provides as under:

34 . Return on Equity:

34.1 Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 33 of these Regulations.

34.2 Return on equity shall be computed at the base rate of 15.50% for thermal generating stations and hydro generating stations and at the base rate of 16.50% for the pumped storage hydro generating stations and run-of river generating stations with pondage.

Provided that

(i) in case of a new project, the rate of return of a new project shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO):

(ii) in case of existing generating station any of the above requirements are found lacking based on the report submitted by the respective SLDC/RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues.

(iii) in case of a thermal generating station, with effect from 1.04.2020:

(a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute:

(b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

Provided that the detailed guidelines in this regard shall be issued by National Load Despatch Centre).

Commission's Analysis:

87. Equity balance as on 31st March, 2022 as considered by the Commission in last true-up order dated 29th March, 2022 for FY 2021-22 is considered as the base figure for opening equity balance as on 01st April, 2022 for the project. Further, the Commission has considered normative equity addition of Rs. 0.01 Crore during FY 2022-23 towards additional capitalization allowed in this Order, which is in accordance with the Regulations, 2020.
88. The petitioner has claimed Return on Equity on the base rate of return (15.50%) without considering any tax rate for grossing up the base rate during FY 2022-23, as it has not paid any Tax due to loss incurred by the petitioner's company.
89. Accordingly, the following Return on Equity for FY 2022-23 is worked out by applying the base rate of Return on Equity as given below:

Table 17: Annual Return on Equity for FY 2022-23 allowed in this Order

| Sr. No. | Particular | Unit | Amount |
|----------|---|-----------|---------------|
| 1 | Opening Equity as on 01.04.2022 | Rs. Crore | 1010.49 |
| 2 | Equity Addition During the year till 4.9.2022 | Rs. Crore | 0.01 |
| 3 | Closing Equity as on 31.03.2023 | Rs. Crore | 1010.50 |
| 4 | Average Equity | Rs. Crore | 1010.49 |
| 5 | Base rate of Return on Equity | % | 15.50% |
| 6 | Annual Return on Equity | Rs. Crore | 156.63 |

b. Depreciation:**Petitioner's Submission**

90. While claiming the Depreciation for FY 2022-23, the petitioner submitted that in accordance with Regulation 37 of the Regulations, 2020, it has computed Weighted Average Rate of Depreciation for FY 2022-23 till 4th September, 2022 considering rates of Depreciation to the Regulations, 2020.
91. The petitioner has claimed the annual depreciation in the petition as given below:

Table 18: Depreciation claimed by the petitioner for FY 2022-23 till 4th September, 2022 (Rs. in Crore)

| Sr No | Particulars | As claimed now by JPL |
|-------|----------------------|-----------------------|
| 1 | Opening Capital Cost | 4025.30 |
| 2 | Closing Capital Cost | 4029.92 |
| 3 | Average Capital Cost | 4027.61 |
| 4 | Freehold land | 54.02 |
| 5 | Rate of depreciation | 5.13% |

| Sr No | Particulars | As claimed now by JPL |
|-------|---|-----------------------|
| 6 | Depreciation (for the period) | 206.50 |
| 7 | Proportionate Depreciation (till 4 th September, 2022) | 88.82 |

Provision in Regulations:

92. Regulation 37 of the Regulations, 2020 provides as under:

37.1 "Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof. In case of the tariff of all the units of a generating station for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station taking into consideration the depreciation of individual units:

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station for which single tariff needs to be determined.

37.2 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station, weighted average life for the generating station shall be applied.

37.3 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that in case of hydro generating station, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit shall not be allowed to be recovered at a later stage during the useful life or the extended life:

Provided also that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

37.4 Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be

excluded from the capital cost while computing depreciable value of the asset.

37.5 Depreciation shall be calculated annually based on 'Straight Line Method' and at rates specified in Appendix-I to these Regulations for the assets of the generating station.

37.6 Depreciation shall be chargeable from the first Year of commercial operation. In case of commercial operation of the asset for part of the Year, depreciation shall be charged on pro rata basis:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

37.7 In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.

37.8 The generating company shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure during the fag end of the project.

37.9 In case of de-capitalization of assets in respect of generating station or unit thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.

Commission's Analysis:

93. For determining the annual Depreciation, the Commission has considered the closing Gross Fixed Assets as on 31st March, 2022, as considered in the last true-up order dated 29th March, 2023 for FY 2021-22, as opening Gross Fixed Assets as on 1st April, 2022 in this Order.
94. The closing Gross Fixed Assets as on 31st March, 2023, is worked out after allowing the asset additions of Rs. 0.02 Crore towards additional capitalization during the year as allowed in this Order.
95. The petitioner has filed the Assets cum Depreciation Register, wherein the weighted average depreciation rate of 5.13% is worked out based on the depreciation rates specified in the Regulations, 2020. The aforesaid weighted average rate of depreciation

worked out by the petitioner by considering the additional capitalization claimed during FY 2022-23. Therefore, the Commission is considering the same weighted average rate of interest as worked out by the petitioner in the subject petition, i.e., @ 5.13%.

96. Accordingly, the depreciation is worked out in the subject petition as given below:

Table 19: Annual Depreciation for FY 2022-23 admitted in this Order

| Sr. No. | Particular | Unit | Amount |
|---------|---|----------|----------------|
| 1 | Opening Gross Block as on 1.4.2022 | Rs Crore | 4025.30 |
| 2 | Assets Addition till 4.9.2022 | Rs Crore | 0.02 |
| 3 | Closing Gross Block | Rs Crore | 4025.32 |
| 4 | Average Gross Block | Rs Crore | 4025.31 |
| 5 | Weighted Average Rate of Depreciation | % | 5.13% |
| 6 | Annual Depreciation amount | Rs Crore | 206.50 |
| 7 | Depreciation proportionate to 157 days till 4 th September, 2022 | Rs Crore | 88.82 |
| 8 | Opening Cumulative Depreciation as on 1.4.2022 | Rs Crore | 1193.59 |
| 9 | Closing Cumulative Depreciation as on 04.09.2022 | Rs Crore | 1282.41 |

c. Interest on loan Capital:

Petitioner's Submission:

97. While claiming the Interest on Loan for FY 2022-23, the petitioner submitted that:

The Opening Loan as on 01.04.2022 has been considered as Closing Loan as on 31.03.2022 as approved in the Order dated 29.03.2023. With regard to rate of interest, Regulation 36 of the Regulations, 2020 stipulates that the rate of interest shall be weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate adjustment for interest capitalized. Accordingly, the Petitioner has considered the actual Weighted Average Rate of Interest (hereinafter referred as 'WAROI') for FY 2022-23 till 4th September, 2022 as 14.12% after deducting the Penal Interest for computing interest charges for FY 2022-23 till 4th September, 2022 which has also been considered by the Commission in its MYT Order dated 08.05.2021. The repayment for the year is being considered equal to the Depreciation calculated for the respective year. The interest on loan claimed vis-à-vis that approved in the MYT Order dated 08.05.2021 is as shown below:

98. In subject petition, the petitioner has claimed interest on loan as given below:

Table 20: Interest on Loan Claimed by the petitioner till 4th September, 2022 (Rs in Crore)

| Sr. No | Particulars | As claimed now by JPL |
|---------------|---|------------------------------|
| 1. | Net Normative loan – Opening | 1821.84 |
| 2. | Add: Increase due to addition during the year/period | 3.23 |
| 3. | Less: Decrease due to de-capitalization during the year/ period | - |
| 4. | Add: Increase due to discharges during the year/period | - |
| 5. | Less: Decrease due to reversal/repayment during the year/period | 88.79 |
| 6. | Net Normative loan – Closing | 1736.28 |
| 7. | Average Normative Loan | 1779.06 |
| 8. | Weighted average Rate of Interest of actual Loans | 14.12% |
| 9. | Interest on Normative loan | 251.29 |

Provision in Regulations:

99. With regard to Interest on Loan Capital, Regulation 36 of the Regulations 2020, provides as under:

36.1 *The loans arrived at in the manner indicated in Regulation 33 of these Regulations shall be considered as gross normative loan for calculation of interest on loan.*

36.2 *The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan. The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset*

36.3 *Notwithstanding any moratorium period availed by the generating company, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.*

36.4 *The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:*

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station does not have actual loan, then the weighted average rate of interest of the generating company as a whole

shall be considered.

36.5 *The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.*

Commission's Analysis:

100. For determination of interest on term loan, closing loan balance as on 31st March, 2022 as considered in the Commission's true-up order for FY 2021-22 issued on 29th March, 2023 is considered as the opening loan balance as on 1st April, 2022.
101. Further, the Commission has considered the normative loan addition of Rs. 0.01 Crore during FY 2022-23 towards additional capitalization allowed in this Order.
102. With regard to weighted average rate of interest filed in the petition, vide letter dated 19th December, 2023, the petitioner was asked to file detailed computation of actual weighted average rate of interest with supporting documents such as banker's certificates in respect of actual weighted average rate of interest claimed in the petition.
103. By affidavit dated 31st January, 2024, the petitioner broadly submitted the following:

The petitioner submits that the weighted average rate of interest on term loan has been worked out as 14.12% in the Petition as per the last applicable interest rates levied by the Bankers excluding the penal interest. It is further submitted that Commission has in the past approved the same and it is requested that the same may be considered for FY 2022-23 as well. Further, the petitioner respectfully submits that it hasn't claimed any penalty due to default in repayment or interest on interest as part of interest on loan amount in the Petition.

104. In last true up Order dated 29th March, 2023, the Commission had observed that the weighted average rate of interest was on higher side, therefore the petitioner was directed to review existing weighted average rate of interest on loans and explore the possibilities of refinancing/restructuring of loans. However as per Regulations, 2020, the Commission has considered the weighted average rate of interest as 14.12% for FY 2022-23 as filed by the petitioner. The repayment equivalent to depreciation during the period till 4.9.2022 is considered as per the provision under the Regulations, 2020.
105. It is once again brought to the notice of the petitioner that Regulation 57 of the Regulations, 2020 provides that:
57.1 If re-financing or restructuring of loan by the generating company results in net savings on interest after accounting for cost associated with such refinancing or restructuring, the same shall be shared between the beneficiaries and the

generating company in the ratio of 50:50.”

106. In light of the above Regulation, the petitioner is again directed to review existing weighted average rate of interest on loans and explore the possibilities of refinancing/restructuring of loans.
107. In view of the above, the interest on loan is worked out by the Commission based on the following:
- Gross normative opening loan of Rs. 1821.85 Crore has been considered as per last true-up order dated 29th March, 2023.
 - Loan additions of Rs 0.01 Crore (70% of add-cap approved above) is considered.
 - Repayment of loan equal to depreciation corresponding to 157 days (till 4th September, 2022) is considered.
 - Weighted average rate of interest @ 14.12% filed by the petitioner is considered.
108. Based on the above, the annual interest on loan is worked out as given below:

Table 21: Annual Interest on Loan for FY 2022-23 allowed in this Order

| Sr. No. | Particulars | Unit | Amount |
|---------|---|----------|---------------|
| 1 | Opening Loan as on 1.4.2022 | Rs Crore | 1821.85 |
| 2 | Loan Addition | Rs Crore | 0.01 |
| 3 | Repayment during the Year considered upto 4.09.22 | Rs Crore | 88.82 |
| 4 | Closing Loan | Rs Crore | 1733.04 |
| 5 | Average Loan | Rs Crore | 1777.45 |
| 6 | Weighted average Rate of Interest | % | 14.12% |
| 7 | Annual Interest Amount on Loan | Rs Crore | 250.98 |

d. Operation and Maintenance Expenses:

Petitioner's Submission:

109. The petitioner filed the Operation and Maintenance expenses for FY 2022-23 in the petition as given below:

Table 22: O&M Expenses claimed by the petitioner (Rs. in Crore)

| Particulars | FY 2022-23 |
|-----------------------|------------|
| Annual O & M Expenses | 134.82 |

Provision in Regulations:

110. The norms for Operation and Maintenance Expenses for thermal generating units commissioned on or after 01/04/2012 are specified under Regulation 40.2 of the

Regulations, 2020 for the generating Unit of “600 MW Series” for FY 2022-23 which are as given below:

Table 23: Normative O&M Expenses for FY 2022-23

| Units (MW) | Rs. Lakh/MW/Year |
|-------------------|------------------|
| 600/660 MW Series | 22.47 |

Commission’s Analysis:

111. The Commission has worked out the annual Operation and Maintenance Expenses as per the norms prescribed under the Regulations, 2020 for the generating unit of “600 MW” as given below:

Table 24: O& M Expenses for Unit No 1 allowed in this Order (Rs. in Crore)

| Particular | Units | FY 2022-23 |
|--------------------------------|--------------------|---------------|
| Generating Unit Capacity | MW | 600 |
| Per MW O&M Expenses Norms | Rs in Lakh/MW | 22.47 |
| Annual O&M expenses | Rs in Crore | 134.82 |

**e. Interest on Working Capital
Petitioner Submission:**

112. The petitioner claimed the interest on working capital in the subject petition as under:

**Table 25: Interest on Working Capital claimed by the petitioner for FY 2022-23 till
4th September,22 (Rs. in Crore)**

| Sr No | Particulars | As claimed |
|-------|------------------------------------|--------------|
| 1 | Cost of Coal/Lignite | 167.01 |
| 2 | Cost of Secondary Fuel Oil | 1.90 |
| 3 | O & M Expenses | 11.24 |
| 4 | Maintenance Spares | 26.96 |
| 5 | Receivables | 224.67 |
| 6 | Total Working Capital | 431.78 |
| 7 | Rate of Interest | 10.50% |
| 8 | Interest on Working Capital | 45.34 |

Provision in Regulations:

113. Regulation 38 of the Regulations, 2020 regarding working capital for coal based generating stations provides that:

38.1 *"The Working Capital shall cover:*

(1) Coal- based thermal generating stations

- (i) Cost of coal towards stock, if applicable, for 15 days for pit-head generating stations and 30 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal stock storage capacity whichever is lower;*
- (ii) Advance payment for 30 days towards cost of coal for generation corresponding to the normative annual plant availability factor;*
- (iii) Cost of secondary fuel oil for two months for generation corresponding to the normative annual plant availability factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;*
- (iv) Maintenance spares @ 20% of operation and maintenance expenses specified in Regulation 39 and 40 of these Regulations;*
- (v) Receivables equivalent to 45 days of capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor; and*
- (vi) Operation and maintenance expenses for one month.*

38.2 *The cost of fuel shall be based on the landed fuel cost incurred (taking into account normative transit and handling losses) by the generating station and gross calorific value of the fuel as per actual weightage average for the three months preceding the first month for which tariff is to be determined and no fuel price escalation shall be provided during the tariff period.*

Provided that in case of new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses) and gross calorific value of the fuel as per actual weighted average for three months, as used for infirm power, preceding date of commercial operation for which tariff is to be determined

38.3 *"Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-20 to 2023-24 in which the generating station or a unit thereof, is declared under commercial operation, whichever is later:*

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

38.4 *Interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken loan for working capital from any outside agency.*

Commission's Analysis:

114. In the above-mentioned provision under the Regulations, 2020, it is mentioned that no fuel price escalation shall be provided during the tariff period for calculating the working capital. The Regulation further provides that the interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken loan for working capital from any outside agency. The working capital is worked out as per the provisions under the Regulations, 2020 as given below:

- (i) Two months' Cost of coal, and Two months' Cost of secondary fuel of main secondary fuel oil equivalent to normative plant availability factor as considered in Commission's MYT Order dated 8th May, 2021 in petition No. 47 of 2020 are considered as follows:

| Particulars | FY 2022-23 (Rs in Crore) |
|---|-----------------------------|
| Cost of Coal for 60 Days | 167.01 |
| Cost of Secondary Fuel Oil for two Months | 1.90 |

- (ii) Maintenance spares as considered in Commission's MYT Order dated 8th May, 2021 in petition No. 47 of 2020 as stated below is considered:

| Particulars | FY 2022-23 (Rs in Crore) |
|--|--------------------------|
| Maintenance Spares (20% of O&M Expenses) | 26.96 |

- (iii) O&M expenses for one month for the purpose of working capital as considered in Commission's MYT Order dated 8th May, 2021 is considered:

| Particulars | FY 2022-23 (Rs in Crore) |
|------------------------------|--------------------------|
| O & M Expenses for One Month | 11.24 |

- (iv) Receivable have been worked out on the basis of 45 Days of fixed and energy charges as given below:

| Particulars | FY 2022-23 (Rs in Crore) |
|---|--------------------------|
| Variable Charges- 45 Days (As considered on Order dated 8 th May, 2021) | 126.66 |
| Annual Fixed Charges- 45 Days (Worked out in this Order) | 97.92 |
| Total | 224.58 |

115. Regarding the rate of interest on working capital, Regulation 38.3 of the Regulations,

2020 provides that:

“Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate 1.4.2019 or as on 1st April of the year during the tariff period 2019-20 to 2023-24 in which the generating station or a unit thereof, is declared under commercial operation, whichever is later:

Provided that in case of true-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

116. With regard to Bank Rate, Regulation 3.1 (7) of the Regulations, 2020 provides that Bank rate means the one-year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points. Accordingly, one-year MCLR of State Bank of India applicable as on 1.4.2021 is 7.00%, therefore, the interest on the working capital is considered 10.50% (7.00% + 3.50%) in this order.
117. Considering the above, the interest on working capital worked out by the Commission for FY 2022-23 in this true-up order is as given below:

Table 26: Interest on Working Capital for FY 2022-23 allowed in this Order (Rs. Crore)

| Sr. No. | Particulars | Norms | FY 2022-23 |
|----------|------------------------------------|---|---------------|
| 1 | Cost of Coal/Lignite | 60 Days of Coal Purchase (As per Regulation 38.1 (1) (i & ii)) | 167.01 |
| 2 | Cost of Main Secondary Fuel Oil | 2 months of Sec Oil Purchase | 1.90 |
| 3 | O & M expenses | 1 month of O&M | 11.24 |
| 4 | Maintenance Spares | 20% of O&M | 26.96 |
| 5 | Receivables | 45 days of Total Revenue | 224.58 |
| 6 | Total Working Capital | | 431.69 |
| 7 | Rate of Interest (SBI MCLR) | % | 10.50% |
| 8 | Interest on Working Capital | | 45.33 |

f. Non-Tariff Income:

118. In the subject true-up petition, the petitioner filed Rs. 0.0001 Crore (50% of total non-tariff income) as non-tariff income during the year.

Provision in Regulations:

119. Regulation 58 of the Regulations, 2020 provides as under:

58.1 “The non-tariff net income in case of generating station on account of following shall be shared in the ratio of 50:50 with the beneficiaries and the generating

company on annual basis:

- a) Income from rent of land or buildings;*
- b) Income from sale of scrap;*
- c) Income from sale of fly ash;*
- d) Interest on advances to suppliers or contractors;*
- e) Rental from staff quarters;*
- f) Rental from contractors;*
- g) Income from advertisements; and*
- h) Interest on investments and bank balances:*

Provided that the interest or dividend earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income.

Provided further that the Generation Company shall submit full details of its forecast of Non-Tariff Income to the Commission. Non-tariff income shall also be trued-up based on audited accounts.

Commission's Analysis:

120. On perusal of the details related to non-tariff income, it was observed by the Commission that the petitioner has filed non-tariff income of Rs. 0.0001 Crore during FY 2022-23, whereas, in Note 23 of Annual Audited Accounts "other income" is shown as Rs. 10.05 Crore. Vide letter dated 19th December, 2023, the petitioner was asked to explain the reasons for aforesaid discrepancy in non-tariff income/other income recorded in Annual Audited Accounts vis-a-vis filed in the subject petition. The petitioner was also asked to file detailed break-up of non-tariff income in accordance with the Regulation 58.1 of the Regulations, 2020 duly reconciled with the Annual Audited Accounts.
121. By affidavit dated 31st January, 2024 the petitioner filed its reply along with the reconciliation of non-tariff income with Annual Audited Accounts of FY 2022-23 as given below:

The petitioner submits that the claim of total non-tariff income of Rs. 0.0001 Crore (Rs. Two thousand) in the Petition corresponds to sum of sale of scrap (Empty drums/ used Oil) as recorded in the Note 23 of Annual Audited Accounts for FY 2022-23. With regard to the reconciliation of the petitioner's claim of non-tariff income with the Annual Audited Accounts for FY 2022-23, the petitioner submits the following item wise justification for non-consideration of the same as non-tariff income:

Table 27: Justification for Petitioner's claim of Non-Tariff Income for FY 2022-23

| S. No | Particular/ Description | Amount in Rs. Crore | Remark/ Justification |
|--------------|--------------------------------|----------------------------|--|
| 1 | Interest on fixed deposit | 9.98 | The same has not been considered as non-tariff income as the interest amount received is on account of investments made out of Petitioner's RoE. From the Annual Audited Accounts of the Petitioner, it can be observed that all the cash generated by the Petitioner's company (from the Return on Equity allowed by the Commission) has been lying in the accounts of the company and the Petitioner is neither involved in any other activity other than sale of electricity. Therefore, the above interest amount received is purely out of Petitioner's own funds and is not considered as non-tariff income as per Regulation 58 of Regulations, 2020. |
| 2 | Scrap Sale | 0.0002 | Claimed as non-tariff income as per regulation 58 of Regulations, 2020. |
| 3 | Other Miscellaneous Receipts | 0.07 | It is submitted that Rs. 0.07 Crore pertains to insurance claim received by the company under its Marine Insurance policy. Railway Wagons were derailed outside plant in FY 21-22 and company has lodged a claim with Insurance company towards the loss incurred. The receipt of such claim is reflected in Audited accounts. It may please be noted that insurance receipts do not form part of NTI as per Regulations, 2020. |
| | Total | 10.05 | |

Keeping in view of the above submissions, the total non-tariff income of the Petitioner for FY 2022-23 till 4th September, 2022 is Rs. 0.0002 Crore (Rs. Two thousand) and as per Regulation 58.1 of the Regulations, 2020, the Petitioner is entitled to retain 50% of the above non-tariff income. Accordingly, the Petitioner requests the Commission to

consider the sharing of non-tariff income of Rs. 0.0001 Cr in 50:50 ratios between Petitioner and Beneficiaries.

122. Since, Regulation 58.1 mentions that the interest or dividend earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income, therefore, non-tariff income of only scrap sale of Rs. 0.0002 Crore claimed by the petitioner for FY 2022-23 is allowed in accordance to the Regulations, 2020 in this Order. The break-up of non-tariff income considered is as given below:

Table 28: Non-tariff Income for FY 2022-23 allowed in this Order: (Rs in Crore)

| Sl. No. | Particulars | Amount |
|----------------|--|------------------------|
| 1 | Scrap Sale | 0.0002 |
| | Total Non-tariff Income during FY 2022-23 | 0.0002 |
| | 50% of Non-tariff Income | Rs 0.0001 Crore |

Other Charges:

123. In the subject true-up petition, the petitioner claimed following other charges:

- (i) Allow to recover E.D., Water Charges, WRLDC Fees & Charges and Cess on auxiliary power consumption and other taxes, if any, levied by the Statutory Authorities from the beneficiaries on submission of documentary evidence;
- (ii) Allow to recover the fees paid to the Hon'ble Commission and publication expenses from the beneficiaries on submission of documentary evidence;

124. Regarding the other charges, In Para 144 to 146 of the MYT order dated 8th May, 2021, the following was mentioned by the Commission:

- In view of above, the petitioner is allowed to recover the fee paid to MPERC and publication expenses as per Regulation 65.1 (i) of the Regulations, 2020 on submission of documentary evidence.
- In view of the above, the petitioner is allowed to recover the electricity duty on plant auxiliary consumption, Energy Development Cess on energy supplied to MPPMCL and water charges paid to Water Resources Department, Government of MP as per Regulation 65.2 of the Regulations, 2020 on submission of documentary evidence.

125. With regard to Application fee, publication expenses and other statutory charges, Regulation 65 of the Regulations, 2020 provides as under:

65.1 "The following fees, charges and expenses shall be reimbursed directly by the

beneficiary in the manner specified herein:

- 1. The application filing fee and the expenses incurred on publication of notices in the application for approval of tariff, may in the discretion of the Commission, be allowed to be recovered by the generating company directly from the beneficiaries.*
- 2. The Commission may, for the reasons to be recorded in writing and after hearing the affected parties, allow reimbursement of any fee or expenses, as may be considered necessary.*
- 3. SLDC Charges and Transmission Charges as determined by the Commission shall be considered as expenses, if payable by the generating stations.*
- 4. RLDC/NLDC charges as determined by the Central Commission shall also be considered as expenses, if payable by the generating station.*

65.2 Electricity duty, cess and water charges if payable by the Generating Company for generation of electricity from the power stations to the State Government, shall be considered and allowed by the Commission separately by considering normative parameters specified in these Regulations and shall be trued-up on actuals:

Provided that in case of the Electricity duty is applied in the auxiliary consumption, such amount of electricity duty shall apply on normative auxiliary consumption of the generating station (excluding colony consumption) and apportioned to the each beneficiaries in proportion to their schedule dispatch during the month.

126. In view of the above, the petitioner is allowed to recover the fee paid to MPERC and publication expenses as per Regulation 65.1 (i) of the Regulations, 2020 on submission of documentary evidence.
127. The petitioner is also allowed to recover the electricity duty on plant auxiliary consumption, Energy Development Cess on energy supplied to MPPMCL and water charges paid to Water Resources Department, Government of MP as per the provisions under the Regulations, 2020 and amendment thereof on submission of documentary evidence.

Unrecovered Depreciation:

Petitioner's Submission

128. The petitioner submitted that in its previous filings, it has inadvertently included an amount of Rs. 1.47 Crore pertaining to Leased Land under the Freehold Land. As a

result, the Petitioner inadvertently missed out on claiming depreciation on the leased land which is allowable as per the Regulations, 2015 and the Regulations 2020. The petitioner has now requested to approve un-recovered depreciation amounting to Rs. 0.29 Crore towards the Depreciation of Lease Land pertaining to the period from CoD to FY 2022-23 till 4th September, 2022.

Commission's Analysis

129. The petitioner has submitted that it has inadvertently not claimed depreciation on the leased land since CoD of the project and hence now claimed Rs. 0.29 Crore towards depreciation on leased land from CoD to FY 2022-23 till 4th September, 2022 in subject true-up petition. The generating unit of petitioner power project achieved COD on 3rd May, 2016.
130. It is observed that the petitioner has filed Appeal No 547/2023 against the Commission's Order dated 29th March, 2023 in P No 87 of 2022 regarding this issue of unrecovered depreciation pertaining to lease land, which is sub-judice before the Hon'ble Appellate Tribunal for Electricity (APTEL). Since this issue has not attained any finality, hence, the Commission has not allowed this amount in this Order.

Fly Ash Utilization & Ash Transportation Expenses:

Petitioner's Submission

131. With regard to expenditure incurred on fly ash utilization and transportation expenses, petitioner has submitted that in order to comply with MOEFCC Notification regarding utilization of fly ash, it has incurred a cost of Rs. 1.06 Crore in FY 2022-2023 till 4th September, 2022. The actual bills raised to MPPMCL in support to the expenses incurred is also submitted with the subject petition. The details of expenses incurred w.r.t transportation of fly ash is as follows:

Table 29: Expenses incurred on account of transportation of Ash (Rs. Crore)

| <i>Particulars</i> | <i>Total Ash utilization expenses</i> | <i>Proportionately claimed from MPPMCL</i> |
|--|---------------------------------------|--|
| <i>FY 2022-23 till 4th Sept, 2022 - 5%</i> | <i>1.06</i> | <i>0.21</i> |
| <i>FY 2022-23 till 4th Sept, 2022 - 30%</i> | | <i>0.03</i> |

132. The petitioner submitted that it had claimed the proportionate share of such expenses from MPPMCL for FY 2022-23 till 4th September, 2022 against Ash Transportation are admissible as per article 12 of PPA and MPERC Order dated 29.11.2021 (Petition no

26 of 2021 of M/s. Lanco Amarkantak Power Ltd Vs. MPPMCL & Ors). In view of the above, the Petitioner has prayed to allow reimbursement of the cost incurred for transportation of Ash on monthly basis in proportion to the contracted capacity with MPPMCL in FY 2022-23 till 4th September, 2022.

Commission's Analysis

133. On perusal of the details regarding expenditure incurred towards ash utilization and transportation expenses, it is observed that the petitioner has incurred Rs. 1.06 Crore during FY 2022-23 till 4th September'22 towards fly ash transportation in compliance with the MOEFCC Fly Ash Notification, 2016 and claimed proportionate expenditure from MPPMCL corresponding to the contracted capacity on long term basis.
134. It is pertinent to mentioned that the Commission vide order dated 29.11.2021 in the matter of Lanco Amarkantak vs MPPMCL in petition No 26 of 2021, had considered aforesaid expenses under 'change in law' as statutory expenses and allowed generating companies to recover such expenses directly from the procurer / MPPMCL as per provisions under the said notification. In para 26 of the aforesaid order mentioned the following:

“26. As a matter of fact, the aforesaid MoEFCC notification dated 25.01.2016 is applicable on all the thermal power plants also and similar situation for transportation of fly ash like in the subject matter may arise for other coal based thermal power generators in the State also. Pursuant to the aforesaid notification by the Central Government, the generating companies are bound to incur expenditure for compliance with the above-mentioned directives issued by MoEFCC. The Commission has initiated the process for appropriate amendment in MPERC Regulations, 2020 to incorporate appropriate provision in this regard. However, the amendment in Regulations shall be applicable from the date of its notification. Therefore, the Commission in exercise of the powers under the provisions of MPERC Regulations, 2020 decides that the actual additional expenditure incurred/ to be incurred by the coal based thermal power plants towards transportation of fly ash in terms of the aforesaid MOEFCC Notification shall be considered under “Change in Law” as statutory expenses and the generating companies are eligible to recover such expenses directly from the procurer / MPPMCL as per provisions under the said notification.” However, the recovery of the ash transportation expenses by the petitioner/ generating company shall be subject to fulfillment of following conditions by the petitioner/generating company and verification of the following conditions for each station by the procurer / MP Power Management Company Ltd”

135. In view of the aforesaid order, it is observed that the MOEFCC notification for 100%

utilization of fly ash generated in power station has been declared under 'change in law' event and Commission in aforesaid order dated 29.11.2021 in P No. 26 of 2021 had also recognized the aforesaid expenditure under the change in law event. Further, with respect to Fly Ash Transportation Expenses, proviso 65.3 of the 2nd Amendment of the Regulations, 2020 provides that:

65.3 Expenses towards Fly Ash Utilization & transportation shall be payable in accordance to the directives issued by Government of India, Ministry of Environment, Forest & Climate Change vide Notification No. S.O. 5481 (E) dated 31.12.2021 and subsequent amendment issued from time to time.

Provided that the generating company shall maintain separate accounts/records for expenses towards Fly ash Utilization & transportation reconciled with the Annual Audited Accounts and duly certified by the Statutory Auditor. The generating company shall submit complete details of aforesaid expenses to the procurer in Form TPS 19 A along with supporting documents.

136. The petitioner is allowed to recover fly ash utilization and transportation expenses in accordance to the Regulation 65.3 of the 2nd Amendment to the Tariff Regulations, 2020 on actual basis from MPPMCL subject to submission of all details/documents in this regard.

Late Payment Surcharge on the GST Amount

Petitioner's Submission:

137. The petitioner in the subject petition has requested the Commission to allow recovery of Carrying Cost of an amount of Rs. 11.62 Crore which was deducted from monthly bills against GST of Rs. 15.25 Crore (as per the order of Hon'ble NCLT, Kolkata). The petitioner also submitted that deducted amount of Rs. 15.25 Crore has been paid by MPPMCL on 14.07.2023.

Commission's Analysis:

138. The petitioner in the subject petition submitted the following:

Further, Respondent unilaterally adjusted Rs 82.48 Crore against Liquidated Damages along with GST & Penalty thereon (due to delay in CoD) from the monthly invoices though the Respondent didn't suffer any loss due to the delay in CoD as evident from 3% scheduling thereafter. Further, disallowance of IDC on the same account, penalised the Petitioner twice for the same delay which is squarely against the principle of natural justice. The Respondent has set-off the GST amounting to Rs. 15.25 Crore and LD of Rs. 67.23 Crore from monthly bills of the Petitioner

without prior consent of the Petitioner. Subsequent to the NCLAT Order dated 16th November 2022, GST amount of Rs. 15.25 Crore along with LPSC was payable by the Respondent to the Petitioner. After rigorous follow up, MPPMCL has paid only principle amount i.e. Rs. 15.25 Crore to the Petitioner on 14.07.2023, however, LPSC amount of Rs. 11.62 Crore against the same is still pending.

139. Regarding Late payment Surcharge (LPSC), by affidavit dated 11th January, 2024, MPPMCL submitted that:

“It is submitted that due to delay in commissioning of the generating station liquidated damages were levied on the Petitioner. The levy of such damages was never challenged by the Petitioner and thus became final. The answering respondent paid GST on the same in terms of the demand raised by the department of revenue intelligence, where the Petitioner refused to participate. It is submitted that after the clarification of liability of GST on liquidated damages that no GST is to be levied on liquidated damages, the GST amount was returned to the Petitioner. Since the clarification, the Petitioner has been insisting on late payment surcharge on the GST amount refunded.

It is settled law that interest can be claimed only if any wrongdoing can be attributed to the party (Clariant International Ltd & Anr vs SEBI (2004) 8 SCC 524) Para 30). It is not in dispute that the payment of GST was in terms of the demand by the department of revenue intelligence, on the levy of liquidated damages. Admittedly the levy of liquidated damages for delay was never challenged. The consequent imposition of tax therefore cannot be independently challenged. It is submitted that after the law on levy of GST on liquidated damages was clarified the amount was refunded; demand for interest if any has to be raised with the GST authorities and not with MPPMCL”

140. In view of the above submissions of Petitioner and Respondent No.1, the issue related to dispute on payment of LPSC on the GST amount is beyond the scope of the Regulations, 2020 and therefore beyond the scope of this true-up petition. The petitioner and Respondent are required to follow the Dispute Resolution Process under the PPA in this regard.

Summary of Annual Capacity (fixed) Charges:

141. The details of the Annual Capacity (fixed) Charges allowed in this true-up order vis-a-vis those determined in the MYT order dated 8th May, 2021 at normative Plant Availability Factor are summarized in the following table:

Table 30: Head wise Annual Capacity Charges allowed in this Order:- (Rs in Crore)

| S. No. | Particulars | MYT Order dated 8 th May, 2021 for FY 2022-23 | Allowed for FY 2022-23 in this Order | True-up amount |
|--------|---|--|--------------------------------------|----------------|
| | | A | B | C=B-A |
| 1 | Return on Equity | 153.14 | 156.63 | 3.49 |
| 2 | Interest on Loan Capital | 237.02 | 250.98 | 13.96 |
| 3 | Depreciation | 202.37 | 206.50 | 4.13 |
| 4 | O&M Expenses | 134.82 | 134.82 | 0.00 |
| 5 | Interest on Working Capital | 48.31 | 45.33 | -2.98 |
| 6 | Total Annual Capacity (Fixed) Charges | 775.66 | 794.26 | 18.60 |
| 7 | Less:- Non Tariff Charges | 0.11 | 0.0001 | -0.11 |
| 8 | Net Annual Capacity (Fixed) Charges | 775.55 | 794.25 | 18.70 |
| 9 | Annual Capacity (Fixed) Charges proportionate to number of days till 4th September, 2022 (157 Days) | 333.59 | 341.64 | 8.05 |
| 10 | Annual Capacity(fixed) Charge corresponding to 30% of the installed capacity of the Units | 100.08 | 102.49 | 2.41 |

142. The Annual Capacity (Fixed) Charges as determined above from 1st April, 2022 to 4th September, 2022 are at Normative Availability and these charges are based on Annual Audited Accounts of Jhabua Power Ltd. till 4th September, 2022 submitted by the petitioner.

143. The above Annual Capacity (Fixed) Charges are determined corresponding to the contracted capacity under long term PPA. The recovery of Annual Capacity (Fixed) Charges shall be made by the petitioner in accordance with Clause 42.2 of the Regulations, 2020 on pro rata basis with respect to actual Annual PAF.

144. Regarding the performance-based truing-up of energy charges on account of controllable parameters, Regulation 56.1 of the Regulations, 2020 provides that the generating company shall work out gains based on the actual performance of applicable controllable parameters as under:

- Station Heat rate
- Secondary Fuel Oil Consumption
- Auxiliary Energy Consumption

145. In view of the above Regulations, it was observed by the Commission that the

generating company shall carry out the truing-up of tariff of generating station based on the controllable performance parameters like Station Heat Rate, Secondary fuel oil consumption and Auxiliary Energy consumption. Vide letter dated 19th December, 2023, the petitioner was asked to file annual details of aforesaid performance parameters actually achieved vis-à-vis normative parameters under the Regulations, 2020. The petitioner was also asked to file the details of financial gain till 4th September, 2022, if any, on account of controllable parameters and shared with the beneficiaries in light of the Regulations 56.2 of the Regulations, 2020.

146. In response to above, by affidavit dated 31st January, 2024, the petitioner submitted the following:

The details of the Controllable Performance Parameters Viz. Station Heat Rate, Secondary fuel oil consumption and Auxiliary Energy Consumption actually achieved vis-a-vis normative parameters under Regulations, 2020 is attached. Further it can be observed that there has been no gain to the Petitioner on account of actual performance parameters for the period FY 2022-23 till 4th September, 2022”.

147. On perusal of the details of actual operating parameters vis-à-vis normative parameters filed by the petitioner, it is observed that the petitioner incurred loss on account of the inferior performance and poor actual operating parameters achieved by it during the period from 1.4.2022 till 4.9.2022.
148. The Regulation 56.2 of the Regulations, 2020 provides that the financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries in the ratio of 50:50 on annual basis. The aforesaid Regulations do not provide for sharing of loss incurred by the generating company. Therefore, the loss incurred by the petitioner on account of inferior operating parameters shall not be passed on to the beneficiary.

Implementation of the Order

149. The petitioner must take steps to implement the order after giving seven days public notice in accordance with clause 1.30 of MPERC (Details to be furnished and fee payable by licensee or generating company for determination of tariff and manner of making application) Regulations, 2004 and its amendments and recalculate its bills for the energy supplied to Distribution Companies of the State/ M.P. Power Management Company Ltd. since 1st April, 2022 to 4th September, 2022. The petitioner is also directed to provide information to the Commission in support of having complied with this Order.

150. The deficit amount as a result of this Order shall be recovered from MP Power Management Company Ltd. / three Distribution Companies of the state in terms of applicable Regulation in six equal monthly installments during FY 2024-25.

151. With the above directions, this Petition No. 61 of 2023 is disposed of.

(Prashant Chaturvedi)
Member

(Gopal Srivastava)
Member (Law)

(S.P.S Parihar)
Chairman

Date: 5th March, 2024

Place: Bhopal

Annexure-I

Petitioner's Reply on the response of the Respondent No.1 (MPPMCL) along with observations:

MPPMCL's Response-

In terms of Section 79(1) (a) of the Act, Tariff for generating stations owned and controlled by the Central Government are determined by the Ld. Central Electricity Regulatory Commission. However, it is also important to note that tariff determined of a generating station is undertaken on projection basis at the beginning of a control period. It is submitted that tariff determined on projection basis is true-up for actual expenditures however tariff once determined cannot be subject to redetermination. The tariff determined by this Commission in terms of the Regulations is valid for the period from 1st April 2019 to 31st March 2024 and notwithstanding the change in shareholding pattern, the tariff cannot be determined. As a corollary, true-up exercise for the entire control period would also have to be undertaken by this Commission and piecemeal true-up exercise proposed by the petitioner is illegal and is liable to be rejected.

True-up of the tariff determined can only falls under the purview of only such Commission which originally determined the tariff in accordance with extant laws. There is no provision either under the CERC Regulation or Regulations framed by this Commission or under the Act wherein true-up for part of the control period becomes subject matter of a different commission. It is submitted that the provisions of the Act, the Rules and the Regulations framed thereunder would have to be interested harmoniously and therefore tariff determination would continue to be in terms of regulations applicable at the beginning of the control period.

That the contention of the Petitioner that the true up of tariff ought to be only till 04.09.2022 after which the true up would be done by the Ld. CERC cannot be accepted in the scheme of the Act or the extant regulations. Regulation 9.1 of the Regulations clearly states as under :-

"9.1 The Commission shall define Tariff period for the generating company from time to time. The principles for Tariff determination shall be applicable for the duration of the Tariff period. The principles that guide Tariff determination for the next Tariff period shall be valid for a period from 1st April, 2019 upto 31st March, 2024."

Further, true-up of such tariff year-on-year is to be carried out in terms of Regulations 9.4 and 9.8 of the Regulations, 2020.

That it is clear that when tariff of a generating company is determined by this Commission, the true up for the same would also have to be determined by this Commission. It is absurd to suggest that for the Petitioner when the tariff has been determined by this Commission in terms of the Regulations, 2020. Then the true up of that tariff would be undertaken in terms of the CERC Tariff Regulations by the Ld. CERC.

That not just limited to the above grounds, it is pertinent to note that as elaborated hereunder, the capital cost for the Petitioner has changed drastically after NTPC acquired it through the resolution process under IBC. The same needs reconsideration as in the absence of the same, the tariff recovered would be exponentially higher than the actual expenditure. However, for the purposes of the present subject petition, this Commission ought to direct the Petitioners to file for true-up of the entire period FY22-23 and not just until 04.09.2022.

Petitioner's Reply-

The averments made by the Respondent are denied and disputed. The Petitioner submits that the True-up of Tariff for FY 2022-23 till 4th September, 2022 has been filed because w.e.f. 05.09.2022 i.e Transfer Date, Jurisdiction is a question of law and in the case of statutory commissions, it has to flow from the Statue itself, namely the Electricity Act, 2003. The Act clearly demarcates the jurisdiction of the Central Commission and the State Commissions under Sections 79 and 86. Since 05.09.2022, the status of Jhabua Power has changed from an IPP to a company owned or controlled by Central Government, jurisdiction over the tariff of Jhabua Power can only be exercised by the CERC and any tariff petition subsequent to 04.09.2022 must be governed by CERC (Terms and Conditions of Tariff) Regulations, 2019. In view of the above, the Petitioner is right in filing the true-up till 4th September, 2022 and requests the Commission to approve the additional capitalization claimed in the Petition till 4th September, 2022.

Observation-

The petitioner has submitted that after acquisition of project by NTPC, it has become central generating station and come under the jurisdiction of the CERC under Section 79 (1) (a) of the Electricity Act, 2003. In support of its contention, the petitioner by affidavit dated 13th February, 2024 filed legal opinion in this regard. The Commission has considered the legal opinion and concluded that Central Electricity Regulatory Commission under Section 79(1)(a) of the Electricity Act 2003 has exclusive jurisdiction to regulate tariff of generating company owned and controlled by the Central Government.

The Commission has examined the true up tariff petition thoroughly in accordance to the provisions under the Regulations, 2020, Annual Audited Accounts of the petitioner for FY 2022-23 (till 4th September, 2022), Asset-cum-Depreciation Register for FY 2022-23 (till 4th September, 2022) and other supplementary submissions filed by the petitioner and other documents placed on record by the petitioner.

MPPMCL's Response-

That admittedly, the cut-off date for the plant was 31.03.2019. In the True-up petition, as has been clearly recorded in Paragraph 7 of the Review Order dated 27.12.2019, the true-up was sought for the FY 2019-20 in accordance with Regulation 9.4 of the Regulations, 2020.

In the subject petition it is clear that the cut-off date for the plant is 31.03.2019 and the additional capital expenditure claim is incurred post that can be allowed only if they are in accordance with Regulation 27.2. Since the additional capitalisation claimed have been incurred after the cut-off date and is not in accordance with Regulation 27.2 of the extant Regulations, the claims are untenable as per the scheme of the Regulations, 2020.

It is submitted that all the terms i.e. “Cut-off Date” “controllable factors” and “uncontrollable factors” are defined in the extant tariff regulations. It is settled law that the Regulations once notified are binding on all stakeholders including the Commission. Therefore, “Cut-off Date” cannot be extended as a matter of routine and such extension is only possible if the project is impacted by “uncontrollable factors”. While the definition of “uncontrollable factors” is an inclusive definition, what would constitute “uncontrollable factors” shall have to be guided by the illustrated heads in the definition which are Force Majeure Events, Change in Law, Time and cost over-runs on account of land acquisition except where the delay is attributable to the generating company. It is submitted that ‘includes’ in the definition of the “uncontrollable factors” would have to be interpreted *ejusdem generis* and financial difficulty of the generating company cannot be termed as an “uncontrollable factor”. The MPERC has previously time and again rightly held that events relied on by the Petitioner to extend the cut-off date were not entirely beyond the control of the Petitioner. As a result, the prayer for extension of cut-off date ought not to be allowed by the MPERC.

It is pertinent to note that the Petitioner has not put any evidence on record suggesting that the difficulties faced by the Petitioner would qualify as such. In fact it is pertinent to submit that the ‘uncontrollable factors’ as alleged by the Petitioner pertains to financial difficulties faced by the Petitioner and such financial difficulties were solely attributable to the Petitioner. The petitioner having practiced poor financial prudence had to go through the IBC proceedings and resolution thereunder. The liability of such poor financial handling cannot be put on the beneficiaries in the form of additional capitalisation expended past the cut-off date.

Further, it is also pertinent to state that this. Commission has consistently disallowed the Petitioner’s claim for extension of cut-off date and grant of additional capitalisation in lieu of the same. Grant of the same would not only lead to inconsistency but would open a pandora’s box of revision of all previous and further claims on the part of the Petitioner and similarly placed entities. Further, the matter of whether cut-off date for commissioning the Petitioner’s project should be extended is already sub-judice before the Hon’ble APTEL and any decision contrary to the same would lead to severe prejudice to the Answering Respondent before the Hon’ble APTEL.

It is also pertinent to state that in the subject petition, the Petitioner seeks to put the onus of the financial difficulties faced by it on the Answering Respondent. However, in that regard it is submitted that the schedule to a generating station is not provided by the procurer. It is provided by the appropriate load despatch centre in accordance with the merit order available

to the procurer. It is submitted that even assuming low off-take by MPPMCL, the entitlement of capacity charge is not impacted and debt servicing is part of the capacity charge. MPPMCL like any other procurer provides its load requirement to the appropriate load despatch centre who provide schedule to the generating stations. It is submitted that MPPMCL had a PPA for maximum of 35% of power generated. Accordingly, even if it proposed to schedule the entire power, then also the Petitioner would not have the technical minimum schedule unless it tied-up the remaining capacity. Accordingly, the Petitioner's failure to tie-up or otherwise sell the power caused the distress and MPPMCL cannot be blamed for the same. Similarly low energy prices in the power exchanges are business risk that any generator is required to take and the same cannot be cited as a reason for extending the cut-off date.

Petitioner's Reply-

The averments made by Respondent are denied and disputed except to the extent of facts stated therein, the Petitioner submits that the Respondent even after being aware of the current situation of the Petitioner, for which the Respondent itself was responsible, has made such averments without any material basis. The Petitioner requests the Commission to decide the prayers made in the instant Petition considering the submissions and documentary proofs submitted along with the Petition which shall substantiate beyond doubt that the factors responsible for delay in executing works were truly uncontrollable and under no circumstances attributable to the Petitioner.

The averments made by Respondent in above para are without any material basis and accordingly are denied and disputed. The Respondent has very cleverly shifted the responsibility of low scheduling by the Respondent to the appropriate load dispatch centre which has further resulted the Petitioner into the huge financial risk due to the cascading effects. In view of the above, the averments made by the Respondent are misleading and therefore denied and disputed.

Observation-

The issue of extension of cut-off date has already been addressed by the Commission in earlier tariff/true up orders of the Petitioner's Project. Further, there is no provision under the Regulations, 2020 for extension of cut-off date of the project. Therefore, the request of the petitioner for extension of cut-off date is not considered in this true-up Order.

Since, the additional capitalization claimed by the petitioner is beyond the cut-off date of the project and within the original scope of work, therefore, same has been analysed under Regulation 27 of the Regulations, 2020.

MPPMCL's Response-

That it is the case of the Petitioner in Paragraphs 6.53-6.71 of the present Petition that certain railway related works had been accepted by this Commission *vide* its order dated 18.08.2022

& 29.03.2023. Towards such capitalization in terms of Regulation 27.1 (vi) of the Regulations, 2020, cost of Rs. 0.94 Crore has been incurred. The same is unchallenged in line with the previous decisions of this Commission.

However, the Petitioner seeks to approve Rs. 3.69 Crore on account of balance works incurred in FY 2022-23 till 04.09.2022 in terms of Regulation 26.1 (ii) of the Regulations, 2020. It is reiterated that as averred hereinabove, such cost of balance works took place after the cut-off date and financial hardships clearly do not attract force majeure or change in law provisions. Therefore, there is no grounds in terms of the Regulations, 2020, basis which the cost of balance works amounting to Rs. 3.69 can be allowed to be passed through in true up.

That similarly as above, the Petitioner seeks to pass through liability of Rs. 3.19 crore on account of expenditure done on capital spares. Further other misc. electric works to the tune of Rs. 0.04 Crore is also sought to be passed through in true up. It is the case of the Petitioner that such expenditures were taken after the cut-off date on account of the inability of the Petitioner to invest money during the CIRP process. However, it is reiterated herein that financial hardships that were brought upon itself by the Petitioner cannot be passed on to the beneficiaries. In that regard the averments made hereinabove are reiterated.

Further additional expenditure towards ash handling system amounting to Rs. 0.02 Crore and additional expenditure towards coal handling plant amounting to Rs. 0.16 crore are also sought for similar reasons as above. It is reiterated that the present case as held by this Commission before is not a fit case for extension of cut-off date and therefore such claims on additional capitalization ought to be disallowed. In sum, the additional capitalization amount of Rs. 3.23 Crore (on accrual basis) and Rs. 4.62 Crore (on cash basis) claimed by the Petitioner is untenable under the scheme of the Regulations, 2020 and ought to be disallowed by this Commission.

Petitioner's Reply-

The Respondent has agreed that Railway related works should be granted to the petitioner. Thus, Commission is requested to allow the same.

In reply to the averments made by the Respondent in above para, the Petitioner submits that averments made by Respondent are without any material basis and accordingly are denied and disputed. In support of this reply, the petitioner submits that the assets capitalized during the year FY 2022-23 till 4th September'22 are under original scope of work. It is submitted that the works for the additional capital expenditure claimed were already envisaged in the DPR, however, the same could not be completed within cut-off date owing to the uncontrollable reasons. The petitioner submits that it has claimed the additional capitalization for FY 2022-23 till 4th September, 2022 under Regulation 26.1 and Regulation 27.1 of the Regulations, 2020 and The Commission is requested to consider the submissions made by the Petitioner as per the Regulations, 2020.

Observation-

The additional capitalization claimed in the petition has been examined thoroughly and dealt with, by the Commission in accordance to the provisions under the Regulations, 2020, Annual Audited Accounts of the petitioner for FY 2022-23 (till 4th September, 2022), Asset-cum-Depreciation Register for FY 2022-23 (till 4th September, 2022) and other supplementary submissions filed by the petitioner and other documents placed on record by the petitioner.

MPPMCL's Response-

It is submitted that it is not under dispute in the subject petition that JPL was successfully acquired by NTPC for Rs. 925 Crore through the CIRP initiated by NCLT, Kolkata. NTPC bought 50.5% of the shares in JPL for the aforementioned Rs. 925 Crore.

Petitioner's Reply-

The averments made by Respondent are matter of facts. The Petitioner, hereby submits that NTPC Ltd is a 50% shareholder in JPL along with the secured financial creditors and not 50.5% as indicated by the Respondent in its submissions.

Observation-

The Commission has determined true-up of tariff prior to project takeover by NTPC.

MPPMCL's Response-

That in terms of Regulation 9 of the Regulations, 2020, it is evidently clear that for purpose of tariff determination and tariff true-up in a cost-plus regime under Section 62 of the Act. It is pertinent to take into consideration the details of actual capital expenditure and actual additional expenditure. While it is true that the erstwhile management of the Petitioners had made certain capital investments in construction of the Petitioner's plant. However, it is pertinent to note that the said plant was acquired by NTPC with a capital investment of just 925 Crore. Therefore, for the purpose of determination of tariff and true-up of tariff, it is pertinent to take the actual capital expenditure for the period.

That the Hon'ble APTEL in its judgement in **Renasant Power Ventures Private Limited v. Uttar Pradesh Electricity Regulatory Commission & Ors. (Appeal No. 183 of 2019)** had observed that while revision of tariff for generators whose tariff is determined by the bidding route in terms of Section 63, capital investment and structure does not matter. Such enquiry has to be done in determination/revision of tariff for generators whose tariff is determined in terms of Section 62 of the Act. The relevant paragraph has been reproduced hereunder for ready reference :-

"103. As contended by the Appellant and the 2nd Respondent-SBI, in the process undertaken under Section 63 of the Act, question of examination of capital cost or capital

*structure of the project by UPERC at the time of adoption of tariff would not arise. **However, such examination can be undertaken by the Commission if it is a case of determination of tariff by the appropriate Commission under Section 62 of the Act. Under Section 62 PPA, tariff is determined based on the capital cost of the project, debt and equity amounts invested or capital structure of the project.** Whereas if tariff is discovered through competitive bidding process, the same has to undergo the process of adoption of tariff by appropriate Commission under Section 63 of the Act. During such examination, the Commission has to see “whether the guidelines issued by the Ministry of Power for procurement of power on long term basis is complied with or not and whether the bidding process was transparent, fair and justified?”*

Therefore on a conjoint reading of the relevant regulations in the Regulation, 2020, along with the observations of the Hon’ble APTEL, it is clear that this Commission in the present subject petition ought to take into account that the actual capital expenditure from NTPC is to the tune of Rs. 925 Crore. Any tariff that is based on a sum more than Rs. 925 Crore is excess tariff that is accruing to NTPC and must be disallowed by this Commission.

That it is pertinent to state that NTPC took control of the petitioner only on 04.09.2022. Therefore, any tariff that accrues to the Petitioner before that period can be in terms of the previously determined tariff. However, any tariff that is computed after the takeover of control by NTPC must be based on a revised tariff where the actual capital expenditure from NTPC of Rs. 925 Crore needs to be the base capital cost for determination of tariff.

In that regard as stated hereinabove, the contention of the petitioner that there should only be a part true up in the subject petition whereas the balance true up would be done before the CERC is legally untenable. The petitioner would have to continue to operate on the tariff determined by this Commission and the true up is done by this Commission in terms of the Tariff Regulations in full. There is no legal method for determination and part true up of tariff by one commission and part true up by another commission.

That this Commission must take into account that the actual capital expenditure by the Petitioner is only Rs. 925 Crore. This makes it a case fit for rebate in true up in terms of Regulation 9.9 of the Tariff Regulations.

Petitioner’s Reply-

The averments made by Respondent are completely misleading. Petitioner has filed the Petition for true-up of tariff for FY 2022-23 till 4th September, 2022, i.e. period before take over by NTPC Limited which falls within the jurisdiction of this Commission. The same has been clearly explained in the instant petition and this reply. Accordingly, the averments made by the Respondent are denied.

Observation-

The Commission has examined true-up of tariff for FY 2022-23 only till 4th September, 2022 prior to takeover by NTPC and true up has been carried out as per the provision of the Regulations, 2020.

MPPMCL's Response-

That in response to the capacity charges claimed by the petitioner, it is submitted that only such capacity charges may be allowed by this Commission as is applicable in terms of the Tariff Regulations. However, it is pertinent to note that any increase in capital cost in terms of additional capital expenditure may not be allowed as the same has been done after the cut-off date. Further, there has been no extension of cut-off date allowed by this Commission. It is submitted that any return on equity claims, interest and financing charges claims, depreciation claims, depreciation pertaining to lease land claims, interest on working capital claims, non-tariff income claims must be evaluated sans the additional capital expenditure made by the Petitioner after the cut-off dates.

That it is also pertinent to note that the capacity charges as claimed by the petitioner pertains to the period till 04.09.2023. As submitted hereinabove, the Petitioner ought to file its entire financial statements for trueing up as there is no provision for part true up before this Commission in terms of the Tariff Regulations. The present petition is therefore incomplete in nature and no claims can be correctly evaluated on such incomplete petition.

Petitioner's Reply-

In respect of averments made by the Respondent regarding the return on equity, non-tariff income, interest on loan, depreciation, interest on working capital and annual capacity charges claimed in the Petition, the Commission is requested to consider the submissions made by the Petitioner which are in line with the Regulations, 2020.

Observation-

As per Section 79 (1) (a) of the Electricity Act, 2003, CERC has exclusive jurisdiction to regulate tariff of Generating Company owned and controlled by the Central Government and the Commission has examined true-up of tariff for FY 2022-23 till 4th September, 2022 under the provision of the Regulations, 2020.

MPPMCL's Response-

That for fly ash utilization and transportation, the petitioner has claimed that it has incurred a cost of Rs. 1.06 Crore in FY 2022-23. The petitioner claims 0.24 lakhs from the Respondent for the period till 04.09.2023. However, it is submitted that the additional expenditure on the same has occurred after the cut-off date and cannot be granted by this Commission.

Petitioner's Reply-

In reply to the averments made by the Respondent are denied and disputed except to the extent they are the matter of facts mentioned in instant petition. The claims raised for Fly Ash Utilisation and transportation are as per article 12 of the executed PPA and in line with MPERC Order dated 29.11.2021 (Petition No. 26 of 2021). Accordingly, the Commission is requested to consider the submissions made by the petitioner which are in line with the Regulations, 2020. The said Ash utilisation expenses are not capitalised expenses thus the concept of cut-off date is not applicable to the such claim. The said bills are claimed on reimbursement basis along with the submission of all the necessary documents.

Observation-

Claim regarding Fly Ash Transportation Charges has been dealt in accordance to relevant order issued by the Commission in petition No. 26 of 2021 and provisions of the 2nd Amendment to the Regulations, 2020.

MPPMCL's Response-

It is submitted that due to delay in commissioning of the generating station liquidated damages were levied on the Petitioner. The levy of such damages was never challenged by the Petitioner and thus became final. The answering respondent paid GST on the same in terms of the demand raised by the department of revenue intelligence, where the Petitioner refused to participate. It is submitted that after the clarification of liability of GST on liquidated damages that no GST is to be levied on liquidated damages, the GST amount was returned to the Petitioner. Since the clarification, the Petitioner has been insisting on late payment surcharge on the GST amount refunded.

It is settled law that interest can be claimed only if any wrongdoing can be attributed to the party (Clariant International Ltd & Anr vs SEBI (2004) 8 SCC 524) Para 30). It is not in dispute that the payment of GST was in terms of the demand by the department of revenue intelligence, on the levy of liquidated damages. Admittedly the levy of liquidated damages for delay was never challenged. The consequent imposition of tax therefore cannot be independently challenged. It is submitted that after the law on levy of GST on liquidated damages was clarified the amount was refunded; demand for interest if any has to be raised with the GST authorities and not with MPPMCL.

Petitioner's Reply-

The averments made by Respondent are denied and disputed. The Petitioner has prayed for LPSC amount deducted in October 2019 towards GST by the Respondent. Accordingly, NCLT vide its order dated 23.03.22 held that GST amount recovery cannot be made from JPL as the company was under moratorium. MPPMCL appealed in NCLAT against the aforementioned

NCLT's order and NCLAT vide its order dated 16.11.22 dismissed the MPPMCL's petition. The Petitioner submits that the Respondent after considerable delay from the date NCLT/NCLAT Order has refunded the amount of Rs. 15.25 Crore on account of GST levied on LD on 14.07.2023. Therefore, The Petitioner is right in claiming the Late Payment Surcharge as per article 10.4.2 of the executed PPA. Accordingly, the Commission is requested to consider the submissions made by the Petitioner as per Regulation 32 of the Regulations, 2020.

Observation-

Dispute related to Late Payment Surcharge on the GST amount is therefore not covered under the scope of the Regulations, 2020, hence not allowed in this Order.

MPPMCL's Response-

That in response to the statutory charges claimed by the petitioner, it is submitted that such claims can only be entertained by this Commission on production of documentary evidence. The same has not been produced by the Petitioner and must therefore be disallowed.

That, it is humbly prayed that the prudence check, carried out by the MPERC, be shared with this respondent and any reasoning/ rationale advanced in support for inclusion of above indicated Costs with the Capital Cost of the Project deserves to be summarily rejected/ ignored.

Petitioner's Reply-

In respect of averments made by the Respondent, the Commission is requested to consider the submissions made by the Petitioner which are in line with the Regulations, 2020 and the Commission is requested to approve the same as claimed by the Petitioner.

Observation-

In the subject true-up petition, Statutory Charges upto 4th September, 2022 have been allowed in accordance to the provisions under the Regulations, 2020.

Annexure-II

Petitioner's Response on the comments offered by the Stakeholder along with the observations:

Stakeholder's Comment

Subject petition for partial period :- The Commission has issued tariff for M/s Jhabua Power Limited from 01st April, 2019 to 31st March, 2024 by MYT Order dated 08/05/2021 as per the provisions of the Regulations, 2020 and on the basis of the subject petition filed for the year 2019-20 and 2020-21, the final tariff was determined by approving the additional capitalization under the Tariff Regulations.

In the subject petition, due to change in the management of the company, the petitioner has sought true-up only till 4th September, 2022 and for the remaining period - the petition will be filed in the Central Electricity Regulatory Commission under Section 79(1)(a) of the Electricity Act 2003 in future. But in the petition, it is not mentioned whether, the petition for true-up from 5th September, 2022 to 31st March, 2023 has been filed with the Central Electricity Regulatory Commission or not.

The Central Electricity Regulatory Commission has not determined any tariff for the private power plants. Therefore, it is not clear on what basis the true up will be done. It is not clear which rule has been taken by the petitioner in submitting two separate petitions for one financial year to different Regulatory Commissions. It is clear from the petition that the above referred petition is final and thereafter the petitioner will file the petition at the Central Electricity Regulatory Commission.

The Commission is requested to direct the petitioner to provide a copy of the petition to be filed in the Central Electricity Regulatory Commission for the remaining period of the financial year 2022-23 from 5th September, 2022 to 31st March, 2023. Apart from this, instructions will also be given to provide any order given by the Central Electricity Regulatory Commission for accepting the petition for consideration for a partial period.

The verification of the petition for partial/full year under power purchase contract executed by the former management of the plant on January 5, 2011 and with the M.P. Govt. for remaining 5 percent electricity is desirable under the provisions of the contract, by the Commission.

Petitioner's Reply:

The averments made by the stakeholder pertains to the matters not related to the prayers made by the petitioner in the petition. Further, it has been already explained in para 1.4 to para 1.7 in the petition that post NTPC takeover w.e.f. 5th September, 2022. The petitioner is a

company under Section 79 (1) (a) of Electricity Act, 2003 and therefore the same shall not be under the jurisdiction of this Commission.

Observation:

The petitioner by affidavit dated 13th February, 2024 filed legal opinion on the matter of Petitioner's Company, which has been taken over by NTPC Limited as a Joint Venture with Secured Financial Creditors (50:50) through CIRP (Corporate Insolvency Resolution Process) vide NCLT Order dated 6th July 2022. The Commission has considered the legal opinion and concluded that Central Electricity Regulatory Commission under Section 79(1)(a) of the Electricity Act 2003 has exclusive jurisdiction to regulate tariff of generating company owned and controlled by the Central Government.

The Commission has examined the true up tariff petition thoroughly in accordance to the provisions under the Regulations, 2020, Annual Audited Accounts of the petitioner for FY 2022-23 (till 4th September, 2022), Asset-cum-Depreciation Register for FY 2022-23 (till 4th September, 2022) and other supplementary submissions filed by the petitioner and other documents placed on record by the petitioner.

Stakeholder's Comment:

Increase in cut-off date of plant:- While the subject petition has been filed for the period up to 4th September, 2022, however due to various reasons mentioned in paragraphs 6.11 to 6.49, the cut-off date of the plant, which was 31st March, 2019, petitioner has requested the Commission to extend it till 4th July, 2024, which is contradictory to itself.

In paragraphs 6.11 to 6.29, the petitioner mainly said that MPPMCL is to be blamed for the plant becoming sick, which is completely wrong in view of the facts. The petitioner or the new management has not taken into account that MPPMCL is responsible for managing only 30 percent of the finances. No specific information/details of any specific difficulty is mentioned in the petition by the petitioner for the remaining share of 65 percent electricity and 70 percent finance. Therefore, the poor performance of the plant can't be attributed to M.P. Power Management Company, which has less share and it is not befitting an institution, which has just undergone transfer of management.

In Section 27 and 28 of the Regulations, 2020, provisions are there for approval of additional capitalization after the cut-off date of the project. Apart from this, petition no. 19/2019 specifically filed by the parent management of the Company, in that order, clear guidelines had been given for additional capitalization and on the same basis, the subject petition for FY 2019-20 and FY 2020-21 had been disposed of. Therefore, re- raising an issue regarding extension of cut-off date that has been resolved is contrary to the principle of law.

The Commission is requested to completely reject the petitioner's demand for increasing the cut-off date in view of the incomplete facts.

Petitioner's Reply

The averments made by the stakeholder are completely false. The petitioner submits that the reasons regarding extension of the cut-off date has been explained in detail in para 6.5 to 648 at page no 19 to page no 37 of the petition. Accordingly, the petitioner humbly requests the Commission to consider prayers made by the petitioner and reject the averments made by the stakeholder.

Observation:

The issue of extension of cut-off date has already been addressed by the Commission in earlier tariff/true up orders of the Petitioner's Project. Further, there is no provision under the Regulations, 2020 for extension of cut-off date of the project, therefore, the request of the petitioner for extension of cut-off date is not considered in this Order.

Since, the additional capitalization claimed by the petitioner is beyond the cut-off date of the project and within the original scope of work, therefore, same has been analysed under Regulation 27 of the Regulations, 2020.

Stakeholder's Comment

Report of the Comptroller and Auditor General of India:-The plant has been transferred to the NTPC with effect from 05/09/2022 in pursuance of the order dated 06/07/2022 of the National Company Law Tribunal (NCLT). Therefore, seeking relief by mentioning the previous issues without complete information is completely outside the scope of the verification petition. The petitioner probably does not know that it is mentioned in Part-2 Para 2.1.11 of the Report No. 34/2017 issued by the Comptroller and Auditor General of India (GAG) for the Ministry of Energy, Government of India (Commerce) that:

2.1.11. The promoters of M/s Jhabua Power Limited (JPL) formed for setting up 600 MW coal-based thermal power plant, had no experience of implementing similar projects. The promoter M/s Avantha Power and Infrastructure Limited (APIL), was formed by way of diversment of small power generation assets with a total capacity of 95 MW (individual unit capacity ranged between 13 MW and 30 MW) and had implemented a few expansion projects However, the loan was sanctioned.

Therefore, the figures of poor performance of the plant for 2016-17 and 2017-18 in the report of the Comptroller and Auditor General of India, itself verify on the inexperience of the promoters. It is not appropriate to blame anyone else and this is a major reason for the transfer of the plant to NTPC.

Petitioner's Reply:

The averments made by the stakeholder pertains to the matters not related to the prayers made by the petitioner in the petition. The extract of CAG report quoted by stakeholder is out of context without any material basis.

Observation:

The comment is general in nature and does not seek any action related to prayers of the petitioner.

Stakeholder's Comment:

Non-availability of railway line for coal transportation:- The date of commercial operation was 3rd May, 2016. Till then there was no permanent arrangement for bringing coal to the plant. The then management had assured that the transportation of coal by rail would be operational by January, 2017, which was accepted by the Commission. Approval was given to bring coal by road transport for a distance of about 80 km from Sagara Railway Station of Jabalpur to the plant. But actually, after the construction of Jabalpur Gondia Broad Railway Gauge line in May, 2017, coal transportation through railways became possible till Binaiki which was the railway station nearest to the plant. Despite this, the work of railway line (Last Mile Connectivity) from Binaki to the plant was completed on 21/08/2020 and as a result of which, the availability from the plant could be increased from FY 2020-21, which is also mentioned in the petition. Therefore, it is not right for the petitioner to blame anyone else for the poor performance of the plant.

Petitioner's Reply

The averments raised by the stakeholder pertains to the matters not related to the prayers made by the petitioner in the petition and accordingly requests the Commission to reject the averments made by the stakeholder.

Observation:

The comment is general in nature and does not seek any action related to prayers of the petitioner.

Stakeholder's Comment

Benefits of change in Management to Consumers:- Since now Jhabua Power Limited is a joint venture between NTPC, which is a Maharatna company in the power generation sector of India and Secured Financial Creditors. Therefore, it would be fair for the lenders as well as the consumers of the state to get the direct benefit of the transfer of the referred BIMARU

company into the hands of a highly efficient management in the form of tariff reduction. Paragraph 57 of the Regulations, 2020 also has the following provisions in this regard:

57. Sharing of saving in interest due to re-financing or restructuring of loan-

57.1 If re-financing or restructuring of loan by the generating company results in net savings on interest after accounting for cost associated with such refinancing or re-structuring, the same shall be shared between the beneficiaries and the generating company in the ratio of 50:50.

Petitioner's Reply

The averments raised pertains to the matters not related to the period for which the instant petition is filed and accordingly requests the Commission to reject the averments made by the stakeholder.

Observation:

The Commission has determined true-up of Annual Capacity (fixed) Charges for FY 2022-23 prior to acquisition of the petitioner by NTPC Ltd on 5th September, 2022 considering actual Additional Capital Expenditure incurred during FY 2022-23 till 4th September, 2022 in accordance with Regulation 9.4 of the Regulations, 2020. The issue raised by the stakeholder is beyond the period under consideration in this Order.

Annexure V - List of issues filed in APTEL Appeals

| Sr.No. | Description of the Issue | Filed in Appeal No |
|--------|---|--|
| 1. | Treating the extension of SCOD as a contractual matter. | Appeal DFR 93 of 2020 (Appeal filed against review of Final Order passed by Hon'ble MPERC 2016-17 to 2018-19) |
| 2. | Non-consideration of reasons for delay in COD- Time Overrun. | |
| 3. | Erroneous disallowance of Rs. 41.30 Crores which is the IDC & IEDC incurred till 31.03.2015. | |
| 4. | Incorrect approach in computation of IDC and IEDC. | |
| 5. | Reduction in Equity considered | |
| 6. | Apportionment of common expenses | |
| 7. | Non-consideration of O&M Expenses and losses for the dedicated transmission line built by the Appellant- (Issue part of current petition as well) | |
| 8. | Non-extension of cut-off date for completion of essential works/capitalization till 31.3.22 i.e. 2 yrs beyond cut-off date of 31.03.19 on vague basis that reasons for extension were not covered under Uncontrollable factors and were due to reasons attributable to the Appellant. | 158 of 2022 (Appeal Filed against True-up Order of 2019-20.) |
| 9. | Denial of extension of Cut-off date & Accordingly RoE/IOL & Depreciation are reduced. Not considering Add Cap under Regulation 26 (i.e. Add Cap with Original Scope/up to Cut-off date) and referring to only Regulation 27 (i.e. add Cap beyond Cut-Off date) | 33 of 2023 Appeal Filed against (True-up Order of 2020-21 issued by MPERC.) |
| 10. | Railway expense admitted by Commission has been artificially restricted by applying the WPI factor of 3.01% for FY 2018-19 and FY2020-21 | |
| 11. | Spares beyond Cut-off date not allowed however Decap of Spares is reduced from the Cost. | |
| 12. | Accumulated Depreciation of Rs 1.67 cr on Decapitalized spares not considered by Commission while calculating Interest on Loan. | |
| 13. | Denial of extension of Cut-off date and rejecting Add Cap. Not considering Add Cap under Regulation 26 (i.e. Add | |
| | | |

| | | |
|------------|---|---|
| | Cap with Original Scope/up to Cut-off date) and referring to only Regulation 27 (i.e. add Cap beyond Cut-Off date) | 273 of 2023 (Appeal Filed against True-up Order of 2021-22 issued by MPERC.) |
| 14. | Railway expense admitted by Commission has been artificially restricted by applying the WPI factor of 16.36% | |
| 15. | Disallowance of depreciation on Leased Land from Date of CoD i.e. 03.05.16 on ground that sufficient documentary evidence has not been produced whereas the audited Balance Sheet explicitly identifies such amount of Leased Land. | |



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INDEPENDENT AUDITOR’S REPORT

**To the Board of Directors of
 Jhabua Power Limited**

We have audited the condensed standalone interim financial statements of **Jhabua Power Limited** (“the Company”), which comprise the condensed standalone interim balance sheet as at 04th September 2022, the condensed standalone interim statement of profit and loss (including other comprehensive income) for the period beginning from 1-04-2022 to 04-09-2022, the condensed standalone interim statement of changes in equity and the condensed standalone interim statement of cash flows for the year-to-date period then ended, and notes to the condensed standalone interim financial statements, including a summary of the significant accounting policies (“the condensed standalone interim financial statements”) and other explanatory information, as required by Indian Accounting Standard 34, “Interim Financial Reporting” (“Ind AS 34”) and other accounting principles generally accepted in India.

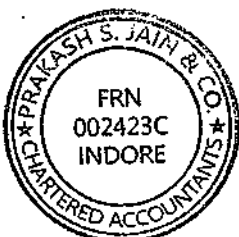
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed standalone interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 04th September 2022, profit and other comprehensive income for the period beginning from 1-04-2022 to 04-09-2022 and, changes in equity and its cash flows for the year-to-date-period ended on that date.

Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the condensed standalone interim financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Condensed Standalone Interim Financial Statements

The Company’s management and the Board of Directors are responsible for the preparation of these condensed standalone interim financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in



accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

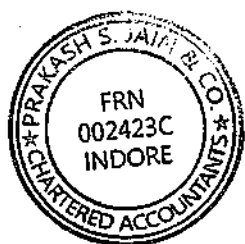
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed standalone interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed standalone interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed standalone interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.



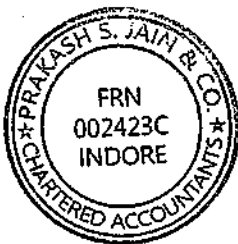
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the condensed standalone interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed standalone interim financial statements, including the disclosures, and whether the condensed standalone interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Place: Indore
Date: 04/08/2023

For Prakash S Jain & Co.
Chartered Accountant
FRN. 002423C




CA. Ganraj Thepadia
Partner
M.No.405326
UDIN:23405326BGUAPF2811

JHABUA POWER LIMITED
BALANCE SHEET AS AT SEPTEMBER 04, 2022
All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Note | As at 04-09-22 | As at 31-03-22 |
|--|------|--------------------|--------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, Plant and Equipment | 3 | 3,80,596.96 | 3,87,687.09 |
| Capital work-in-progress | 4 | 771.09 | 579.23 |
| Other intangible assets | 5 | 0.93 | 0.94 |
| Financial Assets | | | |
| Other Financial Assets | 6 | 681.60 | 674.46 |
| Other non current Assets | 7 | 735.44 | 595.94 |
| Current assets | | | |
| Inventories | 8 | 7,230.84 | 9,704.51 |
| Financial Assets | | | |
| Trade receivables | 9 | 70,411.27 | 69,151.96 |
| Cash and cash equivalents | 10 | 1,598.22 | 9,535.96 |
| Bank Balances other than Cash and Cash Equivalents | 11 | 69,713.13 | 39,400.50 |
| Other Financial Assets | 12 | 113.94 | 110.44 |
| Other Current Assets | 13 | 20,411.71 | 20,032.05 |
| Total Assets | | 5,52,265.13 | 5,37,473.08 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 14 | 1,44,532.21 | 1,44,532.21 |
| Other Equity | 15 | (1,14,703.46) | (1,29,720.34) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | | - | - |
| Provisions | 16 | 193.03 | 193.03 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 17 | 33,441.47 | 33,441.47 |
| Trade payables | 18 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 67.88 | 685.42 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,966.54 | 5,243.14 |
| Other Financial Liabilities | 19 | 4,65,598.14 | 4,65,598.14 |
| Other current liabilities | 20 | 17,157.91 | 17,488.60 |
| Provisions | 21 | 11.41 | 11.41 |
| Total Equity and Liabilities | | 5,52,265.13 | 5,37,473.08 |
| Significant accounting policies and notes to Ind AS financial statements | 1-38 | | |

As per our report attached

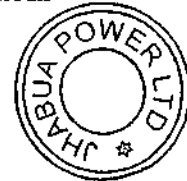
Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C

CA. Gaurav Dheepadia
Partner
Membership No.405326



For Jhabua Power Limited

Jayant Sharma
DGM F&A



JHABUA POWER LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED SEPTEMBER 04, 2022

All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Note No. | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|---|-------------|--|--------------------------------------|
| I Revenue from operations | 22 | 75,573.82 | 1,59,904.21 |
| II Other income | 23 | 1,004.76 | 1,701.01 |
| III Total Income (I+II) | | 76,578.58 | 1,61,605.22 |
| IV Expenses | | | |
| Power & Fuel | 24 | 43,917.94 | 87,043.59 |
| Employee benefits expense | 25 | 1,129.22 | 2,609.58 |
| Finance costs | 26 | 89.89 | 79.56 |
| Depreciation | 27 | 7,413.60 | 17,401.62 |
| Other expenses | 28 | 9,011.04 | 21,257.03 |
| Total expenses (IV) | | 61,561.69 | 1,28,391.38 |
| V Profit/ (loss) before exceptional items and tax (III- IV) | | 15,016.89 | 33,213.83 |
| VI Exceptional items | | - | - |
| VII Profit/ (loss) before tax (V-VI) | | 15,016.89 | 33,213.83 |
| VIII Tax expense: | | | |
| a) Current tax | | - | - |
| b) Deferred tax | | - | - |
| c) Tax related with previous year | | - | - |
| Total Tax Expense (VIII) | | - | - |
| IX Profit/ (loss) for the year (VII-VIII) | | 15,016.89 | 33,213.83 |
| X Other Comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | | | |
| (i) Re-measurement gains (losses) on defined benefit plans | | - | 6.01 |
| (ii) Income tax effect on above | | - | - |
| Total Other comprehensive income | | - | 6.01 |
| XI Total Comprehensive Income for the period (IX+X) | | 15,016.89 | 33,219.84 |
| (Comprising profit and other comprehensive income for the period) | | | |
| XII Earnings per equity share | 29 | | |
| (1) Basic (₹) | | 2.42 | 2.30 |
| (2) Diluted (₹) | | 2.19 | 2.08 |
| Significant accounting policies and notes to Ind AS financial statements | 1-38 | | |

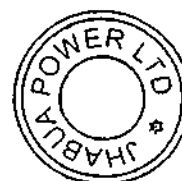
As per our report attached

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C

CA. Ganesh Phepadia
Partner
Membership No.405326

For Jhabua Power Limited

Jayant Sharma
DGM F&A



CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 04, 2022

All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|--|--|--------------------------------------|
| Cash flows from operating activities | | |
| Profit/(loss) before taxation | 15,016.89 | 33,213.86 |
| Adjustments for | | |
| Depreciation | 7,413.60 | 17,401.62 |
| Finance costs | 89.89 | 79.56 |
| Interest Income | (998.12) | (1,306.56) |
| Interest from others | - | (5.40) |
| Doubtful debts | - | 3,451.59 |
| Loss On Assets Retirement | - | 675.31 |
| Balance written off | - | 0.63 |
| Adjustments for working capital changes: | | |
| (Increase)/Decrease in Inventories | 2,473.67 | (1,101.33) |
| (Increase)/Decrease in Trade receivable | (1,259.31) | (24,868.29) |
| Increase/ (decrease) in loans & advances and other assets | (383.15) | (5,223.03) |
| Increase/ (decrease) in liabilities and provisions | (223.63) | 437.23 |
| Total | <u>22,129.85</u> | <u>22,755.20</u> |
| Income Tax (paid)/refund | (139.48) | (386.90) |
| Net cash from operating activities (A) | <u>21,990.36</u> | <u>22,368.30</u> |
| Cash flows from investing activities | | |
| Purchase of fixed assets (including Capital Work in Progress) | (516.54) | (2,820.96) |
| Interest received | 97.59 | 887.97 |
| Investment in bank deposits | (29,419.24) | (12,111.66) |
| Net cash from investing activities (B) | <u>(29,838.19)</u> | <u>(14,044.65)</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of equity shares | - | - |
| Proceeds/(Repayment) of long term borrowings | - | - |
| Interest paid | (89.89) | (79.55) |
| Net cash from financing activities (C) | <u>(89.89)</u> | <u>(79.55)</u> |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | <u>(7,937.74)</u> | <u>8,244.08</u> |
| Cash and cash equivalents at beginning of reporting year | <u>9,535.96</u> | <u>1,291.88</u> |
| Cash and cash equivalents at end of reporting period | <u><u>1,598.22</u></u> | <u><u>9,535.96</u></u> |
| Cash & Cash equivalents: | | |
| Cash and cash equivalents consist of cash on hand and balances with banks in current accounts. | | |
| Cash and bank balances | | |
| Cash on hand | - | - |
| Bank balances- In current accounts | 1,598.22 | 9,535.96 |
| Cash and cash equivalents as restated | <u><u>1,598.22</u></u> | <u><u>9,535.96</u></u> |

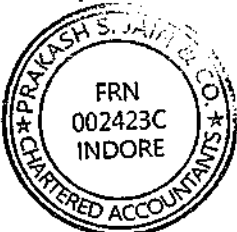
Significant accounting policies and notes to Ind AS financial

1-38

The above referred notes form an integral part of the Ind AS financial statements.

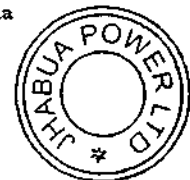
As per our report attached

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C
CA. Gaurav J Bedadla
Partner
Membership No.405326



For Jhabua Power Limited

Jayant Sharma
DGM F&A



JHABUA POWER LIMITED
3- PROPERTY, PLANT AND EQUIPMENT AS AT SEPTEMBER 04, 2022
All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Freehold land | Leasehold land | Building | Plant & machinery | Furniture & fixtures | Computers | Office equipments | Vehicles | Total |
|--|-----------------|----------------|--------------------|--------------------|----------------------|---------------|-------------------|--------------|--------------------|
| Cost | | | | | | | | | |
| Gross Block | | | | | | | | | |
| Balance as at 1st April 2021 | 4,044.65 | 146.63 | 1,11,551.99 | 3,68,737.05 | 491.65 | 295.72 | 311.14 | 17.57 | 4,85,596.40 |
| Addition | (0.00) | 0.00 | 198.41 | 2,521.97 | 2.24 | 16.73 | 26.16 | 0.00 | 2,765.02 |
| Disposal | | | | 715.37 | 8.85 | 77.56 | 29.70 | 0.40 | 831.88 |
| Balance as at 31st March 2022 | 4,044.65 | 146.63 | 1,11,750.40 | 3,70,543.15 | 485.04 | 234.89 | 307.60 | 17.17 | 4,87,829.54 |
| Addition | | | | 319.20 | 0.28 | 3.89 | 0.08 | | 323.45 |
| Disposal | | | | | | | | | |
| Balance as at 04th September 2022 | 4,044.65 | 146.63 | 1,11,750.40 | 3,70,862.35 | 485.32 | 238.78 | 307.68 | 17.17 | 4,87,852.99 |

| Particulars | Freehold land | Leasehold land | Building | Plant & machinery | Furniture & fixtures | Computers | Office equipments | Vehicles | Total |
|--|---------------|----------------|------------------|-------------------|----------------------|---------------|-------------------|--------------|--------------------|
| Depreciation and Impairment | | | | | | | | | |
| Balance as at 1st April 2021 | | 46.02 | 17,795.00 | 63,777.66 | 416.36 | 268.30 | 250.11 | 14.91 | 82,598.36 |
| Depreciation charged for the year | | 4.90 | 3,795.01 | 13,561.16 | 9.36 | 5.97 | 20.96 | 0.27 | 17,400.66 |
| Disposal | | | | 44.85 | 8.36 | 75.02 | 27.97 | 0.38 | 156.58 |
| Balance as at 31st March 2022 | | 50.92 | 21,590.04 | 77,296.97 | 447.86 | 199.25 | 249.10 | 14.80 | 99,842.44 |
| Depreciation charged for the year | | 2.05 | 1,594.70 | 5,807.16 | 2.87 | 3.48 | 3.22 | 0.11 | 7,413.59 |
| Disposal | | | | | | | | | |
| Balance as at 04th September 2022 | | 52.97 | 23,184.74 | 83,104.12 | 450.23 | 202.73 | 246.32 | 14.91 | 1,07,256.03 |

| Particulars | Freehold land | Leasehold land | Building | Plant & machinery | Furniture & fixtures | Computers | Office equipments | Vehicles | Total |
|--|-----------------|----------------|------------------|--------------------|----------------------|--------------|-------------------|-------------|--------------------|
| Net Block | | | | | | | | | |
| As at 31st March 2022 | 4,044.65 | 95.71 | 90,160.36 | 2,93,246.20 | 37.68 | 35.64 | 64.50 | 2.37 | 3,87,687.12 |
| Balance as at 04th September 2022 | 4,044.65 | 93.66 | 88,965.66 | 2,87,758.23 | 35.10 | 36.03 | 61.38 | 2.26 | 3,80,596.96 |

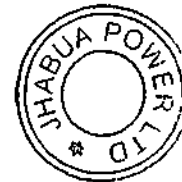
| 4- CAPITAL WORK IN PROGRESS AS AT SEPTEMBER 04, 2022 | |
|--|---------------|
| Particulars | |
| Balance as at 31st March 2021 | 636.26 |
| Addition During F.Y.2020-21 | 383.29 |
| Transferred to PPE | 440.32 |
| Balance as at 31st March 2022 | 579.23 |
| Addition During F.Y.2022-23 | 191.66 |
| Less: transferred to PPE | |
| Balance as at 04th September 2022 | 771.09 |

JHABUA POWER LIMITED
5- INTANGIBLE ASSETS AS AT SEPTEMBER 04, 2022
All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Computer Software |
|--|-------------------|
| Cost | |
| Balance as at 1st April 2021 | 573.06 |
| Addition | |
| Disposal | |
| Balance as at 31st March 2022 | 573.06 |
| Addition | |
| Disposal | |
| Balance as at 04th September 2022 | 573.06 |

| Particulars | Computer Software |
|--|-------------------|
| Depreciation and Impairment | |
| Balance as at 1st April 2021 | 571.16 |
| Amortisation charged for the year | 0.96 |
| Disposal | |
| Balance as at 31st March 2022 | 572.12 |
| Amortisation charged for the year | 0.01 |
| Disposal | |
| Balance as at 04th September 2022 | 572.13 |

| Particulars | Computer Software |
|--|-------------------|
| Net Block | |
| As at 31st March 2022 | 0.94 |
| Balance as at 04th September 2022 | 0.93 |



6 Non-current financial assets - Others

| Particulars | As at 04-09-22 | As at 31-03-22 |
|-----------------------------------|----------------|----------------|
| Unsecured, considered good | | |
| Bank Deposits (see note a) | 674.46 | 661.12 |
| Interest accrued on bank deposits | 7.14 | 13.34 |
| | 681.60 | 674.46 |

a) These bank deposits are having maturities more than 12 months and have been lodged as security deposit with government departments

7 Other non current Assets

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--------------------------------------|----------------|----------------|
| Unsecured, considered good | | |
| Balances with Government Authorities | 62.81 | 62.81 |
| TDS receivable | 672.63 | 533.13 |
| | 735.44 | 595.94 |

8 Inventories

At Lower of cost or Net realisable value

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--------------------------|-----------------|-----------------|
| Stores and Spares | | |
| Coal | 3,992.85 | 3,572.12 |
| LDO | 2,905.67 | 5,790.88 |
| | 332.32 | 341.51 |
| | 7,230.84 | 9,704.51 |

9 Current financial assets- Trade receivables

| Particulars | As at 04-09-22 | As at 31-03-22 |
|-------------------------------------|--------------------|--------------------|
| Unsecured, considered good | | |
| Trade Receivables - credit impaired | 70,411.27 | 69,151.96 |
| | 31,710.52 | 31,710.52 |
| | 1,02,121.79 | 1,00,862.48 |
| Less: Allowance for credit Loss | 31,710.52 | 31,710.52 |
| | 70,411.27 | 69,151.96 |

10 Current financial assets- Cash and cash equivalents

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--|-----------------|-----------------|
| Balances with Banks : | | |
| - In Current Accounts | 1,598.22 | 9,535.96 |
| Cash on hand | - | - |
| Total Cash and cash equivalents | 1,598.22 | 9,535.96 |

11 Bank Balances other than above

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--|------------------|------------------|
| Fixed Deposit with more than 3 months but Less than 12 months | | |
| interest accrued on deposits | 68,000.00 | 38,594.10 |
| | 1,713.13 | 806.40 |
| | 69,713.13 | 39,400.50 |

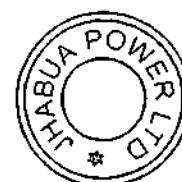
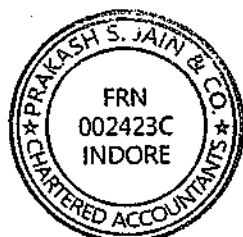
12 Current financial assets- Others

| Particulars | As at 04-09-22 | As at 31-03-22 |
|-------------------------|----------------|----------------|
| Security deposit | | |
| Unbilled Revenue | 113.94 | 110.44 |
| | 113.94 | 110.44 |

13 Other current assets

| Particulars | As at 04-09-22 | As at 31-03-22 |
|-----------------------------|------------------|------------------|
| Advance to employees | | |
| Advance to related party | 3.73 | 5.92 |
| Advance to supplier | 1,352.37 | 1,352.37 |
| Prepaid Expenses | 15,903.67 | 15,774.64 |
| Others | 434.40 | 409.62 |
| | 2,717.54 | 2,489.50 |
| | 20,411.71 | 20,032.05 |

a) Others include Rs. 1886.85 Lakhs Fixed Deposit adjusted by the Axis Bank with its CC & term Loan and Rs. 830.69 Lakhs unbilled ED & Cess to customers.



JHABUA POWER LIMITED
NOTES TO FINANCIAL STATEMENTS
All amounts are in ₹ Lakh, unless otherwise stated

14 Share Capital

| Particulars | As at 04-09-2022 | | As at 31-03-22 | |
|--|------------------|--------------------|----------------|--------------------|
| | No of Shares | Amount | No of Shares | Amount |
| Authorised : | | | | |
| 1,55,00,00,000 (Previous Year - 1,55,00,00,000) Equity shares of ₹10/- each | | 1,55,000.00 | | 1,55,000.00 |
| | | 1,55,000.00 | | 1,55,000.00 |
| Issued, Subscribed and Paid Up | | | | |
| 1,44,53,22,146 (Previous Year - 1,44,53,22,146) Equity shares of ₹ 10/- each | | 1,44,532.21 | | 1,44,532.21 |
| Total | | 1,44,532.21 | | 1,44,532.21 |

Notes:

a) Reconciliation of Outstanding Shares

| | As at 04-09-2022 | | As at 31-03-22 | |
|--|-----------------------|--------------------|-----------------------|--------------------|
| | No of Shares | Amount | No of Shares | Amount |
| No. of shares outstanding at the beginning of year | 1,44,53,22,146 | 1,44,532.21 | 1,44,53,22,146 | 1,44,532.21 |
| Add: Issued during the year | | | | |
| No. of shares outstanding at the end of year | 1,44,53,22,146 | 1,44,532.21 | 1,44,53,22,146 | 1,44,532.21 |

b) The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The rights of the shareholders have been suspended from 27 March, 2019, as per the provisions of Insolvency & Bankruptcy Code, 2016 when corporate insolvency resolution proceedings ('CIRP') were initiated against the Company.

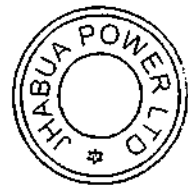
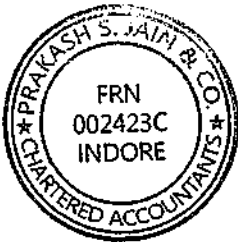
c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | As at 04-09-2022 | | As at 31-03-22 | |
|--|---------------------|-------------|---------------------|-------------|
| | No of Equity Shares | Holding (%) | No of Equity Shares | Holding (%) |
| Axis Bank Ltd. (As a security trustee on behalf of Consortium of bank and financial institution) | 86,71,93,180 | 60.00% | 86,71,93,180 | 60.00% |
| Avantha Power And Infrastructure Limited the Holding Company of Jhabua Power Investments Limited | 14,11,34,980 | 9.76% | 26,74,85,126 | 18.51% |
| Indusind Bank Limited | 5,00,00,000 | 3.46% | 7,80,00,000 | 5.40% |
| Jhabua Power Investments Limited, the Holding Company and its nominees | 11,76,43,840 | 8.14% | 11,76,43,840 | 8.14% |
| Yes Bank Limited | 12,63,50,146 | 8.74% | - | 0.00% |

d) Shares Hold by the promoters at the end of the Year

| Particulars | Holding (%) | As at 04-09-2022 | |
|--|-------------|---------------------|-----------------------------|
| | | No of Equity Shares | % of Change During the Year |
| Avantha Power And Infrastructure Limited the Holding Company of Jhabua Power Investments Limited | 9.76% | 14,11,34,980 | NIL |
| Jhabua Power Investments Limited, the Holding Company and its nominees | 8.14% | 11,76,43,840 | NIL |

| Particulars | Holding (%) | As at 31-03-22 | |
|--|-------------|---------------------|-----------------------------|
| | | No of Equity Shares | % of Change During the Year |
| Avantha Power And Infrastructure Limited the Holding Company of Jhabua Power Investments Limited | 9.76% | 14,11,34,980 | NIL |
| Jhabua Power Investments Limited, the Holding Company and its nominees | 8.14% | 11,76,43,840 | NIL |



15 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 04 ,2022

All amounts are in ₹ Lakh, unless otherwise stated

A. Equity Share Capital

(1) Current reporting period F.Y 2022-23

| Opening Balance on 01.04.2022 | Closing Balance on 04.09.2022 |
|-------------------------------|-------------------------------|
| 1,44,532.21 | 1,44,532.21 |

(2) Previous reporting period F.Y 2021-22

| Opening Balance on 01.04.2021 | Closing Balance on 31.03.2022 |
|-------------------------------|-------------------------------|
| 1,44,532.21 | 1,44,532.21 |

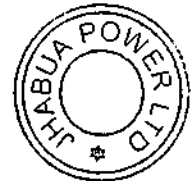
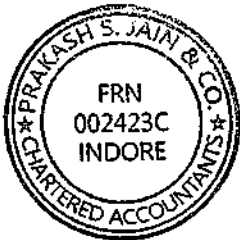
B. Other Equity

(1) Current reporting period F.Y 2022-23

| Particulars | Reserves and Surplus | | | | | Total |
|---|----------------------|-------------------|---|--|---------------------------------------|---------------|
| | Capital Reserve | Retained Earnings | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | |
| Balance April 1, 2022 | | (1,29,664.74) | | (55.61) | | (1,29,720.35) |
| Profit/(Loss) for the Year | | 15,016.89 | | | | 15,016.89 |
| Changes in accounting policy or prior period errors | | | | | | - |
| Re-measurements gain / (loss) on the net defined | | - | | | | - |
| Restated balance at the beginning of the current reporting period | | | | | | - |
| Total Comprehensive Income for the current year | | | | | | - |
| Dividends | | | | | | - |
| Transfer to retained earnings | | | | | | - |
| Any other change (to be specified) | | | | | | - |
| Balance at september 04, 2022 | - | (1,14,647.85) | - | (55.61) | - | (1,14,703.46) |

(2) Previous reporting period F.Y 2021-22

| Particulars | Reserves and Surplus | | | | | Total |
|---|----------------------|-------------------|---|--|---------------------------------------|---------------|
| | Capital Reserve | Retained Earnings | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | |
| Balance April 1, 2021 | | (1,62,878.61) | | -61.62 | | (1,62,940.23) |
| Profit/(Loss) for the Year | | 33,213.86 | | | | 33,213.86 |
| Changes in accounting policy or prior period errors | | | | | | - |
| Re-measurements gain / (loss) on the net defined | | | | 6.01 | | 6.01 |
| Restated balance at the beginning of the current reporting period | | | | | | - |
| Total Comprehensive Income for the current year | | | | | | - |
| Dividends | | | | | | - |
| Transfer to retained earnings | | | | | | - |
| Any other change (to be specified) | | | | | | - |
| Balance At march 31, 2022 | | (1,29,664.74) | - | (55.61) | - | (1,29,720.35) |



JHABUA POWER LIMITED

Notes to Financial Statements

All amounts are in ₹ Lakh, unless otherwise stated

16 Non-current liabilities- provision

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--|----------------|----------------|
| Provisions for employee benefits :- | | |
| Provision for Gratuity | 141.70 | 141.70 |
| Provision for Leave Encashment | 51.33 | 51.33 |
| | <u>193.03</u> | <u>193.03</u> |

Notes:-

Accrual certificate for leave encashment & gratuity taken at the end of each F.Y. so values for the period September 04,2022 is taken as same as taken in (F.Y 21-22).

17 Current financial liabilities- Borrowings

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--|------------------|------------------|
| Working Capital Loans repayable on demand from banks | 33,441.47 | 33,441.47 |
| | <u>33,441.47</u> | <u>33,441.47</u> |

18 Current financial liabilities- trade payables

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--|-----------------|-----------------|
| Total outstanding dues of micro enterprises and small enterprises | 67.88 | 685.42 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Dues to other | 5,966.54 | 5,243.14 |
| | <u>6,034.42</u> | <u>5,928.56</u> |

Notes:

i) The fair value of Trade Payables is not materially different from the carrying value presented.

18.1 Trade Payable

Ageing Schedule as on Sep 04,2022

| Particulars | < 365 Days | 365-720 Days | > 2 Years |
|-----------------------------|-----------------|--------------|-----------------|
| (i) MSME | 57.22 | 0.16 | 10.50 |
| (ii) Others | 4,814.68 | 50.85 | 1,101.01 |
| (iii) Disputed dues - MSME | - | - | - |
| (iv) Disputed dues - Others | - | - | - |
| | <u>4,871.90</u> | <u>51.01</u> | <u>1,111.51</u> |

18.2 Trade Payable

Ageing Schedule as on March 31,2022

| Particulars | < 365 Days | 365-720 Days | > 2 Years |
|-----------------------------|-----------------|-----------------|---------------|
| (i) MSME | 553.50 | 1.64 | 130.28 |
| (ii) Others | 2,608.90 | 1,851.47 | 782.78 |
| (iii) Disputed dues - MSME | - | - | - |
| (iv) Disputed dues - Others | - | - | - |
| | <u>3,162.40</u> | <u>1,853.11</u> | <u>913.05</u> |

19 Other current financial liabilities

| Particulars | As at 04-09-22 | As at 31-03-22 |
|--|--------------------|--------------------|
| Current maturities of Long term borrowings (Refer note-19) | 3,54,470.71 | 3,54,470.71 |
| Interest Accrued and due on borrowings | 1,11,127.43 | 1,11,127.43 |
| | <u>4,65,598.14</u> | <u>4,65,598.14</u> |

20 Other current liabilities

| Particulars | As at 04-09-22 | As at 31-03-22 |
|-----------------------------|------------------|------------------|
| Creditors for Capital Goods | 4,968.68 | 4,969.90 |
| Retention Monies | 8,248.52 | 8,386.88 |
| Statutory liabilities | 3,933.60 | 4,124.71 |
| Other Liability | 7.11 | 7.11 |
| | <u>17,157.91</u> | <u>17,488.60</u> |

Notes:-

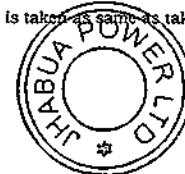
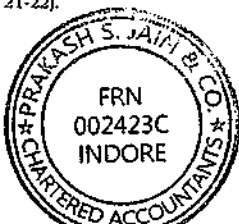
Retention Monies is derived after considering liquidated damages (LD) of ₹ 7,150 Lakhs imposed on BHEL

21 Current liabilities- provisions

| Particulars | As at 04-09-22 | As at 31-03-22 |
|---|----------------|----------------|
| Provisions for employee benefits : | | |
| Provision for Gratuity | 8.49 | 8.49 |
| Provision for Leave Encashment | 2.92 | 2.92 |
| | <u>11.41</u> | <u>11.41</u> |

Notes:-

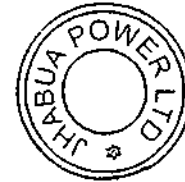
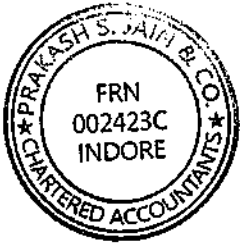
Accrual certificate for leave encashment & gratuity taken at the end of each F.Y. so values for the period September 04,2022 is taken as same as taken in (F.Y 21-22).



19 JHABUA POWER LIMITED
 NOTES TO FINANCIAL STATEMENTS
 All amounts are in ₹ Lakh, unless otherwise stated

Borrowings

| Particulars | As at 04-09-22 | | As at 31-03-22 | |
|--|----------------|--------------------|----------------|--------------------|
| | Non-current | Current | Non-current | Current |
| Secured Borrowings-at amortised cost | | | | |
| Term Loans : | | | | |
| -From Banks | - | 2,13,562.33 | - | 2,13,562.33 |
| -From Financial Institutions | - | 1,26,085.42 | - | 1,26,085.42 |
| Total | - | 3,39,647.75 | - | 3,39,647.75 |
| Unsecured borrowings-at amortised cost | | | | |
| Compulsory Convertible Debentures | - | 14,822.96 | - | 14,822.96 |
| Total | - | 14,822.96 | - | 14,822.96 |
| Total | - | 3,54,470.71 | - | 3,54,470.71 |



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakh, unless otherwise stated

22 Revenue from operations

| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|--------------------|--|--------------------------------------|
| Sale of Generation | 75,573.82 | 1,59,904.21 |
| | 75,573.82 | 1,59,904.21 |

Contract Balance

The following table provides information about receivables and contract assets from the contracts with customers.

| Particulars | As at 04-09-22 | As at 31-03-22 |
|------------------------------------|----------------|----------------|
| Trade Receivables | 70,411.27 | 69,151.96 |
| Contract Assets (Unbilled revenue) | | |

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

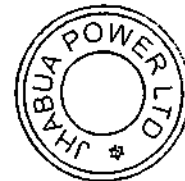
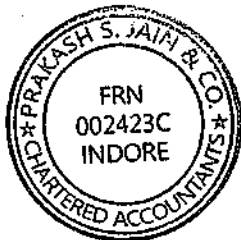
| | For the year ended 04 September, 2022 | For the year ended 31 March, 2022 |
|---|--|--------------------------------------|
| Revenue as per contracted price | 75,776.11 | 1,60,605.28 |
| Adjustments | | |
| Discount on prompt payment | (202.29) | (701.07) |
| Revenue from contract with customers | 75,573.82 | 1,59,904.21 |

23 Other income

| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|--------------------------------|--|--------------------------------------|
| Interest on fixed deposit | 998.12 | 1,306.56 |
| Profit on sale of Mutual Funds | - | - |
| Interest from others | - | 5.40 |
| Scrap sale | 0.02 | 9.56 |
| Other miscellaneous receipts | 6.62 | 379.49 |
| | 1,004.76 | 1,701.01 |

Notes:-

1). Scrap sales includes sale of empty drums/used oil etc.



24 Power & Fuel

| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|------------------------------------|--|--------------------------------------|
| Cost of Generation of Power | | |
| - Coal consumed | 43,803.43 | 85,791.98 |
| - LDO consumed | 114.51 | 420.16 |
| Cost of Power | | |
| -Bilateral costs | - | 831.45 |
| | 43,917.94 | 87,043.59 |

25 Employee benefit expenses

| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|--|--|--------------------------------------|
| Salaries & wages | 1,085.27 | 2,509.15 |
| Contribution to provident & others funds | 31.85 | 64.09 |
| Staff welfare | 12.07 | 35.04 |
| Recruitment Expenses | 0.03 | 1.30 |
| | 1,129.22 | 2,609.58 |

26 Finance costs

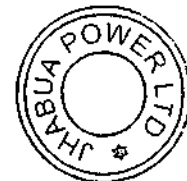
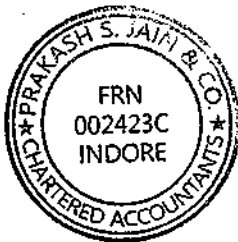
| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|-----------------------|--|--------------------------------------|
| Interest Expenses | - | - |
| Other borrowing costs | 89.89 | 79.56 |
| | 89.89 | 79.56 |

Notes:-

Pursuant to the admission of the company under IBC in NCLT Court, the company has not provided for interest on its borrowings since March 27, 2019 considering moratorium period of the Company started under IBC w.e.f. March 27, 2019

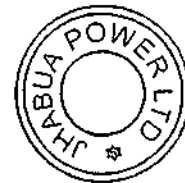
27 Depreciation

| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|-------------------------------|--|--------------------------------------|
| Depreciation and amortisation | 7,413.60 | 17,401.62 |
| | 7,413.60 | 17,401.62 |



28 Other expenses

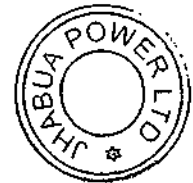
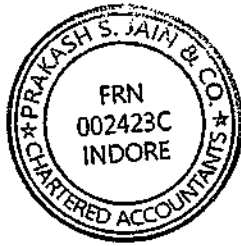
| Particulars | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|----------------------------------|--|--------------------------------------|
| Energy Development Cess | 926.19 | 1,975.36 |
| Open access charges | 1,592.38 | 2,077.98 |
| DSM & startup power | 734.54 | 949.41 |
| Electricity duty | 871.12 | 1,816.08 |
| O&M Contracts | 1,579.81 | 3,628.63 |
| Consumables | 857.53 | 1,690.47 |
| Water Charges | 595.44 | 606.17 |
| Rent | 26.56 | 52.81 |
| Rate & Taxes | - | 42.35 |
| Electricity expenses | 0.39 | 0.61 |
| Repairs and maintenance - Office | 5.23 | 35.85 |
| Repairs and maintenance - Others | 200.01 | 516.04 |
| Travelling and conveyance | 91.75 | 193.59 |
| Legal and professional charges | 483.99 | 798.41 |
| Insurance | 276.77 | 619.76 |
| Telephone expenses | 0.64 | 1.71 |
| CSR Expenses | 18.82 | 75.14 |
| Safety Expenses | 55.55 | 117.71 |
| Environmental Expenses | 271.97 | 1,043.98 |
| Security Expenses | 155.51 | 307.48 |
| Foreign Exchange Fluctuation | - | 7.72 |
| O&M Service Charges | 77.38 | 122.94 |
| Loss On Assets Retirement | - | 675.31 |
| Doubtful debts | - | 3,451.59 |
| Bad Debts | - | - |
| Balance written off | - | 0.63 |
| Hiring of Equipments | 169.83 | 414.31 |
| Statutory audit fees | 1.35 | 10.62 |
| Certification fees | - | - |
| In Other Capacities | 0.13 | 0.89 |
| Reimbursement of expenses | - | - |
| ROC & other filing fees | 1.11 | 9.49 |
| Miscellaneous expenses | 17.04 | 13.98 |
| | 9,011.04 | 21,257.03 |



| 29 Earnings per equity share | For the Period ended 04 September, 2022 | For the year ended 31 March, 2022 |
|---|--|--------------------------------------|
| (a) Profit/(Loss) Computation for both Basic and Diluted Earnings Per Share of ₹10/- each | | |
| Net Profit/(Loss) for the year after tax as per Staterr | 15,016.89 | 33,213.83 |
| Net Profit/(Loss) for the year after tax | 15,016.89 | 33,213.83 |
| Adjustment for the Purpose of Diluted EPS | - | - |
| Net Profit/(Loss) for the year after tax | 15,016.89 | 33,213.83 |
| (b) Weighted Average number of Equity Share for Earning Per Share Share Computation | | |
| i) Number of Shares for Basis Earning Per Share | 1,44,53,22,146 | 1,44,53,22,146 |
| Add : Potential Equity Shares | 14,82,29,589 | 14,82,29,589 |
| ii) Number of Shares for Diluted Earning Per Share | 1,59,35,51,735 | 1,59,35,51,735 |
| No of Shares held for basic EPS as on 04.09.2022 (1,44,53,22,146*157/365) | 62,16,86,512.00 | |
| No of Shares held for diluted EPS as on 04.09.2022 (1593551735*157/365) | 68,54,45,541.00 | |
| (c) Earnings Per Share | | |
| Basic* | 2.42 | 2.30 |
| Diluted** | 2.19 | 2.08 |

* The amount of EPS shown upto two decimal only.

** The conversion effect of potential dilutive equity share as at September 04, 2022 are anti-dilutive in nature, hence the effect of potential equity shares are ignored in calculating dilutive earnings per share.



30 i) Financial risk management

(1) Financial risk factors

The Company's risk management activities are subject to the management direction and control under the Risk Management Framework. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and the risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The company is currently undergoing Corporate Insolvency Resolution Process (CIRP) under the provision of the Insolvency and Bankruptcy Code, 2016 (Code). Accordingly, a moratorium has been declared under section 14 of the Code. The debt liabilities have been crystallised as on 27th March, 2019. Accordingly, there is no interest rate risk on the debt liabilities till the completion of CIRP.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The company is currently undergoing Corporate Insolvency Resolution Process (CIRP) under the provision of the Insolvency and Bankruptcy Code, 2016 (Code). Accordingly, a moratorium has been declared under section 14 of the Code. All the foreign currency liabilities have been crystallised into INR as on 27th March, 2019. Accordingly, there is no foreign currency risk on the related liabilities till the completion of CIRP.

c) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

ii) Credit risk

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the end of the financial year in relation to each class of recognised financial assets is the carrying amount of the those assets as stated in the statement of the financial position. The Company's does not hold any collateral on the balance outstanding.

The Company's extend credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Receivable balances are monitored on an on-going basis.

iii) Liquidity risk

Liquidity risk is the risk that the Company's may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's principal source of liquidity has been cash flow from operations.

The liquidity risks are dynamically managed through efficient scheduling of receipts and payments. The finance team is monitoring all the cash flows and payments are pre-vetted by Resolution Professional Team appointed by the Committee of Creditors and National Company Law Tribunal in CIRP under Insolvency & Bankruptcy Code, 2016. Liquidity risks arising from excess inventory are managed through a mix of efficient supply chain management and just-in-time production schedules.

Maturity profile of financial liabilities :

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

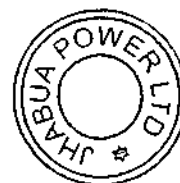
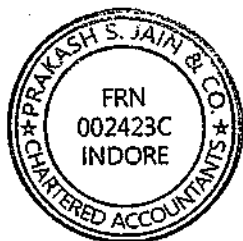
| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---------------------------------|------------------|--------------|-------------------|-------------|
| As at September 04, 2022 | | | | |
| Borrowings | 3,87,912.18 | - | - | 3,87,912.18 |
| Trade Payables | 4,871.90 | 1,162.52 | - | 6,034.42 |
| Other Financial Liabilities | 1,11,127.43 | - | - | 1,11,127.43 |
| As at 31st March, 2022 | | | | |
| Borrowings | 3,87,912.17 | - | - | 3,87,912.17 |
| Trade Payables | 3,162.40 | 2,766.16 | - | 5,928.56 |
| Other Financial Liabilities | 1,11,127.43 | - | - | 1,11,127.43 |

ii) Capital Management

Consequent upon admission of petition by NCLT on 27th March, 2019 filed by lenders, CIRP was initiated under IBC. Being power producer, the company falls in a capital intensive industry. The objective of the Company's capital management policies is to ensure its ability to continue as a going concern. During the period the funding requirements were primarily met through internal accruals

31 Fair Value Measurement :

All the financial assets and liabilities are measured at amortised cost method and hence level wise fair value hierarchy is not required to disclose. Further the management assessed that the fair value of these financial assets and liabilities approximate to their carrying value.



JHABUA POWER LIMITED**Notes to Financial Statements**

All amounts are in ₹ Lakh, unless otherwise stated

- 32 Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS Accounting Standard-108 (Segment Reporting).
- 33 In the view of carry forward losses, provision for tax has not been recognised. The deferred tax assets out of timing difference has not been recognised since it is not probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised.
- 34 Other Disclosure:-

- a). Revenue & other Income is taken actual till Sep 04, 2022.
- b). Coal/LDO/ Consumables expenses taken on actual basis till Sep 04, 2022.
- c). All other expenses including Depreciation is taken on actual basis till Aug 31, 2022.

- 35 As per Indian Accounting Standard-24 'Related Party Disclosures', the disclosures of transactions with the related parties as defined in IND AS-24 are given below:

- (i) Names of related parties having transactions during the year and description of relationship

| | |
|--------------------------|---|
| Associate Company | Avantha Power & Infrastructure Limited |
| Key Management personnel | Mr. Janmejaya Mahapatra- Chief Executive Officer & Director |
| Key Management personnel | Mr.Gagan Deep Gupta - Company Secretary |

- (ii) Detail of transaction carried out with related parties referred in (i) above in ordinary course of business.

| Description | Name of related party | Nature of relationship | Value of transactions | | Balance as at - | |
|-------------------------|--|--------------------------|-----------------------|------------|-----------------|------------|
| | | | 04.09.2022 | 31.03.2022 | 04.09.2022 | 31.03.2022 |
| Managerial remuneration | Mr. Janmejaya Mahapatra- Chief Executive Officer | Key Management personnel | 41.25 | 94.86 | - | - |
| Managerial remuneration | Ms.Deepika Sati-Company Secretary | Key Management personnel | - | - | - | - |
| Managerial remuneration | Mr.Gagan Deep Gupta - Company Secretary | Key Management personnel | 4.17 | 3.52 | - | - |
| Managerial remuneration | Ms.Ved Prakash Roy - Company Secretary | Key Management personnel | - | - | - | - |
| Interest Expenses | Avantha Power & Infrastructure Ltd | Associate Company | - | - | - | (5,822.96) |
| Purchase of goods | Avantha Power & Infrastructure Ltd | Associate Company | - | - | - | 1,352.37 |

- (iii) RP is not considered as KMP by the management for the purpose of disclosure of related party and transaction with him in accordance with IND AS 24-Related Party Disclosures

- 36 As per IBC, the RP has to receive, collate and admit all the claims submitted by the operational and financial creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. To the extent the process for submission and reconciliation of claims remains an on-going process, no accounting impact in the books of accounts has been made in respect of excess, short or non-receipts of claims for operational and financial creditors. Resolution plan under IBC has been duly approved by the committee of creditors (CoC) on 26th June, 2021 & has been submitted to the H'ble NCLT as per the IBC 2016 on 30th June, 2021.

JHABUA POWER LIMITED**Notes to Financial Statements**

- 37 With regard to the new amendment under division II under part II statement of profit and loss general instruction of preparation of statement of profit and loss:-

- The company do not have any benami property, where any proceeding has been initiated or pending against the coppany for holding
- The Company do not have any transaction with the Struckoff companies.
- The company have not traded or invested in crypto currency or virtual currency during the financial year.
- The company has not declared wilful defaulter by any bank or financial institution or other lender
- The company have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as
- During the year the Company have not advanced or loaned or invested funds to any other person (s)or entity (ies), including foreign
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 38 Previous year's figures have been regrouped / reclassified wherever necessary to confirm with the current year's classification / disclosure.

Significant accounting policies and notes to Ind AS financial statements

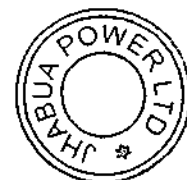
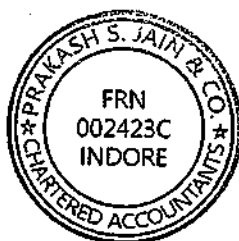
As per our Report attached

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C

CA. Gagan Deep Gupta
Partner
Membership No.405326

For Jhabua Power Limited

Jayant Sharma
Deputy CEO





PRAKASH S. JAIN & CO.
CHARTERED ACCOUNTANTS

“वीतराग”, 30/1, South Tukoganj,
 INDORE-452 001
 Phone : +91-731-2527577,
 4989815, 4985408
 E-mail : prakashsjainco@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
 The Members of,
Jhabua Power Limited,

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **Jhabua Power Limited** (“the Company”), which comprise the balance sheet as at March 31, 2023, and the statement of Profit and Loss, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Standalone Ind AS Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

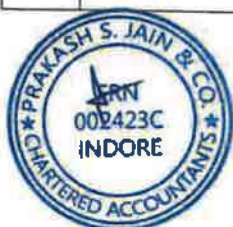
Emphasis of Matter

1. We draw attention to Note No. 36, in respect of the payment of interim dividend of Rs. 200.00 Crores by the company from its current year profits. The Company has considered exceptional income of Rs. 3,277.39 Crore arising as per NCLT order dated 06th July, 2022 (which was implemented on 05th Sep.2022) for calculation of profit available to distribute interim dividend in accordance with Sec. 123 of the Companies Act 2013.

Our opinion is not modified in respect of this matter.

Key Audit Matter

| S.No. | Key Audit Matter | How our audit addressed the Key Audit Matter |
|-------|---|---|
| 1 | <p>Accounting treatment for the effects of the Resolution Plan</p> <p>Refer Note 30 to the Financial Statements for the details regarding the resolution plan implemented in the Company pursuant to a corporate insolvency resolution Process concluded during the year ended 31st March 2023 under Insolvency and Bankruptcy Code, 2016.</p> <p>Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements and large number of operational and financial creditors, determination of the carrying amount of related liabilities at the date of approval of Resolution Plan was a complex exercise.</p> <p>In respect of de-recognition of operational and financial creditors, difference amounting to Rs. 3,27,738.66 Lakh between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit and loss account in accordance with "Ind AS - 109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional items".</p> <p>Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users understanding of the Financial Statements as a whole and materiality thereof.</p> | <p>We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the Financial Statements:</p> <ul style="list-style-type: none"> • Reviewed management's process for review and implementation of the Resolution Plan. • Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements. • Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis. • Verified the payment of funds on test check basis as per the Resolution Plan. • Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in Financial statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan. |



| | | |
|---|---|---|
| 2 | <p>Litigations Matters & Contingent liabilities</p> <p>Refer Note 32 to the financial statements. Prior to the approval of the Resolution Plan, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.</p> | <p>We have performed the following procedures to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:</p> <ul style="list-style-type: none"> • Verified the underlying documents related to litigations and other correspondences with the statutory authorities. • Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact. • Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from Relevant authorities in financial statements in accordance with the principles of Ind AS. • Discussion with the management on the development in these litigations during the year ended 31st March, 2023. • Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations. |
|---|---|---|



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information included in the CG report that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the 'Other reports', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, Total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure- A, a statement on the matters specified in paragraphs 3 & 4 of the said Order.
- 2) We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B, on the directions issued by Comptroller and Auditor General of India (C&AG).
- 3) As required by section 143(3) of the Act, we report that: -
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate Report in Annexure - C.
- g) With respect the other matters to be included in the Auditor' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according the information and explanations given to us:
- i) The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Ind AS financial statements Refer Note No. 32 to the financial statements.
- ii) The Company did not have any material foreseeable losses on long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.



- v) The interim dividend declared and paid by the company during the year in accordance with section 123 of the Act

Place : New Delhi
Date : 10th May 2023



For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C


CA. Ganraj Thepadia
Partner

M.No. 405326
UDIN : 23405326BGUANQ3997

ANNEXURE- A TO INDEPENDENT AUDITORS' REPORT

(Referred to in our Independent Auditor Report of even date to the members of **Jhabua Power Limited** on accounts for the year ended March 31, 2023)

- (i) In respect of its Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to information and explanations given to us the immovable properties (except properties which are leased by the company with duly executed lease agreements in the company's favour) disclosed in the financial statements are held in the name of the company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- (ii)
- (a) As per explanations to us, inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable and procedures and coverage followed by management were appropriate.
 - (b) The Company has not been sanctioned working capital limits in excess of INR 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting of the Order is not applicable.



- (iii) Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, to any other parties hence reporting under this clause is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made any investment or provided any guarantee or granted any security in terms of section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of sections 73 and 76 of the Act. Hence, reporting under clause 3(v) of the order is not applicable.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, wherever applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- (ix) (a) In The National Company Law Tribunal ('NCLT') has approved the terms of the Resolution Plan submitted by Resolution Applicant, pursuant to which loans or borrowings owed by the company as at that date have been partially discharged by issuing Non-Convertible Debenture, allotment of Equity Share and payment in Cash and balance amount has been extinguished. Accordingly, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanation given to us, the company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (d) The Company has not raised any funds on short term basis hence reporting under clause 3(ix)(d) of the order is not applicable.



- (e) On overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanation given to us and procedures applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) In our Opinion and according to the information & explanation given to us, the company has utilized funds raised by way of private placement of shares for the purposes for which they were raised.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us by the management, there were no whistle-blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.
(b) Company is not NBFC, hence the reporting in this clause is not applicable.
(c) Company is Non NBFC, hence the reporting in this clause is not applicable.
(d) This clause is not applicable to the company as it is not CIC.
- (xvii) The Company has not incurred cash losses during the current financial year and previous financial year.
- (xviii) There has been voluntary resignation of the statutory auditors for the ensuing year. We have communicated with them and have taken into consideration views expressed by them.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
(b) There is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place : New Delhi
Date : 10th May 2023



For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C


CA. Gaurav Thepadia
Partner

M.No. 405326
UDIN : 23405326BGUANQ3997

ANNEXURE- B TO INDEPENDENT AUDITOR'S REPORT

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **Jhabua Power Limited** for the year 2022-23 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013

| S. No. | Directions of C&AG u/s. 143(5) of the Companies Act, 2013 | Auditor's reply on action taken on the directions | Impact on Ind AS financial statements. |
|--------|---|--|--|
| 1 | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the account along with the financial implications, if any, may be stated. | As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. ERP has been implemented for all the processes like Financial Accounting (FI), Payroll / Human Capital Management (HCM), Inventory, Project and Commercial billing etc. | No impact on the Ind AS financial statements of the Company. |
| 2 | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? | Based on the audit procedures carried out and as per the information and explanations given to us, resolution plan under IBC has been duly approved by the committee of creditors (CoC) on 26th June, 2021 & has been submitted to the H'ble NCLT as per the IBC 2016 on 30th June, 2021. H'ble NCLT has also approved the resolution plan as per NCLT order dated 6th July 2022. The resolution plan has been approved by NCLT vide order dated 06th July, 2022 which was implemented on 05th Sep.2022 . The same case has been accounted for properly. | In respect of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc difference amounting to Rs. 3,27,738.66 Lakh between the carrying amount of financial liabilities extinguished and consideration paid, is recognised in statement of profit and loss |



| | | | |
|---|--|--|--|
| | | | account in accordance with "Ind AS - 109" "Financial Instruments" prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an "Exceptional items" |
| 3 | Whether funds (Grants / Subsidy etc.) received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation. | Based on the audit procedures carried out and as per the information and explanations given to us, no grants or funds was received/receivable for specific schemes from Central/State. | No impact on the Ind AS financial statements of the Company. |

Place : New Delhi
Date : 10th May 2023



For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C

CA. Ganraj Thepadia
Partner

M.No. 405326
UDIN : 23405326BGUANQ3997

ANNEXURE- C TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Jhabua Power Limited (the "Company")** as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion


In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Indore

Date : 10th May 2023



For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C


CA. Gaukav Thepadia
Partner
M.No. 405326

JHABUA POWER LIMITED
(A Joint Venture of NTPC Company Limited)

1. COMPANY OVERVIEW

Jhabua Power Limited (A joint Venture of NTPC Ltd) is engaged primarily in the business of Generation of power through its thermal power project having 1X600 MW TPP at District Seoni (M.P). The address of the Company's registered office is Infinity IT Lagoon, 10th Floor, Block: EP & GP Office No: 1001 & 1002, Sector-V, Salt Lake Kolkata WB 700091.

The financial statements for the year ended March 31, 2023, were authorised for issue in accordance with resolution of directors on dated 10 May 2023

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with section 133 of Companies Act, 2013 and presentation requirements of Division II of schedule III to the Companies Act, 2013, on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Accounting policies are consistently applied except for the changes adopted as referred in note 2.4 below.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs, except when otherwise indicated.

- 2.1 (a) There is an Aggregate Revenue requirement (ARR) Order dated 25 June 2022 of KSERC, through which it has come to our notice that the Kerala State Electricity Commission (KSERC) has disallowed/rejected the approval for purchase of power from Jhabua Power Ltd for 215 MW. Company has filed an appeal before APTEL against the impugned order DFR no 314 of 2022 on July 2022.
- 2.1 (b) There was an order issued by Appellate Tribunal for Electricity dated 13th May'21 w.r.t. deduction in Fixed Cost and increment in Variable Cost since the start of Supplies to Kerala State Electricity Board Limited. The said order has directed CERC to revise their order dated 25th May'20 and such final order in this regard is still awaited. Company has created Provision for doubtful debts to the extent of Rs 40.25 crore in FY 23 (Rs 34.52 crore in FY 22) in view of APTEL order. Also, the Company has already filed an appeal against the said APTEL Judgement in Supreme Court on 26th May'21 and the matter is currently sub-judice. The amount so provisioned in the current year might be restated in future as per the outcome of Supreme Court Order.
- 2.2 Pursuant to the approval of the Resolution Plan (duly submitted by NTPC Limited in the matter of Jhabua Power Limited) by Hon'ble National Company Law Tribunal, Kolkata bench (NCLT) vide its order No I.A. (IB) No. 586/KB/2021 in C.P.(IB) No. 634/KB/2017 issued on 06th July 2022, the following transactions were executed in line with the said order and Approved Resolution Plan on 05th September 2022 (i.e., Transfer Date):
- 2.2 (a) Total financial value of the Resolution plan is Rs. 1,850.00 Crore
- 2.2 (b) The bifurcation of Rs. 1850 Crore is as below:
- The Company has issued the Equity Share Capital of Rs. 325 Crore to NTPC Limited (the successful resolution applicant) and Rs. 325 Crore to the Axis Trustee Services Limited (a trust formed to hold the beneficial interest of the Secured Financials Creditors), as a part of their Outstanding Financial Debt of the Company which has been now converted into Equity.
 - Further, the Company has allotted Non-Convertible Debentures of Rs. 600 Crore to NTPC Limited (the successful resolution applicant) and also allotted



Non-Convertible Debentures of Rs. 600 Crore to Individual Secured Financial Creditors, as a part of the Outstanding Financial Debt of the Company which has been now converted into NCDs.

- Total fund infused by NTPC Limited as per the approved Resolution Plan in the Company was Rs. 925.00 Crore (i.e., Rs 325.00 Crore against Equity & Rs 600.00 Crore against NCDs).
- Out of Rs. 925.00 Crore fund received from NTPC Ltd, upfront Payment transferred to secured financial creditors Rs. 904.98 Crore & Rs. 19.56 Crore to operational creditors and workman fee.

2.3 These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest Lakh (up to two decimals), except when indicated otherwise.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.4.1 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.2 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The fair value of plants and equipment's as at transition date have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

2.3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at original cost grossed of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a



major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are different from one specified in Schedule II of the Companies Act, 2013. Asset's depreciation methods, residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Estimated useful lives of the assets are as follows:

| Categories of Assets | Estimated of useful life in years |
|--|-----------------------------------|
| <i>Leasehold Land</i> | 30 |
| <i>Building</i> | 25-30 |
| <i>Plant & Machinery</i> | 5-25 |
| <i>Other equipment, operating and office equipment</i> | |
| Computer equipment | 1-5 |
| Office furniture and equipment | 1-10 |
| Vehicles | 1-8 |

It is believed that the useful lives as given above represents the period over which management expects to use these assets.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.3.4 INTANGIBLE ASSETS

Assets identified as intangible assets are stated at cost including incidental expenses thereto and are amortised over a predetermined period.

2.3.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for



impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are Company at the lowest levels for which there are separately identifiable cash flows (cash-generating Company) largely independent of cash flows of other cash-generating Company. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.3.6 IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.3.7 INVENTORIES

Inventories are stated at the lower of weighted average cost or net realisable value. Costs include all non-refundable duties and all incurred in bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.3.8 FOREIGN CURRENCIES

The Company's financial statements are presented in INR. For each entity the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.2.1 FINANCIAL INSTRUMENTS – INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

(i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Classification:



The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(iii) Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

(v) Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

(vi) Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

(vii) Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

(viii) De recognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(ix) Impairment of Financial Assets:

In accordance with Ind - AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

FINANCIAL LIABILITIES

(i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.



(iii) Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind - AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

(iv) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(v) De recognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(vi) Derivative Financial Instrument:

The Company uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.3.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.3.11 PROVISIONS

(i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.



(ii) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

2.3.12 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

Instruments which have no contractual obligations towards principal redemption and interest distributions and meets the definition of equity instrument are also classified as Equity.

2.3.13 BORROWING COSTS

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

2.3.14 CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due and the amount is billable.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract.



2.3.15 REVENUE RECOGNITION

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers.

a) Sale of power

The Company's contracts with customers for the sale of electricity generally include one performance obligation. The Company has concluded that revenue from sale of electricity should be recognised at the point in time when electricity is transferred to the customer.

b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.3.16 EMPLOYEE BENEFITS

(i) Short term employee benefits:

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Short - term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

(ii) Defined benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company and its subsidiaries, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Re measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iii) Other long-term employee benefits:

The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re measurement is recognised in Statement of Profit and Loss in the period in which they arise.



(iv) Post - employment benefits - Defined contribution plans:

Post-employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post-employment and other long term benefits are charged to statement of Profit and Loss.

2.3.17 LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) The Company as a lessee

Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

Right-to-use asset

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications.

Right-to-use asset

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

2.3.18 TAXES

(i) Current income tax



Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

2.3.19 EARNING PER SHARE

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.3.20 Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

2.3.21 Debenture Redemption Reserve

Debenture Redemption Reserve is created @10% of outstanding debentures value on March 31, 2023 (Rs 115 Crore) as per provision of section 71 (4) & Rule 18 (7) of the Companies Act, 2013.

2.3.22 Exceptional items



Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgment. The details of exceptional items are set out in note 30.

2.3.22 Covid-19 Declaration

The company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial statements, used internal and external sources of information and expects to recover the carrying amount of these assets. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The company has considered the possible effects that may result from COVID-19.



JHABUA POWER LIMITED
BALANCE SHEET AS AT MARCH 31, 2023
 All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Note | As at 31-03-23 | As at 31-03-22 |
|--|------|--------------------|--------------------|
| ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 3,70,551.78 | 3,87,687.09 |
| (b) Capital work-in-progress | 4 | 1,069.70 | 579.23 |
| (c) Other intangible assets | 5 | 0.92 | 0.94 |
| (d) Financial Assets | | | |
| (i) Others | 6 | 932.10 | 674.46 |
| (e) Other non current Assets | 7 | 444.18 | 595.94 |
| (2) Current assets | | | |
| (a) Inventories | 8 | 17,479.87 | 9,704.51 |
| (b) Financial assets | | | |
| (i) Trade receivables | 9 | 70,820.50 | 69,151.96 |
| (ii) Cash and cash equivalents | 10 | 2,315.82 | 9,535.96 |
| (iii) Bank Balances other than (ii) above | 11 | 47,097.94 | 39,400.50 |
| (iv) Other | 12 | 97.76 | 110.44 |
| (c) Other current assets | 13 | 15,485.67 | 20,032.05 |
| Total Assets | | 5,26,296.24 | 5,37,473.08 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 14 | 65,000.00 | 1,44,532.21 |
| (b) Other Equity | 15 | 3,39,240.91 | (1,29,720.34) |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 1,04,999.99 | - |
| (b) Deferred Tax Liabilities (Net) | 17 | 1,354.35 | - |
| (c) Provisions | 18 | 328.05 | 193.03 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 10,000.00 | 4,99,039.61 |
| (ii) Trade payables | 20 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 300.92 | 685.42 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,822.56 | 5,243.14 |
| (b) Other current liabilities | 21 | 1,239.01 | 17,468.60 |
| (c) Provisions | 22 | 10.45 | 11.41 |
| Total Equity and Liabilities | | 5,26,296.24 | 5,37,473.08 |
| Significant accounting policies and notes to Ind AS financial statements | 1-48 | | |

As per our report attached


 Gagan Deep Gupta
 CS

For Jhabua Power Limited


 Kundan Kumar Mishra
 CFO


 Anil Kumar
 CEO

Prakash S Jain & Co.
 Chartered Accountants
 FRN - 002423C
 CA. Gagan Deep Gupta
 Partner
 Membership No. 405326




 Renu Narang
 Director
 DIN- 0008070565


 Rameshbabu V.
 Chairman
 DIN-0008734805

10 May 2023

JHABUA POWER LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Note No. | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|--|-------------|--------------------------------------|--------------------------------------|
| I Revenue from operations | 23 | 1,64,627.67 | 1,59,904.21 |
| II Other income | 24 | 2,936.99 | 1,701.01 |
| III Total Income (I+II) | | 1,67,564.66 | 1,61,605.22 |
| IV Expenses | | | |
| Fuel Expenses | 25 | 97,555.65 | 87,043.59 |
| Employee benefits expense | 26 | 2,923.87 | 2,609.58 |
| Finance costs | 27 | 5,880.24 | 79.56 |
| Depreciation & Amortization expenses | 28 | 17,694.75 | 17,401.62 |
| Other expenses | 29 | 25,327.66 | 21,257.00 |
| Total expenses (IV) | | 1,49,382.16 | 1,28,391.35 |
| V Profit/ (loss) before exceptional items and tax (III- IV) | | 18,182.49 | 33,213.86 |
| VI Exceptional income | 30 | 3,27,738.66 | - |
| VII Profit/ (loss) before tax (V+VI) | | 3,45,921.15 | 33,213.86 |
| VIII Tax expense: | | | |
| a) Current tax | | - | - |
| b) Deferred tax | | 1,354.35 | - |
| c) Tax related with previous year | | 3.93 | - |
| Total Tax Expense (VIII) | | 1,358.29 | - |
| IX Profit/ (loss) for the year (VII-VIII) | | 3,44,562.86 | 33,213.86 |
| X Other Comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | | | |
| (i) Re-measurement gains (losses) on defined benefit plans | | (133.82) | 6.01 |
| (ii) Income tax effect on above | | - | - |
| Total Other comprehensive income | | (133.82) | 6.01 |
| XI Total Comprehensive Income for the year (IX+X) | | 3,44,429.04 | 33,219.87 |
| (Comprising profit and other comprehensive income for the year) | | | |
| XII Earnings per equity share | 31 | | |
| (1) Basic (₹) | | 34.73 | 2.30 |
| (2) Diluted (₹) | | 34.73 | 2.08 |
| Significant accounting policies and notes to Ind AS financial statements | 1-45 | | |


Gagan Deep Gupta
CS

For Jhabua Power Limited


Kundan Kumar Mishra
CFO


Anil Kumar
CEO

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C

CA Prakash V. Thapadia
Partner
Membership No.405326




Renu Narang
Director
DIN:- 0008070565


Ramshabbu V.
Chairman
DIN:-0008736808

16 May 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31 March, 2023 | 31 March, 2022 |
| Cash flows from operating activities | | |
| Profit/(loss) before taxation | 3,45,921.16 | 33,213.86 |
| Adjustments for: | | |
| Depreciation | 17,694.75 | 17,401.62 |
| Finance costs | 5,880.24 | 79.56 |
| Interest Income | (2,559.43) | (1,306.56) |
| Interest from others | (25.90) | (5.40) |
| Doubtful debts | 4,024.49 | 3,451.59 |
| Loss On Assets Retirement | 153.81 | 675.31 |
| Balance written off | (0.00) | 0.63 |
| Exceptional income (As per NCLT Order) Note no 29 | (3,27,738.66) | |
| Adjustments for working capital changes: | | |
| (Increase)/Decrease in Inventories | (7,775.36) | (1,101.33) |
| (Increase)/Decrease in Trade receivable | (5,693.03) | (24,868.29) |
| Increase/(decrease) in loans & advances and other assets | 4,559.06 | (5,223.04) |
| Increase/(decrease) in liabilities and provisions | (1,79,355.37) | 437.23 |
| Total | (1,45,214.24) | 22,755.18 |
| Income Tax (paid)/refund | 147.83 | (386.90) |
| Net cash from operating activities (A) | (1,45,066.42) | 22,368.28 |
| Cash flows from investing activities | | |
| Purchase of fixed assets (including Capital Work in Progress) | (1,203.70) | (2,820.96) |
| Sale of fixed assets | | |
| Interest received | 2,885.30 | 687.97 |
| Dividend received | | |
| Investment in bank deposits | (7,955.07) | (12,111.68) |
| Net cash from investing activities (B) | (6,273.47) | (14,044.65) |
| Cash flows from financing activities | | |
| Proceeds from issue of equity shares | 65,000.00 | |
| Proceeds/(Repayment) of long term borrowings | 1,04,999.99 | |
| Dividend Paid | (20,000.00) | |
| Interest paid | (5,880.24) | (79.55) |
| Net cash from financing activities (C) | 1,44,119.75 | (79.55) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (7,220.14) | 8,244.07 |
| Cash and cash equivalents at beginning of reporting year | 9,538.95 | 1,291.88 |
| Cash and cash equivalents at end of reporting year | 2,318.82 | 9,535.95 |
| Cash & Cash equivalents: | | |
| Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet: | | |
| Cash and bank balances | | |
| Cash on hand | | |
| Bank balances - in current accounts | 2,318.82 | 9,535.96 |
| Cash and cash equivalents as restated | 2,318.82 | 9,535.96 |

Significant accounting policies and notes to Ind AS financial 1-45

For Jhabua Power Limited


Gagan Deep Gupta
CS


Ramesh Kumar Mishra
CFO


Anil Kumar
CBO

Praakash S Jain & Co.
Chartered Accountants
FIR - 002423C

CA. Gagan Deep Gupta
Partner
Membership No. 405326



10 May 2023


Manoj Narang
Director
DIR- 000879566


Rameshbabu V.
Chairman
DIR: 0008736806

JEABVA POWER LIMITED
3 PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2023
 All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Freehold land | Leasehold land | Building | Plant & machinery/furniture & fixtures | Computers | Office equipments | Vehicles | Total |
|-------------------------------|---------------|----------------|-------------|--|-----------|-------------------|----------|-------------|
| Cost | | | | | | | | |
| Gross Block | | | | | | | | |
| Balance as at 1st April 2021 | 4,044.65 | 146.63 | 1,11,551.99 | 3,64,757.05 | 295.72 | 311.15 | 17.67 | 4,85,556.41 |
| Addition | (0.00) | 0.00 | 198.41 | 2,621.46 | 16.73 | 26.16 | 0.00 | 2,765.00 |
| Disposal | | | | 718.37 | 77.56 | 26.70 | 0.40 | 831.86 |
| Balance as at 31st March 2022 | 4,044.65 | 146.63 | 1,11,750.40 | 3,70,543.14 | 234.89 | 307.61 | 17.17 | 4,87,629.53 |
| Addition | | | | 480.52 | 6.09 | 32.63 | | 559.43 |
| Disposal | | | | | | | | |
| Balance as at March 31, 2023 | 4,044.65 | 146.63 | 1,11,750.40 | 3,71,023.67 | 240.98 | 340.24 | 17.17 | 4,88,088.96 |

| Particulars | Freehold land | Leasehold land | Building | Plant & machinery/furniture & fixtures | Computers | Office equipments | Vehicles | Total |
|------------------------------------|---------------|----------------|-----------|--|-----------|-------------------|----------|-------------|
| Depreciation and Impairment | | | | | | | | |
| Balance as at 1st April 2021 | | 46.01 | 17,795.00 | 63,777.66 | 268.31 | 250.11 | 14.91 | 82,598.36 |
| Depreciation charged for the year | | 4.90 | 3,795.04 | 13,854.16 | 5.97 | 20.96 | 0.27 | 17,400.66 |
| Disposal | | | | 44.88 | 75.22 | 37.97 | 0.38 | 156.59 |
| Balance as at 31st March 2022 | | 50.91 | 21,590.04 | 77,396.97 | 199.56 | 243.10 | 14.80 | 99,842.64 |
| Depreciation charged for the year | | 4.90 | 3,804.34 | 13,800.10 | 7.01 | 9.50 | 0.27 | 17,896.73 |
| Disposal | | | | | | | | |
| Balance as at March 31, 2023 | | 55.80 | 25,394.38 | 91,197.06 | 206.57 | 252.61 | 15.07 | 1,17,637.17 |

| Particulars | Freehold land | Leasehold land | Building | Plant & machinery/furniture & fixtures | Computers | Office equipments | Vehicles | Total |
|------------------------------|---------------|----------------|-----------|--|-----------|-------------------|----------|-------------|
| Net Block | | | | | | | | |
| As at 31st March 2022 | 4,044.65 | 96.73 | 90,160.36 | 2,93,246.19 | 36.63 | 64.51 | 2.37 | 3,97,687.10 |
| Balance as at March 31, 2023 | 4,044.65 | 90.83 | 86,356.01 | 2,79,866.60 | 34.70 | 87.63 | 2.11 | 3,70,651.78 |



4 CAPITAL WORK IN PROGRESS AS AT MARCH 31, 2023

| Particulars | Amnt |
|-------------------------------------|----------|
| Balance as at 31st March 2021 | 636.26 |
| Addition During FY 2021-22 | 383.29 |
| Transferred to PPE | 440.32 |
| Balance as at 31st March 2022 | 579.23 |
| Addition During FY 2022-23 | 1,046.72 |
| Less: transferred to PPE | 556.25 |
| Less: Reversal of Provision in CWIP | 1,069.70 |
| Balance as at March 31, 2023 | 1,069.70 |

Capital-Work-in Progress (CWIP)

A) CWIP schedule

| Desc. | Amount/Period | | | |
|------------------------------------|------------------|--------------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| (a) Projects in progress | 1,046.70 | 53.00 | | |
| (b) Projects temporarily suspended | | | | |
| Total | 1,046.70 | 53.00 | | 1,069.70 |

b) CWIP, whose completion is overdue or has exceeded its

| Desc. | Amount/Period | | | |
|--------------|------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Project-1 | | | | |
| Project-2 | | | | |
| Total | | | | |

5 DEPRECIABLE ASSETS AS AT MARCH 31, 2023
All amounts are in ₹ Lakhs, unless otherwise stated

| Particulars | Computer Hardware |
|-------------------------------|-------------------|
| Cost | |
| Balance as at 1st April 2021 | 573.06 |
| Addition | - |
| Disposal | - |
| Balance as at 31st March 2022 | 573.06 |
| Addition | - |
| Disposal | - |
| Balance as at March 31, 2023 | 573.06 |

| Particulars | Computer Software |
|-----------------------------------|-------------------|
| Depreciation and Impairment | |
| Balance as at 1st April 2021 | 571.16 |
| Amortisation charged for the year | 0.96 |
| Disposal | - |
| Balance as at 31st March 2022 | 572.12 |
| Amortisation charged for the year | 0.60 |
| Disposal | - |
| Balance as at March 31, 2023 | 572.15 |

| Particulars | Computer Software |
|------------------------------|-------------------|
| Net Block | |
| As at 31st March 2022 | 0.94 |
| Balance as at March 31, 2023 | 0.92 |



JEASDA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakh, unless otherwise stated

6 Non-current financial assets - Others

| Particulars | As at 31-03-23 | As at 31-03-22 |
|-----------------------------------|----------------|----------------|
| Bank Deposits (see note a) | 913.46 | 661.12 |
| Interest accrued on bank deposits | 18.64 | 13.34 |
| | <u>932.10</u> | <u>674.46</u> |

a) These bank deposits are having maturities more than 12 months and have been lodged as security deposit with government departments except of Rs 239.00 Lacs

7 Other non current Assets

| Particulars | As at 31-03-23 | As at 31-03-22 |
|--------------------------------------|----------------|----------------|
| Unsecured, considered good | | |
| Balances with Government Authorities | 62.81 | 62.81 |
| TDS receivable | 381.37 | 533.13 |
| | <u>444.18</u> | <u>595.94</u> |

8 Inventories

At Lower of cost or Net realisable value

| Particulars | As at 31-03-23 | As at 31-03-22 |
|-------------------|------------------|-----------------|
| Stores and Spares | 4,556.42 | 3,572.12 |
| Coal | 12,660.36 | 5,790.88 |
| LDO | 263.09 | 341.51 |
| | <u>17,479.87</u> | <u>9,704.51</u> |

9 Current financial assets- Trade receivables

| Particulars | As at 31-03-23 | As at 31-03-22 |
|--|--------------------|--------------------|
| Secured, considered good | - | - |
| Unsecured, considered good | 70,820.50 | 69,151.96 |
| Doubtful | 35,735.00 | 31,710.52 |
| | <u>1,06,555.50</u> | <u>1,00,862.48</u> |
| Less: Allowance for Bad & Doubtful Debts | 35,735.00 | 31,710.52 |
| | <u>70,820.50</u> | <u>69,151.96</u> |

* See Ageing as per 9A

10 Current financial assets- Cash and cash equivalents

| Particulars | As at 31-03-23 | As at 31-03-22 |
|---------------------------------|-----------------|-----------------|
| Balances with Banks : | | |
| - In Current Accounts | 2,315.82 | 9,535.96 |
| Total Cash and cash equivalents | <u>2,315.82</u> | <u>9,535.96</u> |

11 Bank Balances other than above

| Particulars | As at 31-03-23 | As at 31-03-22 |
|-----------------------------------|------------------|------------------|
| Fixed Deposit Less than 12 months | 46,400.00 | 38,394.10 |
| Interest accrued on deposits | 697.94 | 806.40 |
| | <u>47,097.94</u> | <u>39,400.50</u> |

12 Current financial assets- Others

| Particulars | As at 31-03-23 | As at 31-03-22 |
|------------------|----------------|----------------|
| Security deposit | 97.76 | 110.44 |
| | <u>97.76</u> | <u>110.44</u> |

13 Other current assets

| Particulars | As at 31-03-23 | As at 31-03-22 |
|--------------------------|------------------|------------------|
| Advance to employees | - | 5.92 |
| Advance to related party | - | 1,352.37 |
| Advance to supplier | 15,182.27 | 15,774.63 |
| Prepaid Expense | 303.40 | 409.62 |
| Others * | 0.00 | 2,489.51 |
| | <u>15,485.66</u> | <u>20,032.05</u> |

Notes:-

(a) Pursuant to the CIRP Process and implementation of the Resolution Plan sanctioned advance with Avantha Power And Infrastructure Limited is written off with CCD (includes intt till 27.03.2019).

(b) Other include Rs. 1866.85 Lacs Fixed Deposit adjusted by the Axis Bank with its CC & term Loan and Rs. 602 Lacs unbilled ED & Cess to customers prior to CIRP process. In both cases all Liabilities to Financial creditors & Statutory liabilities of ED & Cess is extinguished so other current assets is also adjusted.

13.1 Loans and advances



| Type of Borrower | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
|------------------|---|---|
| Promoters | NIL | NIL |
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Related Parties | | 0.00% |



9A Trade Receivable Aging Schedule for the Year Ended March 31, 2023 and March 31, 2022

| Particulars | Net Due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 Years | Grand Total |
|--|-----------|--------------------|-------------------|-----------|-----------|-------------------|-------------|
| Undisputed Trade receivables - considered good | | | | | | | |
| March 31, 2023 | 14,988.28 | 1,448.11 | 10,294.66 | 4,882.00 | | | 20,569.00 |
| March 31, 2022 | 20,385.13 | 20,750.62 | | | | | 41,135.94 |
| Undisputed Trade Receivables - considered doubtful | | | | | | | |
| March 31, 2023 | | | | | | | |
| March 31, 2022 | | | | | | | |
| Disputed Trade Receivables considered good | | | | | | | |
| March 31, 2023 | 1,917.91 | 6,881.99 | 4,406.71 | 2,999.48 | 15,454.53 | 10,911.03 | 41,281.42 |
| March 31, 2022 | 1,673.35 | 5,339.87 | 1,763.97 | 11,875.24 | 6,135.61 | 2,237.96 | 28,016.02 |
| Disputed Trade Receivables considered doubtful | | | | | | | |
| March 31, 2023 | | | | | | | |
| March 31, 2022 | | | | | | | |
| Total Trade receivables | | | | | | | |
| March 31, 2023 | 14,806.19 | 7,195.10 | 14,991.27 | 7,882.37 | 13,454.83 | 10,911.03 | 70,822.50 |
| March 31, 2022 | 22,058.49 | 26,090.69 | 1,763.97 | 11,875.24 | 5,135.61 | 2,237.96 | 69,151.96 |



JHABUA POWER LIMITED
NOTES TO FINANCIAL STATEMENTS

All amounts are in ₹ Lakh, unless otherwise stated

14 Share Capital

| Particulars | As at 31-03-23 | As at 31-03-22 |
|---|--------------------|--------------------|
| Authorised : | | |
| 15,500,000,000 (Previous Year - 15,500,000,000) Equity shares of ₹10/- each | 1,55,000.00 | 1,55,000.00 |
| | 1,55,000.00 | 1,55,000.00 |
| Issued, Subscribed and Paid Up | | |
| 65,00,00,000 (Previous Year - 1,44,53,22,146) Equity shares of ₹ 10/- each | 65,000.00 | 1,44,532.21 |
| Total | 65,000.00 | 1,44,532.21 |

Notes:

a) Reconciliation of Outstanding Shares

| | As at 31-03-23 | | As at 31-03-22 | |
|---|---------------------|---------------|-----------------------|--------------------|
| | No of Shares | Amount | No of Shares | Amount |
| No. of shares outstanding at the beginning of year | 1,44,53,22,146 | 1,44,532.21 | 1,44,53,22,146 | 1,44,532.21 |
| Add: Issued during the year | 65,00,00,000 | 65,000.00 | - | - |
| Less: "Extinguishment of shares of erstwhile promoters" | 1,44,53,22,146 | 1,44,532.21 | - | - |
| No. of shares outstanding at the end of year | 65,00,00,000 | 65,000 | 1,44,53,22,146 | 1,44,532.21 |

b) The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The rights of the shareholders have been suspended from 27 March, 2019, as per the provisions of Insolvency & Bankruptcy Code, 2016 when corporate insolvency resolution proceedings ("CIRP") were initiated against the Company. The resolution plan has been approved by NCLT vide order dated 06th July, 2022 which was implemented on 05th Sep.2022. On implementation of resolution Plan on dt Sep 05, 2022 through Extinguishment of share capital of erstwhile promoters of Rs. 1,44,532.21 Lacs and fresh Equity is infused 50% by NTPC limited of Rs 32,500 Lacs & 50 % by Axis Trustee Services Ltd (trustee of Secured Financials creditors) of Rs 32,500 Lacs.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | As at 31-03-23 | | As at 31-03-22 | |
|--|---------------------|----------------|-----------------------|----------------|
| | No of Equity Shares | Holding (%) | No of Equity Shares | Holding (%) |
| Name of Shareholders | | | | |
| NTPC Limited | 32,49,99,996.00 | 50.00% | - | 0.00% |
| Axis Trustee Services Limited (trustee of Secured Financials creditors) | 32,50,00,000.00 | 50.00% | - | 0.00% |
| NTPC Limited Along with others | 5.00 | 0.00% | - | 0.00% |
| Axis Bank Ltd. (As a security trustee on behalf of Consortium of bank and financial institution) | - | - | 86,71,93,180 | 60.00% |
| Avantha Power And Infrastructure Limited the Holding Company of Jhabua Power Investments Limited | - | - | 14,11,34,980 | 9.76% |
| DMS Exports Private Limited | - | - | 5,00,00,000 | 3.46% |
| Blue Garden Estates Pvt. Ltd. | - | - | 6,50,00,000 | 4.50% |
| Indusind Bank Limited | - | - | 5,00,00,000 | 3.46% |
| Jhabua Power Investments Limited, the Holding Company and its nominees | - | - | 11,76,43,840 | 8.14% |
| Shree Merak Power Ventures Private Limited | - | - | 2,80,00,000 | 1.94% |
| Yes Bank Limited* | - | - | 12,63,80,146 | 8.74% |
| Total | 65,00,00,000 | 100.00% | 1,44,53,22,146 | 100.00% |





15 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023
All amounts are in ₹ Lakh, unless otherwise stated.

A. Equity (Base Capital)

| (1) Current reporting period F.Y. 2022-23 | | Changes in equity share capital during the current year | Closing Balance as at 01-04-2023 |
|---|--|---|----------------------------------|
| | | 79,532.21 | 65000.00 |
| | | 144522.215 | |

(2) Previous reporting period F.Y. 2021-22

| (1) Current reporting period F.Y. 2022-23 | | Changes in equity share capital during the current year | Closing Balance as at 31.03.2022 |
|---|--|---|----------------------------------|
| | | | |
| | | | 144522.215 |

B. Other Equity

(1) Current reporting period F.Y. 2022-23

| Particulars | Reserves and Surplus | | | | | Total |
|---|----------------------------------|-----------------|-------------------|---|---|-------------|
| | Reserve for Debenture Redemption | Capital Reserve | Retained Earnings | Exchange differences on translating the financial statements of a foreign operation | Other items comprising income tax payable | |
| Balance April 1, 2022 | | | 1,29,720.34 | | (85.61) | 1,29,720.34 |
| Profit/(Loss) for the Year | | | 3,44,562.96 | | | 3,44,562.96 |
| Changes in accounting policy or prior period errors | | | | | | |
| Transfer to Debenture Redemption Reserve | 11,600.00 | | | | | 11,600.00 |
| Re-measurement gain / loss on the net defined Total Comprehensive Income for the current year | | 1,44,532.21 | | | 1,44,532.21 | 1,44,532.21 |
| Dividends | | | | | | |
| Transfer to retained earnings | | | | | | |
| Any other change (to be specified) | | | | | | |
| Balance At March 31, 2023 | 11,600.00 | 1,44,532.21 | 1,83,398.12 | | 189.43 | 3,89,398.93 |

(2) Previous reporting period F.Y. 2021-22

| Particulars | Reserves and Surplus | | | | | Total |
|---|----------------------|-----------------|-------------------|---|---|-------------|
| | Surveillance Reserve | Capital Reserve | Retained Earnings | Exchange differences on translating the financial statements of a foreign operation | Other items comprising income tax payable | |
| Balance April 1, 2021 | | | 1,29,720.34 | | (85.61) | 1,29,720.34 |
| Profit/(Loss) for the Year | | | 3,44,562.96 | | | 3,44,562.96 |
| Changes in accounting policy or prior period errors | | | | | | |
| Re-measurement gain / loss on the net defined Total Comprehensive Income for the current year | | 1,44,532.21 | | | 1,44,532.21 | 1,44,532.21 |
| Dividends | | | | | | |
| Transfer to retained earnings | | | | | | |
| Any other change (to be specified) | | | | | | |
| Balance At March 31, 2022 | | 1,44,532.21 | 1,83,398.12 | | 189.43 | 3,89,398.93 |

Notes:-

16f. Capital reserve is created during the year ended 31 March 2023 after the implementation of The Resolutions plan on dt. Sep 05, 2022 through extinguishment of share capital of erstwhile promoters of Rs. 1,44,532.21 Lacs

16g. This reserve will be utilized in accordance with the provisions of the Companies Act, 2013

16j. Debenture Redemption Reserve is created (10% of outstanding debentures value on March 31, 2023 as per provision of section 71 (4) & Rule 18 (7) of the Companies Act, 2013) (Rs. 11,600)

JHABUA POWER LIMITED
NOTES TO FINANCIAL STATEMENTS
 All amounts are in ₹ Lakh, unless otherwise stated

16 (ii) Borrowings

| Particulars | As at 31-03-23 | | As at 31-03-22 | |
|---|----------------|-----------|----------------|-------------|
| | Non-current | Current | Non-current | Current |
| Secured Borrowings at amortised cost | | | | |
| Term Loans : | | | | |
| -From Banks | - | - | - | 2,13,562.33 |
| -From Financial Institutions | - | - | - | 1,26,085.42 |
| Total | - | - | - | 3,39,647.75 |
| unsecured borrowings | | | | |
| Compulsory Convertible Debentures | | | | 14,822.96 |
| Non Convertible Debentures | 1,04,999.99 | 10,000.00 | - | - |
| Total | 1,04,999.99 | 10,000.00 | - | 14,822.96 |
| Total | 1,04,999.99 | 10,000.00 | - | 3,54,470.71 |

Notes:

- (i)(a) Resolution plan under IBC has been duly approved by the committee of creditors (CoC) on 26th June, 2021 & has been submitted to the Hon'ble NCLT as per the IBC 2016 on 30th June, 2021. Hon'ble NCLT has also approved the resolution plan as per NCLT order dated 6th July 2022. The resolution plan has been approved by NCLT vide order dated 06th July, 2022 which was implemented on 05th Sep. 2022. In accordance with the Resolution Plan Non Convertible Debentures issued Nos 119999988 (face value of ₹ 100 each having total value of ₹. 1,19,999.99 Lacs and redemption is done in 48 equal instalment starting from Dec 31, 2022 (1st) and Sep 30, 2034 (last and 48 instalment).

- (i)(b) Non Convertible Debentures carrying the @ 5% interest coupon rate payable at the last working day of the each qtr. of that F.Y.

- (ii) The maturity profile of the company's borrowing at the reporting date based on contractual undiscounted repayment obligation are as follows :-

| Year | In Lacs |
|----------------------------------|--|
| 2022-23 (Current maturities) | Non Convertible Debentures (Principal) |
| 2023-24 (Non-Current maturities) | 10,000 |
| 2024-25 (Non-Current maturities) | 10,000 |
| 2025-26 (Non-Current maturities) | 10,000 |
| 2026-27 (Non-Current maturities) | 10,000 |
| 2027-28 (Non-Current maturities) | 10,000 |
| 2028-29 (Non-Current maturities) | 10,000 |
| 2029-30 (Non-Current maturities) | 10,000 |
| 2030-31 (Non-Current maturities) | 10,000 |
| 2031-32 (Non-Current maturities) | 10,000 |
| 2032-33 (Non-Current maturities) | 10,000 |
| 2033-34 (Non-Current maturities) | 10,000 |
| 2034-35 (Non-Current maturities) | 5,000 |
| Total | 1,15,000 |

- (iii) **Nature of Security and terms of repayment for secured borrowings**

The above MCO are secured by way of :-

Term Loans from banks

Non convertible Debentures issued to NTPC Ltd is repayable in 48 Quarterly instalments of Consisting of ₹. 1250.00 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to Axis Bank Ltd. is repayable in 48 Quarterly instalments of Consisting of ₹. 111.21 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to Bank of India. is repayable in 48 Quarterly instalments of Consisting of ₹. 86.39 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to LIC of India is repayable in 48 Quarterly instalments of Consisting of ₹. 59.18 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to Power Finance Corporation is repayable in 48 Quarterly instalments of Consisting of ₹. 265.56 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to Punjab National Bank is repayable in 48 Quarterly instalments of Consisting of ₹. 158.84 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to REC is repayable in 48 Quarterly instalments of Consisting of ₹. 107.35 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to State Bank of India is repayable in 48 Quarterly instalments of Consisting of ₹. 187.91 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to UCO Bank is repayable in 48 Quarterly instalments of Consisting of ₹. 84.89 Lacs starting from 31 Dec, 2022

Non convertible Debentures issued to Union Bank of India is repayable in 48 Quarterly instalments of Consisting of ₹. 108.77 Lacs starting from 31 Dec, 2022

First part-guarantee charge over fixed assets and current assets and assignment of the right under the project documents in favour of the MCOs holders.



JHABVA POWER LIMITED

Notes to Financial Statements

All amounts are in ₹ Lakh, unless otherwise stated

17 Non-current liabilities- Deferred Tax Liabilities (Net)

| Particulars | As at 31-03-23 | As at 31-03-22 |
|--|-----------------|----------------|
| Deferred Tax Liabilities | | |
| Business Loss carried forward | - | - |
| Timing Difference due to WDV | 54,105.69 | - |
| Less: | | |
| Deferred Tax Asset | | |
| Provision for employee benefits | 85.19 | - |
| Provision for doubtful debts (F.Y.-22-23) | 1,012.88 | - |
| Provision for doubtful debts (Till March 31, 2022) | 7,980.90 | - |
| Unabsorbed Depreciation carried forward | 43,672.35 | - |
| | 1,364.36 | - |

18 Non-current liabilities- provision

| Particulars | As at 31-03-23 | As at 31-03-22 |
|--|----------------|----------------|
| Provisions for employee benefits :- | | |
| Provision for Gratuity | 245.25 | 141.70 |
| Provision for Leave Encashment | 82.81 | 51.33 |
| | 328.05 | 193.03 |

19 Current financial liabilities- Borrowings

| Particulars | As at 31-03-23 | As at 31-03-22 |
|--|------------------|--------------------|
| Working Capital Loans repayable on demand from banks | - | 33,441.47 |
| Current maturities of Non Convertible Debentures | 10,000.00 | - |
| Current maturities of Long term borrowings | - | 3,54,470.71 |
| Interest Accrued and due on borrowings | - | 1,11,127.43 |
| | 10,000.00 | 4,99,039.61 |

20 Current financial liabilities- trade payables

| Particulars | As at 31-03-23 | As at 31-03-22 |
|--|-----------------|-----------------|
| Total outstanding dues of micro enterprises and small enterprises | 300.92 | 685.42 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,822.56 | 5,243.14 |
| | 4,123.48 | 5,928.56 |

Notes:

- i) The fair value of Trade Payables is not materially different from the carrying value presented.
- ii) Details of due to micro, small and medium enterprises

20.1 Trade Payable

Ageing Schedule as on March 31, 2023

| Particulars | As at 31-03-23 | | |
|-----------------------------|-----------------|--------------|---------------|
| | < 365 Days | 365-720 Days | > 2 Years |
| (i)MSME | 1,141.99 | 31.91 | 6.64 |
| (ii)Others | 2,338.50 | 39.63 | 564.82 |
| (iii) Disputed dues - MSME | - | - | - |
| (iv) Disputed dues - Others | - | - | - |
| | 3,480.49 | 71.54 | 571.46 |

20.2 Trade Payable

Ageing Schedule as on March 31, 2022

| Particulars | As at 31-03-22 | | |
|-----------------------------|-----------------|-----------------|---------------|
| | < 365 Days | 365-720 Days | > 2 Years |
| (i)MSME | 553.50 | 1.64 | 130.28 |
| (ii)Others | 2,608.90 | 1,851.47 | 782.78 |
| (iii) Disputed dues - MSME | - | - | - |
| (iv) Disputed dues - Others | - | - | - |
| | 3,162.40 | 1,853.11 | 913.05 |

21 Other current liabilities

| Particulars | As at 31-03-23 | As at 31-03-22 |
|-----------------------------|-----------------|------------------|
| Creditors for Capital Goods | 337.11 | 4,959.90 |
| Retention Monies | 136.13 | 8,386.88 |
| Statutory liabilities | 765.77 | 4,124.71 |
| Other Liability | - | 7.11 |
| | 1,239.01 | 17,488.60 |

Notes:-

Decrease in Other Current liabilities mainly due to extinguishment of dues of operational creditors on implementation of resolution Plan on dt. Sep 05, 2022.

22 Current liabilities- provisions



| Particulars | As at 31-03-23 | As at 31-03-22 |
|------------------------------------|----------------|----------------|
| Provisions for employee benefits : | | |
| Provision for Gratuity | 7.86 | 8.49 |
| Provision for Leave Encashment | <u>2.59</u> | <u>2.92</u> |
| | <u>10.45</u> | <u>11.41</u> |



JHABUA POWER LIMITED**Notes to Financial Statements**

All amounts are in ₹ Lakh, unless otherwise stated

23 Revenue from Operations

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|--------------------|--------------------------------------|--------------------------------------|
| Sale of Generation | 1,64,627.67 | 1,59,904.21 |
| | <u>1,64,627.67</u> | <u>1,59,904.21</u> |

Contract Balances

The following table provides information about receivables and contract assets from the contracts with customers.

| Particulars | As at 31-03-23 | As at 31-03-22 |
|-------------------|----------------|----------------|
| Trade Receivables | 70,820.50 | 69,151.96 |

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

| | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue as per contracted price | 1,65,696.97 | 1,60,605.28 |
| Adjustments | | |
| Discount on prompt payment | (1,069.30) | (701.07) |
| Revenue from contract with customers | <u>1,64,627.67</u> | <u>1,59,904.21</u> |

24 Other income

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|------------------------------|--------------------------------------|--------------------------------------|
| Interest on fixed deposit | 2,859.43 | 1,306.56 |
| Interest from others | 25.90 | 5.40 |
| Scrap sale* | 17.28 | 9.56 |
| Other miscellaneous receipts | 34.39 | 379.49 |
| | <u>2,936.99</u> | <u>1,701.01</u> |

*Sale of waste/ used oil

25 Fuel Expenses

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Cost of Generation of Power | | |
| - Coal consumed | 96,849.04 | 85,791.98 |
| - LDO consumed | 706.60 | 420.16 |
| Cost of Power | | |
| -Bilateral costs | | 831.45 |
| | <u>97,555.65</u> | <u>87,043.59</u> |

26 Employee benefit expenses

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|--|--------------------------------------|--------------------------------------|
| Salaries & wages | 2,803.35 | 2,509.15 |
| Contribution to provident & others funds | 85.12 | 64.09 |
| Staff welfare | 35.37 | 35.04 |
| Recruitment Expenses | 0.03 | 1.30 |
| | <u>2,923.87</u> | <u>2,609.58</u> |



27 Finance costs

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|-----------------------|--------------------------------------|--------------------------------------|
| Interest Expenses | 5,758.46 | - |
| Other borrowing costs | 121.78 | 79.56 |
| | 5,880.24 | 79.56 |

Notes:- Interest expenses is mainly for Nonconvertible Debentures @ 8.5% p.a.

28 Depreciation

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Depreciation and amortisation | 17,694.75 | 17,401.62 |
| | 17,694.75 | 17,401.62 |

29 Other expenses

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Energy Development Cess | 2,243.66 | 1,975.36 |
| Open access charges | 3,167.96 | 2,077.98 |
| DSM & startup power | 1,488.50 | 949.41 |
| Electricity duty | 1,949.73 | 1,816.08 |
| O&M Contracts | 3,942.33 | 3,628.63 |
| Consumables | 2,203.33 | 1,690.47 |
| Water Charges | 1,301.21 | 606.17 |
| Rent | 65.95 | 52.81 |
| Rate & Taxes | - | 42.35 |
| Electricity expenses | 0.70 | 0.61 |
| Repairs and maintenance - Office | 29.74 | 35.85 |
| Repairs and maintenance - Others | 606.90 | 516.04 |
| Travelling and conveyance | 267.64 | 193.59 |
| Legal and professional charges | 684.99 | 798.41 |
| Insurance | 627.42 | 619.76 |
| Telephone expenses | 1.57 | 1.71 |
| CSR Expenses | 67.71 | 75.14 |
| Safety Expenses | 131.33 | 117.71 |
| Environmental Expenses | 1,296.66 | 1,043.98 |
| Security Expenses | 395.64 | 307.48 |
| Foreign Exchange Fluctuation | - | 7.72 |
| O&M Service Charges | 153.11 | 122.94 |
| Loss On Assets Retirement | 153.81 | 675.31 |
| Doubtful debts* | 4,024.49 | 3,451.59 |
| Balance written off | (0.00) | 0.63 |
| Hiring of Equipments | 461.09 | 414.31 |
| Auditors Remuneration | | |
| - Statutory audit fees | 3.25 | 10.62 |
| - In Other Capacities | 2.49 | 0.89 |
| ROC & other filing fees | 2.18 | 9.49 |
| Miscellaneous expenses | 54.29 | 13.97 |
| | 25,327.66 | 21,257.00 |



30 Exceptional Income

| Particulars | in Lacs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
| Effect of Implementation of Resolution Plan. | | |
| * Extinguishment of dues of operational creditors Rs 10,899.68 Lacs | 10,899.68 | - |
| * Extinguishment of dues of financial creditors Rs 2,65,902.19 Lacs (LTB)+ Rs 33,441.49 Lacs | 2,99,343.68 | - |
| * Extinguishment of Other Liabilities Rs 4,024.71 Lacs | 4,024.71 | - |
| * Extinguishment of CCD of M/s Avantha Power & Infrastructure Limited Rs 13470.58 Lacs (Net off Adv.) | 13,470.58 | - |
| | 3,27,738.66 | |

* Pursuant to the CIRP Process and implementation of the Resolution Plan, there has been a gain by way of exceptional items of **3,27,738.66 Lacs**. Further these adjustments, having one-time, non-routine material impact on the financial statements hence, the same has been disclosed as "Exceptional Income" in the financial statements.



| 31 Earnings per equity share | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|--------------------------------------|--------------------------------------|
| (a) Profit/(Loss) Computation for both Basic and Diluted Earnings Per Share of ₹10/- each | | |
| Net Profit/(Loss) for the year after tax as per Statement of | 3,44,562.86 | 33,213.86 |
| Net Profit/(Loss) for the year after tax | 3,44,562.86 | 33,213.86 |
| Adjustment for the Purpose of Diluted EPS | | |
| Net Profit/(Loss) for the year after tax | 3,44,562.86 | 33,213.86 |
| (b) Weighted Average number of Equity Share for Earning Per Share Share Computation | | |
| i) Number of Shares for Basis Earning Per Share | 99,20,97,471 | 1,44,53,22,146 |
| Add : Potential Equity Shares | | 14,82,29,589 |
| ii) Number of Shares for Diluted Earning Per Share | 99,20,97,471 | 1,59,35,51,735 |
| Avg No of Shares held till 04.09.2022 (1,44,53,22,134 *157) | 2,26,91,55,76,922 | |
| Avg No of Shares held On 05.09.2022 (65,00,00,000 *208) | 1,35,20,00,00,000 | |
| Total No of shares | 3,62,11,55,76,922 | |
| Avg no of shares held on 31.03.2023 | 99,20,97,471.02 | |
| (c) Earnings Per Share | | |
| Basic* | 34.73 | 2.30 |
| Diluted** | 34.73 | 2.08 |

* The amount of EPS shown upto two decimal only.

| 32 Contingent liabilities and commitments: (to the extent not provided for) | As at 31-03-23 | As at 31-03-22 |
|--|-----------------|-----------------|
| Contingent liabilities: | | |
| Guarantees | 604.43 | 953.52 |
| Letter of credit | 239.00 | |
| Claims against the Company not acknowledge as debts-Taxes | 453.84 | 453.84 |
| Claims against the Company not acknowledge as debts-Mcnaally Bharat | | 2,085.14 |
| | 1,297.27 | 3,492.50 |

Notes:-

1). As per approved resolution plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan, among other matters provide that upon the approval of this Resolution Plan by the National Company Law Tribunal (NCLT) and settlement and receipt of the payment towards the IRP Costs and by the creditors in terms of this plan, all the liabilities demands, damages, penalties, loss, claims of any nature whatsoever (whether admitted/verified/submitted/rejected or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future) including any liabilities, losses, penalties or damages arising out of non-compliances, to which the Company is or may be subject to and which pertains to the period on or before the Effective Date (i.e. September 05, 2022) and are remaining as on that date shall stand extinguished, abated and settled in perpetuity without any further act or deed. The Resolution plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.

Commitments

***Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)



22 Corporate Social Responsibility (CSR)

| Particulars | As at 31-03-23 | As at 31-03-22 |
|---|---|---|
| Amount required to be spent in F.Y 2022-23 | 410.85 | (246.31) |
| Amount actually spent in F.Y 2022-23 | 67.71 | |
| Balance Amount unspent in F.Y 2022-23 | 343.16 | |
| Amount unspent for F.Y 2022-23 to be set off with brought forwarded CSR exp | 343.16 | |
| CSR Exp brought forwarded:- | | |
| F.Y 2020-21 | 1,013.24 | |
| F.Y 2021-22 | 75.14 | |
| Amount to be carry forward for next F.Y. | | |
| F.Y 2020-21 | 670.09 | |
| F.Y 2021-22 | 75.14 | |
| F.Y 2022-23 | | |
| Nature of CSR activities, | Rural infrastructure/Agrobased Livelihood | Rural infrastructure/Agrobased Livelihood |
| Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard, Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | NIL | NIL |
| | NIL | NIL |



34 Analytic Ratio for the Year ended March 31, 2023 & March 31, 2022

| Particulars | As at 31-03-2023 | | As at 31-03-22 | | Remarks |
|----------------------------------|---|--|----------------|----------|-------------------------|
| | Numerator | Denominator | Numerator | Variance | |
| Current ratio | Current Assets | Current Liabilities | 9.97 | 0.28 | 3424% See Note-1 below |
| Debt-equity ratio | Total Debt | Shareholder's Equity | 0.28 | 26.19 | -99% See Note-2 below |
| Return on equity ratio | Net Profits/(loss)after taxes - Preference Dividend (if a | Average Shareholder's Equity | 1.64 | (18.47) | -109% See Note-3 below |
| Inventory turnover ratio | Cost of goods sold OR sales | Average Inventory | 12.11 | 17.12 | -29% See Note-4 below |
| Trade receivables turnover ratio | Net Credit Sales | Average Trade Receivables | 2.35 | 3.61 | -35% See Note-5 below |
| Trade payables turnover ratio | Purchases of services and other expenses | Average Trade Payables | 23.62 | 16.98 | 39% See Note-6-9 below |
| Net capital turnover ratio | Net Sales | Average Working Capital | (1.39) | (0.39) | 254% See Note-6-9 below |
| Net profit ratio | Net Profit | Net Sales | 2.10 | 0.21 | 891% See Note-6-9 below |
| Return on capital employed | Earning before interest and taxes | Capital Employed | 0.67 | 0.08 | 708% See Note-6-9 below |
| Return on investment | Income generated from investments | Time weighted average investments Not Applicable as the Company does not have any investment | | | |

NOTE 1: The change in ratio is due to extinguishment of the current Liabilities on implementation of resolution Plan.

NOTE 2: The change in ratio is due to extinguishment of the earlier Share capital of erstwhile promoter on implementation of resolution Plan.

NOTE 3: The change in ratio is due to profits earned through exceptional income on implementation of resolution plan during the current year as compared to previous year net worth.

NOTE 4: The change in ratio is due to increase in inventory as well as turnover as compared to last F.Y.

NOTE 5: The change in ratio is due to increase in Debtors as well as turnover as compared to last F.Y.

NOTE 6-9: The change in ratio is due to extinguishment of the current Liabilities on implementation of resolution Plan.



35 Debenture Redemption Reserve as at march 31, 2023

All amounts are in ₹ Lakh, unless otherwise stated

| Particulars | Amt |
|--|---------------|
| Opening Balance as on 01 April, 2022 | - |
| Add:- Transfer from Retained earnings | 11,500 |
| @ 10% of NCD outstanding on 31 March, 2023. | |
| Less:- Transfer to retained earnings | - |
| Closing Balance on 31 March, 2023 | 11,500 |

36 Company has paid interim dividend of Rs. 200.00 Crores to its shareholder during FY 2022-23 as per Section 123 of the Companies Act 2013. The Company has considered exceptional income of Rs. 3,277.39 Crore arising on account of extinguishment of financial liabilities & operating liabilities (Net off) as per NCLT order dated 06th July, 2022 (which was implemented on 05th Sep.2022) for calculation of profit available to distribute interim dividend in accordance with Sec. 123 of the Companies Act 2013



JHAJVA POWER LIMITED
NOTES FORMING PART OF THE IHD AS FINANCIAL STATEMENTS
 All amounts are in ₹ Lakh, unless otherwise stated

37. Financial risk management

(1) Financial risk factors

The Company's risk management activities are subject to the management direction and control under the Risk Management Framework. The Management oversees appropriate risk governance framework for the Company through appropriate policies and procedures and the risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

4) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

a) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

4) Credit risk

The maximum exposure to credit risk is the event that the counterparties fail to perform their obligations as of the end of the financial year in relation to each class of recognized financial assets is the carrying amount of the those assets as stated in the statement of the financial position. The Company's does not hold any collateral on the balance outstanding.

The Company's extend credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Receivable balances are monitored on an on-going basis.

4) Liquidity risk

Liquidity risk is the risk that the Company's may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's principal source of liquidity has been cash flow from operations.

Maturity profile of financial liabilities :

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|-------------------------------|------------------|--------------|-------------------|-------------|
| As at 31st March, 2023 | | | | |
| Borrowings | 10,000.00 | 49,999.99 | 54,999.98 | 1,14,999.95 |
| Trade Payables | 3,480.49 | 643.00 | - | 4,123.48 |
| Other Financial Liabilities | - | - | - | - |
| As at 31st March, 2022 | | | | |
| Borrowings | 3,87,912.17 | - | - | 3,87,912.17 |
| Trade Payables | 3,162.40 | 2,766.16 | - | 5,928.56 |
| Other Financial Liabilities | 1,11,127.43 | - | - | 1,11,127.43 |

38 Fair Value Measurement :

All the financial assets and liabilities are measured at amortised cost method and hence level wise fair value hierarchy is not required to disclose. Further the management assessed that the fair value of these financial assets and liabilities approximate to their carrying value.



NOTES TO FINANCIAL STATEMENTS

All amounts are in ₹ Lakh, unless otherwise stated

39 Employee Benefits

As per Ind AS-19 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard are given below:

Defined Contribution Plan*

Contribution to defined contribution Plan is recognized and charged off for the year, are as under :

| Defined Contribution Plan: | For the year ended 31 March 2023 | For the Year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| Particulars: | | |
| Employer's contribution to provident & pension fund | 85.12 | 64.09 |

Defined Benefit Plan

a) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit plan, covering eligible employees. The Plan provides for a lump sum payment to retired employees on retirement, death, incapacity or termination of employment of amounts that are based on salary and tenure of employment. Liability with regard to this plan are determined by actuarial valuation.

b) Leave Encashment

The Company permits encashment of leave accumulated by their employees on retirement, separation and during the course of service. The liability for encashment of leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date. This Plan is completely unfunded

c) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

| Defined Benefit Plan: Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|------------------------|--------------------------------|------------------------|--------------------------------|
| | Gratuity (Unfunded) | Leave Encashment (Unfunded) | Gratuity (Unfunded) | Leave Encashment (Unfunded) |
| Present value of obligation as at the beginning of the year | 150.18 | 54.23 | 140.02 | 63.82 |
| Current service cost | 24.68 | 10.55 | 18.04 | 7.88 |
| Interest Expense or cost | 10.95 | 3.96 | 9.55 | 4.40 |
| Acquisition | - | - | - | - |
| Re-Measurement (or Actuarial) (gain) / (loss) arising from: | | | | |
| - change in demographic assumptions | - | - | - | - |
| - change in financial assumptions | 2.46 | 0.80 | (7.70) | (2.72) |
| - experience variance (i.e. Actual experience vs assumptions) | 87.80 | 42.76 | (3.70) | 8.11 |
| - others | - | - | - | - |
| Past service cost | - | - | - | - |
| Effect of change in foreign exchange rates | - | - | - | - |
| Benefits paid | (22.99) | (26.92) | (6.14) | (27.26) |
| Effects of business combinations or disposals | - | - | - | - |
| Exchange differences | - | - | - | - |
| Present value of obligation as at the end of the year | 263.10 | 83.28 | 160.18 | 84.25 |

d) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|--|------------------------|--------------------------------|------------------------|--------------------------------|
| | Gratuity (Unfunded) | Leave Encashment (Unfunded) | Gratuity (Unfunded) | Leave Encashment (Unfunded) |
| Fair value of plan assets as at the beginning of the year | - | - | - | - |
| Investment Income | - | - | - | - |
| Return on plan assets, including interest recognized in net interest expense | - | - | - | - |
| Actual Company contribution | - | - | - | - |
| Fund transferred | 22.99 | 26.92 | 6.14 | 27.26 |
| Employee Contribution | - | - | - | - |
| Benefits Paid | (22.99) | (26.92) | (6.14) | (27.26) |
| Fair value of plan assets as at the end of the year | - | - | - | - |

e) Change in effects of assets ceiling

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|--|------------------------|--------------------------------|------------------------|--------------------------------|
| | Gratuity (Unfunded) | Leave Encashment (Unfunded) | Gratuity (Unfunded) | Leave Encashment (Unfunded) |
| Effect of assets ceiling at the beginning of the year | - | - | - | - |
| Interest expense or Cost (to the extent not recognized in net interest expense) | - | - | - | - |
| Re-measurement (or actuarial) (gain) / (loss) arising because of change in effect assets ceiling | - | - | - | - |
| Effect of assets ceiling at the end of the year | - | - | - | - |



f) The Components of Amounts Recognized and Charges off for the year are as under

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|---|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Current service cost | 24.68 | 15.94 | 18.64 | 9.84 |
| Past service cost | - | - | - | - |
| Loss / (Gain) on settlement | - | - | - | - |
| Net interest income / (cost) on the net defined benefit liability (assets) | 10.96 | 3.96 | 9.65 | 4.40 |
| Less Recovered from Holding Company | - | - | - | - |
| Net Cost recognized in Statement of Profit/Loss | 35.64 | 19.94 | 27.70 | 12.24 |
| Other Comprehensive Income: | | | | |
| Actuarial (gain) / (loss) | - | - | - | - |
| - change in demographic assumptions | 2.48 | 0.80 | (7.70) | (2.72) |
| - change in financial assumptions | - | - | - | - |
| - experience variance (i.e. Actual experience vs assumptions) | 87.80 | 82.76 | 13.70 | 8.11 |
| - others | - | - | - | - |
| Return on plan assets, including amount recognized in net net interest expense | - | - | - | - |
| Re-measurement (for actuarial) (gain) / (loss) arising because of change in effect assets ceiling | - | - | - | - |
| Components of defined benefit costs recognized in other comprehensive income | 90.28 | 83.56 | (13.40) | 5.40 |

g) Balance Sheet Obligations

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|--|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Present value of obligation as at the end of the year | 253.10 | 85.38 | 150.18 | 54.24 |
| Fair value of plan assets as at the end of the year | - | - | - | - |
| Liabilities / (Assets) recognized in the Balance Sheet | 253.10 | 85.38 | 150.18 | 54.24 |

h) Economic Assumptions

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|--|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Discount rate | 7.22% | 7.22% | 7.36% | 7.36% |
| Salary growth rate | 5.00% | 5.00% | 3.00% | 3.00% |
| Expected rate of return on plan assets | - | - | - | - |

i) Demographic assumptions

| Particulars | As at 31-03-2023 | | As at 31-03-2022 | |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Retirement age (years) | 60 | 60 | 60 | 60 |
| Mortality Rate (as % of IALM 05-08) | 100% | 100% | 100% | 100% |
| Withdrawal rate | 2% | 2% | 2% | 2% |
| Rate of leave accrualment | - | 0.00% | - | 0.00% |

ii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonable possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

| Particulars | For the year ended 31-03-2023 | | | | For the year ended 31-03-2022 | | | |
|--|-------------------------------|------------|------------------|------------|-------------------------------|------------|------------------|------------|
| | Gratuity | | Leave Encashment | | Gratuity | | Leave Encashment | |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Defined Benefit Obligation (Base) | 253.10 | 85.38 | 150.18 | 54.24 | | | | |
| Particulars | As at 31.03.2023 | | | | As at 31.03.2022 | | | |
| | Decrease | Increase | Decrease | Increase | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 286.90 | 224.55 | 96.40 | 76.58 | 179.52 | 133.11 | 51.43 | 48.20 |
| % change compared to base due to sensitivity | 13.35% | -11.28% | 12.89% | -10.90% | 13.54% | -11.37% | 13.25% | -11.13% |
| Salary Growth Rate (- / + 1%) | 293.21 | 288.00 | 75.27 | 97.22 | 152.31 | 171.18 | 67.60 | 61.93 |
| % change compared to base due to sensitivity | -11.81% | 13.79% | -11.85% | 13.86% | -11.90% | 13.88% | -12.07% | 14.22% |
| Attrition Rate (- / + 1%) | 246.01 | 259.40 | 82.91 | 87.58 | 145.37 | 154.23 | 52.47 | 55.80 |
| % change compared to base due to sensitivity | -2.80% | 2.49% | -2.90% | 2.57% | -3.97% | 2.71% | -3.28% | 2.88% |
| Mortality Rate (- / + 1%) | 251.94 | 254.24 | 85.00 | 85.77 | 149.46 | 149.46 | 53.97 | 54.50 |
| % change compared to base due to sensitivity | -0.46% | 0.45% | -0.46% | 0.45% | -0.46% | 0.47% | -0.49% | 0.4800% |



k) Maturity Profile of defined benefit obligation

| Particulars | As at 31.03.2023 | | As at 31.03.2022 | |
|--|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Funded) | (Unfunded) |
| Weighted average duration of cash flows (years) | 15 | 12 | 13 | 14 |
| Expected Cash Flows Over the next (Valued on undiscounted basis) | | | | |
| 1 year | 7.86 | 3.59 | 8.49 | 2.92 |
| 2 - 5 year | 13.09 | 8.76 | 31.51 | 8.24 |
| 6 - 10 year | 99.42 | 30.12 | 80.47 | 19.80 |
| More than 10 year | 573.49 | 190.62 | 333.57 | 127.25 |



JHABUA POWER LIMITED

Notes to Financial Statements

All amounts are in ₹ Lakh, unless otherwise stated

40. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS Accounting Standard-108 (Segment Reporting).
41. As per Indian Accounting Standard-24 'Related Party Disclosures', the disclosures of transactions with the related parties as defined in IND AS-24 are given below:

(i) Names of related parties having transactions during the year and description of relationship;

| Other Related Company | WTPC Limited |
|--------------------------|--|
| Key Management personnel | 1. Sh. Anil Kumar - Chief Executive Officer 2. Sh. Kundan Kumar Mishra - Chief Financial Officer 3. Mr. Gagan Deep Gupta - Company Secretary |

(ii) Detail of transaction carried out with related parties referred in (i) above in ordinary course of business

| S. No | Name of related party | Nature of relationship | Value of transactions | | Balance as at - (Payable)/Receivable | |
|--|--|-----------------------------|-----------------------|------------------|--------------------------------------|------------------|
| | | | 31 March 2022 | 31st March, 2022 | 31 March 2022 | 31st March, 2022 |
| Managerial remuneration | Sh. Anil Kumar | Chief Executive Officer | 35.73 | - | - | - |
| Managerial remuneration | Sh. Kundan Kumar Mishra | Chief Financial Officer | 32.93 | - | - | - |
| Managerial remuneration | Mr. Gagan Deep Gupta - Company | Company Secretary | 10.80 | 3.92 | - | - |
| Interest Expenses & NCD Repayment | WTPC Limited | Shareholder's & NCDs holder | 5,379.23 | - | (57,499.99) | - |
| | Axis Bank Ltd. | Shareholder's & NCDs holder | 478.58 | - | (5,113.69) | - |
| | Bank of India | Shareholder's & NCDs holder | 371.76 | - | (3,973.85) | - |
| | LC of India | Shareholder's & NCDs holder | 294.35 | - | (2,722.06) | - |
| | Power Finance Corporation Ltd | Shareholder's & NCDs holder | 1,149.80 | - | (12,215.74) | - |
| | Punjab National Bank | Shareholder's & NCDs holder | 683.56 | - | (7,306.79) | - |
| | Rural Electrification Corporation Ltd | Shareholder's & NCDs holder | 461.34 | - | (4,933.34) | - |
| | State Bank of India | Shareholder's & NCDs holder | 806.67 | - | (8,644.07) | - |
| | UCO Bank | Shareholder's & NCDs holder | 363.31 | - | (3,904.86) | - |
| Union Bank of India | Shareholder's & NCDs holder | 812.35 | - | (8,683.35) | - | |
| Trust holding beneficial interest on behalf of Secured Financial Creditors | Axis Trustee Services Limited | Shareholder | - | - | - | - |
| Dividend Payment | WTPC Limited | Shareholder | 10,000.00 | - | - | - |
| | Axis Bank Ltd. | Shareholder | 889.69 | - | - | - |
| | Bank of India | Shareholder | 991.10 | - | - | - |
| | LC of India | Shareholder | 473.40 | - | - | - |
| | Power Finance Corporation Ltd | Shareholder | 2,124.48 | - | - | - |
| | Punjab National Bank | Shareholder | 1,270.72 | - | - | - |
| | Rural Electrification Corporation Ltd | Shareholder | 656.01 | - | - | - |
| | State Bank of India | Shareholder | 1,300.32 | - | - | - |
| | UCO Bank | Shareholder | 679.11 | - | - | - |
| Union Bank of India | Shareholder | 1,510.12 | - | - | - | |
| Other Transactions | WTPC Vidyut Vyapar Nigam Limited (WVNN) | Other Related Company | 673.46 | - | (63.50) | - |
| Managerial remuneration | Mr. Janmejaya Mahapatra- Chief Executive Officer | Chief Executive Officer | 48.54 | 94.84 | - | - |
| Managerial remuneration | Mr. R RAJAGOPAL | Chief Financials Officer | 1.32 | - | - | - |
| Managerial remuneration | Mr. Ved Prakash Roy - Company Secretary | Company Secretary | - | 3.9 | - | - |
| Interest Expenses | Avestha Power & Infrastructure Ltd | Other Related Company | - | - | - | (5,222.56) |

42. As per IBC, the RP has to receive, collate and admit all the claims submitted by the operational and financial creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. To the extent the process for submission and reconciliation of claims remains an on-going process, no accounting impact in the books of accounts has been made in respect of excess, short or non-receipts of claims for operational and financial creditors. Resolution plan under IBC has been duly approved by the committee of creditors (CoC) on 29th June, 2021 & has been submitted to the M'ls NCLT as per the IBC 2016 on 30th June, 2021. M'ls NCLT has also approved the resolution plan as per NCLT order dated 6th July 2022. The resolution plan has been approved by NCLT vide order dated 06th July, 2022 which was implemented on 05th Sep. 2022.



JHARUA POWER LIMITED
Notes to Financial Statements

- 43 With regard to the new amendment under division II under part II statement of profit and loss general instruction of preparation of statement of profit and loss:-
1. The company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property
 2. The Company do not have any transaction with the Shell/off companies.
 3. The company have not traded or invested in crypto currency or virtual currency during the financial year.
 4. The company has not declared willful defaulter by any bank or financial institution or other lender
 5. The company have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the income tax act 1961
6. During the year the Company have not advanced or loaned or invested funds to any other person (or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. During the year the Company have not received any fund from any person (or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded or not) or otherwise that the intermediary shall:
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 44 In the opinion of the board, Assets other than fixed assets are realisable in the ordinary course of business at the value at which they are stated in the Financial Statements.
- 45 Previous year's figures have been regrouped / reclassified wherever necessary to conform with the current year's classification / disclosure.

Significant accounting policies and notes in the financial statements

As per our Report attached

Prakash S Jain & Co.
 Chartered Accountants
 FRN - 002423C
 CA. Ganesh Thakur
 Partner
 Membership No. 405326

10 May 2023



[Signature]
 Gagan Deep Gupta
 CA

For Jharua Power Limited

[Signature]
 Kundan Kumar Mishra
 CFO
[Signature]
 K. Manoj Kumar
 Director
 DIN: 0008070565

[Signature]
 Anil Kumar
 CEO
[Signature]
 Chairman
 DIN: 0008736888



JHABUA POWER LIMITED

FINANCIAL STATEMENTS

AND

AUDITOR'S REPORT

AS ON MARCH 31, 2024

-: PLANT ADDRESS :-

Village Barela, Post Office - Attaria, Tehsil-Ghansore,
District Seoni Pin-480997, Madhya Pradesh, India



PRAKASH S. JAIN & CO.
CHARTERED ACCOUNTANTS

"Vitrag", 30/1, South Tukoganj,
INDORE-452 001
Phone:+91-731-2527577 ,
2512138 Fax : +91-731-2527577
Email : prakashsjainco@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Jhabua Power Limited,

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of **Jhabua Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be free from materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure- 1" a statement on the matters specified in paragraphs 3 & 4 of the said Order.
2. We are enclosing our report in the terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure 2" on the directions issued by the Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that: -
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as

Page | 4



on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate Report in **Annexure - 3**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect the other matters to be included in the Auditor' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according the information and explanations given to us:
- (i) The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its Ind AS Financial Statements Refer Note No. 41 to the Financial Statements.
 - (ii) The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- (v) No dividend have been declared or paid during the year by the company.
- (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place : New Delhi
Date : 17.05.2024

For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C


CA. Gaupav Thepadia
Partner

M.No. 405326
UDIN : 24405326BKCDN7512



Annexure '1' to the Independent Auditor's Report

(Referred to in our Independent Auditor Report of even date to the members of Jhabua Power Limited on accounts for the year ended March 31, 2024)

- (i) In respect of its Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us the immovable properties (except properties which are leased by the company with duly executed lease agreements in the company's favour) disclosed in the Financial Statements are held in the name of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- (ii) (a) As per explanations to us, inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable and procedures and coverage followed by management were appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of INR 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting of the Order is not applicable.



- (iii) Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, to any other parties hence reporting under this clause is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made any investment or provided any guarantee or granted any security in terms of section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of sections 73 to 76 of the Act. Hence, reporting under clause 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Order made by Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed records have been maintained and the prescribed accounts are in the process of being made up. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, wherever applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- (ix) (a) In our Opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanation given to us, the company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.



- (d) The Company has not raised any funds on short term basis hence reporting under clause 3(ix)(d) of the order is not applicable.
- (e) On overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanation given to us and procedures applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures fully, partially or optionally). Accordingly, provisions of clause 3(x)(b) of the order are not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us by the management, there were no whistle-blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.



- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the current financial year and previous financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the company has incurred expenditure under Corporate Social Responsibility as required of Section 135 of the Act and there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C

Place : New Delhi
Date : 17.05.2024



Gaurav
CA. Gaurav Thepadia
Partner
M.No. 405326
UDIN :
24405326 BK CDAU7512
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Annexure '2' to the Independent Auditor's Report

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **Jhabua Power Limited** for the year 2023-24 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.


| S.No | Directions of C&AG u/s. 143(5) of the Companies Act, 2013 | Auditor's reply on action taken on the directions | Impact on Ind AS Financial Statements. |
|------|---|--|--|
| 1 | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the account along with the financial implications, if any, may be stated. | As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. ERP has been implemented for all the processes like Financial Accounting (FI), Payroll / Human Capital Management (HCM), Inventory, Project and Commercial billing etc. | Nil |
| 2 | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? | Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/loans/interest etc. made by the lender to the company due to the company's inability to repay the loan. | Nil |



| | | | |
|---|---|--|-----|
| 3 | Whether funds (Grants / Subsidy etc.) received /receivable for specific schemes from Central /State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. | Based on the audit procedures carried out and as per the information and explanations given to us, no grants or funds was received/receivable for specific schemes from Central/State. | Nil |
|---|---|--|-----|

Place : New Delhi
Date : 17.05.2024

For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C


CA. Gaurav Thepadia
Partner
M.No. 405326
UDIN : 24405326BKCDU7512



Annexure '3' to the Independent Auditor's Report

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Jhabua Power Limited of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Jhabua Power Limited (the "Company")** as of March 31, 2024 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purpose in accordance with generally accepted accounting principles. A Company' internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi
Date : 17-05-2024



For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C


CA. Gaurav Thepadia
Partner

M.No. 405326
UDIN : 24405326 BK CD AU 7512

JHABUA POWER LIMITED
(A Joint Venture of NTPC Company Limited)

ACCOUNTING POLICIES

1. REPORTING ENTITY

Jhabua Power Limited (A joint Venture of NTPC Ltd) is engaged primarily in the business of Generation of power through its thermal power project having 1X600 MW TPP at District Seoni (M.P). The address of the Company's registered office is Infinity IT Lagoon, 10th Floor, Block: EP & GP Office No: 1001 & 1002, Sector-V, Salt Lake Kolkata WB 700091.

The financial statements for the year ended March 31, 2024, were authorised for issue in accordance with resolution of directors on dated 17/05/2024

SIGNIFICANT ACCOUNTING POLICIES:

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with section 133 of Companies Act, 2013 and presentation requirements of Division II of schedule III to the Companies Act, 2013, on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Accounting policies are consistently followed.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees which is the Company's functional currency. All financial information presented has been rounded to the nearest Lakh (up to two decimals), except when indicated otherwise.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.4 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets/liabilities are classified as non-current.

Assets and liabilities are classified between current and non-current considering 12 months' period as normal operating cycle.

2.5 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The fair value of plants and equipment's as at transition date have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

2.6 PROPERTY, PLANT AND EQUIPMENT

Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Cost comprises purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the present value of initial estimate of cost of dismantling, removal and restoration.

Subsequent measurement is done at cost less accumulated depreciation / amortization and accumulated impairment losses.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are



carried as inventory and recognized as expense in the statement of profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the Company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

Subsequent costs

Subsequent expenditure is recognized in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss.

In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.

Depreciation

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are different from one specified in Schedule II of the Companies Act, 2013. Asset's depreciation methods, residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Estimated useful lives of the assets are as follows:



| Categories of Assets | Estimated of useful life in years |
|--------------------------------|-----------------------------------|
| <i>Leasehold Land</i> | 30 |
| <i>Building</i> | 25-30 |
| <i>Plant & Machinery</i> | 5-25 |
| Computer equipment | 1-5 |
| Office furniture and equipment | 1-10 |
| Vehicles | 1-8 |

It is believed that the useful lives as given above represents the period over which management expects to use these assets.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled or actual major inspection/overhaul, whichever is earlier.

Capital spares are depreciated considering the useful life ranging between 2 to 25 years based on technical assessment.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale, disposal or earmarked for disposal.

Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.



2.7 INTANGIBLE ASSETS

Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost comprises purchase price including import duties, non-refundable taxes after deducting trade discounts and rebates and any directly attributable expenses of preparing the asset for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.

Amortization

Cost of software recognized as intangible asset, is amortized on straight-line method over a period of legal right to use or 5 years, whichever is less. Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, whichever is less.

The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively, wherever required.

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised



for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are Company at the lowest levels for which there are separately identifiable cash flows (cash-generating Company) largely independent of cash flows of other cash-generating Company. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.10 INVENTORIES

Inventories are stated at the lower of weighted average cost or net realisable value. Costs include all non- refundable duties and all incurred in bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.11 FOREIGN CURRENCIES

The Company's financial statements are presented in INR. For each entity the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 FINANCIAL INSTRUMENTS - INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



FINANCIAL ASSETS

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

De recognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind - AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.



FINANCIAL LIABILITIES

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind – AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De recognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative Financial Instrument:

The Company uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.



2.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.14 Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.15 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

Instruments which have no contractual obligations towards principal redemption and interest distributions and meets the definition of equity instrument are also classified as Equity.

2.16 BORROWING COSTS

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS



116- 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

2.17 CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due and the amount is billable.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract.

2.18 REVENUE RECOGNITION

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer.



Revenue also includes other reimbursement billing like Electricity Duty/Energy Development Cess/Ash utilization billing etc. or other amounts collected from customers.

Sale of power

The Company's contracts with customers for the sale of electricity generally include one performance obligation. The Company has concluded that revenue from sale of electricity should be recognised at the point in time when electricity is transferred to the customer.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.19 EMPLOYEE BENEFITS

Short term employee benefits:

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Short - term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Defined benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company and its subsidiaries, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Re measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

Other long-term employee benefits:

The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re measurement is recognised in Statement of Profit and Loss in the period in which they arise.



Post - employment benefits - Defined contribution plans:

Post-employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post-employment and other long term benefits are charged to statement of Profit and Loss.

2.20 LEASES

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets (other than land and buildings) are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher



of the fair value less costs of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. In calculating the present value, lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

2.21 TAXES

Current income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if, the Company:

- Has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future taxable profit will be available against which MAT credit can be utilized.



2.22 EARNING PER SHARE

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.23 Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

2.24 Debenture Redemption Reserve

Debenture Redemption Reserve is created @10% of outstanding debentures value payable at the end of the reporting period as per provision of section 71 (4) & Rule 18 (7) of the Companies Act, 2013.

2.25 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

2.26 Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7- 'Statement of cash flows'.

2.27 Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and / or require separate disclosure in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgment. The details of exceptional items are set out in note 33.



JHABUA POWER LIMITED

Registered Office: Infinity IT Lagoon, 10th Floor, Block: EP & GP Office No: 1001 & 1002, Sector-V, Salt Lake Kolkata West Bengal 700091

BALANCE SHEET AS AT MARCH 31, 2024

All amounts are in ₹ Lakhs, unless otherwise stated

| Particulars | Note | As at 31-03-24 | As at 31-03-23 |
|--|------|--------------------|--------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, Plant and Equipment | 3 | 3,55,199.43 | 3,70,551.78 |
| Capital Work-In-Progress | 4 | 103.35 | 1,069.70 |
| Intangible Assets | 5 | 12.34 | 0.92 |
| Financial Assets | | | |
| Other Financial Assets | 6 | 4,738.98 | 932.10 |
| Deferred Tax Assets (Net) | 7 | 1,598.00 | - |
| Other Non-current Assets | 8 | 659.15 | 444.19 |
| Total Non-Current Assets | | 3,62,311.25 | 3,72,998.69 |
| Current Assets | | | |
| Inventories | 9 | 11,420.07 | 17,479.87 |
| Financial Assets | | | |
| Trade Receivables | 10 | 26,357.24 | 70,820.50 |
| Cash and Cash Equivalents | 11 | 40,511.91 | 31,489.53 |
| Bank Balances other than Cash and Cash Equivalents | 12 | 31,764.09 | 17,924.22 |
| Other Financial Assets | 13 | 96.29 | 97.76 |
| Other Current Assets | 14 | 34,334.61 | 15,485.67 |
| Total Current Assets | | 1,44,484.21 | 1,53,297.55 |
| Total Assets | | 5,06,795.46 | 5,26,296.24 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 15 | 65,000.00 | 65,000.00 |
| Other Equity | 16 | 3,28,046.23 | 3,39,240.91 |
| Total Equity | | 3,93,046.23 | 4,04,240.91 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 17 | 94,999.99 | 1,04,999.99 |
| Leases Liabilities | 18 | 51.60 | - |
| Provisions | 19 | 454.03 | 328.05 |
| Deferred Tax Liabilities (Net) | 20 | - | 1,354.35 |
| Total Non-current Liabilities | | 98,505.62 | 1,06,682.40 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 21 | 10,000.00 | 10,000.00 |
| Lease Liabilities | 22 | 1.50 | - |
| Trade Payables | 23 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 346.14 | 1,013.61 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,521.44 | 1,625.33 |
| Other Financial Liabilities | | | |
| Other Current Liabilities | 24 | 3,360.51 | 2,723.54 |
| Provisions | 25 | 14.02 | 10.45 |
| Total Current Liabilities | | 18,243.61 | 15,372.93 |
| Total Equity and Liabilities | | 5,06,795.46 | 5,26,296.24 |

Significant accounting policies and notes to Ind AS financial statements 1-53

As per our report attached


Gagan Deep Gupta
CS

For Jhabua Power Limited


Kundan Kumar Mishra
CFO


Anil Kumar
CEO

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C


CA. Gaurav Thepadia
Partner
Membership No.405326


Renu Narang
Director
DIN: 0008070565


Ravindra Kumar
Chairman
DIN: 10523088

Place: New Delhi
Date: 17.05.2024
UDIN No.

24405326BKCD AU7512



JHABUA POWER LIMITED

Registered Office: Infinity IT Lagoon, 10th Floor, Block: EP & GP Office No: 1001 & 1002, Sector-V, Salt Lake Kolkata West Bengal 700091

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs, unless otherwise stated

| Particulars | Note No. | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|---|-------------|--------------------------------------|--------------------------------------|
| I Revenue from operations | 26 | 1,90,791.87 | 1,64,627.67 |
| II Other income | 27 | 6,914.71 | 2,936.99 |
| III Total Income (I+II) | | 1,97,706.58 | 1,67,564.66 |
| IV Expenses | | | |
| Fuel Expenses | 28 | 1,17,702.88 | 97,555.65 |
| Employee benefits expense | 29 | 3,133.68 | 2,923.87 |
| Finance costs | 30 | 9,478.83 | 5,758.46 |
| Depreciation & Amortization expenses | 31 | 17,581.10 | 17,694.75 |
| Other expenses | 32 | 63,840.60 | 25,449.46 |
| Total expenses (IV) | | 2,11,737.09 | 1,49,382.19 |
| V Profit/ (loss) before exceptional items and tax (III- IV) | | (14,030.51) | 18,182.47 |
| VI Exceptional income | 33 | 19.92 | 3,27,738.66 |
| VII Profit/ (loss) before tax (V+VI) | | (14,010.59) | 3,45,921.13 |
| VIII Tax expense: | | | |
| a) Current tax | | - | - |
| b) Deferred tax | 34 | (2,952.35) | 1,354.35 |
| c) Tax related with perious year | | - | 3.93 |
| Total Tax Expense (VIII) | | (2,952.35) | 1,358.28 |
| IX Profit/ (loss) for the year (VII-VIII) | | (11,058.24) | 3,44,562.85 |
| X Other Comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | | | |
| (i) Re-measurement gains (losses) on defined benefit plans | | (136.44) | (133.82) |
| (ii) Income tax effect on above | | - | - |
| Total Other comprehensive income | | (136.44) | (133.82) |
| XI Total Comprehensive Income for the year (IX+X) | | (11,194.68) | 3,44,429.04 |
| (Comprising profit and other comprehensive income for the year) | | | |
| XII Earnings per equity share | 35 | | |
| (1) Basic (₹) | | (1.70) | 34.73 |
| (2) Diluted (₹) | | (1.70) | 34.73 |
| Significant accounting policies and notes to Ind AS financial statements | 1-53 | | |

For Jhabua Power Limited


Gagan Deep Gupta
CS


Kundan Kumar Mishra
CFO


Anil Kumar
CEO

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C


CA. Gaurav Thepadia
Partner
Membership No.405326

Place: New Delhi
Date: 17.05.2024

UDIN No. 24405326BK.CDAU7512


Renu Narang
Director
DIN:- 0008070565


Ravindra Kumar
Chairman
DIN: 10523088



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs, unless otherwise stated

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|---|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Profit/(loss) before taxation | (14,010.59) | 3,45,921.13 |
| Adjustments for | | |
| Depreciation | 17,581.10 | 17,694.75 |
| Finance costs | 9,478.83 | 5,758.46 |
| Provision Written Back | (2,094.29) | - |
| Interest Income | (4,669.22) | (2,859.42) |
| Interest from others | (23.27) | (25.90) |
| Bad Debts | 484.91 | - |
| Provision For Doubtful Debts (ref note no 32.4) | 37,371.07 | 4,024.49 |
| Loss On Assets Retirement | 729.03 | 153.81 |
| Balance written off | - | - |
| Exceptional income (As per NCLT Order) Note no 33 | (19.92) | (3,27,738.66) |
| Adjustments for working capital changes: | | |
| Inventories | 6,059.80 | (7,775.36) |
| Trade receivable | 8,701.57 | (5,693.03) |
| Trade Payables, liabilities and provisions | 2,907.58 | (18,054.41) |
| loans & advances and other assets | (18,847.47) | 4,559.06 |
| Cash Generated from Operation | 43,649.14 | 15,964.93 |
| Income Tax (paid)/refund | (214.96) | 147.83 |
| Net cash from operating activities (A) | 43,434.18 | 16,112.75 |
| Cash flows from investing activities | | |
| Purchase of fixed assets (including Capital Work in Progress) | (2,127.32) | (1,203.71) |
| Proceeds received against Fixed Assets | 124.47 | - |
| Interest received | 4,692.47 | 2,885.29 |
| Dividend received | - | - |
| Investment in bank deposits | (17,546.74) | 21,218.64 |
| Net cash from investing activities (B) | (14,957.12) | 22,900.23 |
| Cash flows from financing activities | | |
| Proceeds from issue of equity shares | - | 32,500.00 |
| Proceeds from borrowings | - | 60,000.00 |
| Repayment of borrowings | (10,000.00) | (83,800.95) |
| Dividend Paid | - | (20,000.00) |
| Finance Cost Paid | (9,454.67) | (5,758.46) |
| Net cash from financing activities (C) | (19,454.67) | (17,059.41) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 9,022.38 | 21,953.58 |
| Cash and cash equivalents at beginning of reporting year | 31,489.53 | 9,535.95 |
| Cash and cash equivalents at end of reporting year | 40,511.91 | 31,489.53 |

Cash & Cash equivalents:

Cash and cash equivalents consist of cash on hand and balances with banks and fixed deposit with bank having less than 3 months of maturity.

Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

(Ref note no 11)

Cash and bank balances

| | | |
|--|------------------|------------------|
| Cash on hand | - | - |
| Bank balances- In current accounts | 2,014.62 | 2,315.82 |
| Bank Deposits with maturity less than 3 months | 38,497.29 | 29,173.71 |
| Cash and cash equivalents as stated | 40,511.91 | 31,489.53 |

Notes:- The above cash flow has been prepared under the "Indirect Method" as set out in the Ind AS-07 statement of cash flow.

Significant accounting policies and notes to Ind AS financial 1-53

For Jhabua Power Limited


Gagan Deep Gupta
CS


Kundan Kumar Mishra
CFO


Anil Kumar
CEO

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C


Renu Narang
Director
DIN:- 0008070565


Ravindra Kumar
Chairman
DIN: 10523088

CA. Gaurav Thepadia
Partner
Membership No.405326

Place: New Delhi
Date: 17.05.2024

UDIN No.
24405326 BKCDAP7512



JHABUA POWER LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2024
All amounts are in ₹ Lakhs, unless otherwise stated

A. Equity Share Capital

(1) Current reporting period F.Y 2023-24

| Opening Balance on 01.04.2023 | Changes in equity share capital during the current year | Closing Balance on 31-03-2024 |
|-------------------------------|---|-------------------------------|
| 65,000.00 | - | 65,000.00 |

(2) Previous reporting period F.Y 2022-23

| Opening Balance on 01.04.2022 | Changes in equity share capital during the current year | Closing Balance on 31.03.2023 |
|-------------------------------|---|-------------------------------|
| 1,44,532.21 | (79,532.21) | 65,000.00 |

B. Other Equity

(1) Current reporting period F.Y 2023-24

| Particulars | Reserves and Surplus | | | | | | Total |
|---|----------------------|------------------------------|-----------------|-------------------|---|--|-------------|
| | Revaluation Reserve | Debenture Redemption Reserve | Capital Reserve | Retained Earnings | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | |
| Balance April 1, 2023 | - | 11,500.00 | 1,44,532.21 | 1,83,398.12 | - | (189.43) | 3,39,240.91 |
| Profit/(Loss) for the Year | - | - | - | (11,058.24) | - | - | (11,058.24) |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - |
| Extinguishment of shares of erstwhile promoters | - | - | - | - | - | - | - |
| Transfer to/(from) Debenture Redemption Reserve | - | (1,000.00) | - | 1,000.00 | - | - | - |
| Re-measurements gain / (loss) on the net defined | - | - | - | - | - | (136.44) | (136.44) |
| Restated balance at the beginning of the current reporting period | - | - | - | - | - | - | - |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - |
| Any other change (to be specified) | - | - | - | - | - | - | - |
| Balance At March 31, 2024 | - | 10,500.00 | 1,44,532.21 | 1,73,339.88 | - | (325.87) | 3,28,046.23 |

(2) Previous reporting period F.Y 2022-23

| Particulars | Reserves and Surplus | | | | | | Total |
|---|----------------------|------------------------------|-----------------|-------------------|---|--|---------------|
| | Revaluation Reserve | Debenture Redemption Reserve | Capital Reserve | Retained Earnings | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | |
| Balance April 1, 2022 | - | - | - | (1,29,664.74) | - | (55.61) | (1,29,720.34) |
| Profit/(Loss) for the Year | - | - | - | 3,44,562.86 | - | - | 3,44,562.86 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - |
| Extinguishment of shares of erstwhile promoters | - | - | 1,44,532.21 | - | - | - | 1,44,532.21 |
| Transfer to Debenture Redemption Reserve | - | 11,500.00 | - | (11,500.00) | - | - | - |
| Re-measurements gain / (loss) on the net defined | - | - | - | - | - | (133.82) | (133.82) |
| Restated balance at the beginning of the current reporting period | - | - | - | - | - | - | - |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - |
| Dividends | - | - | - | (20,000.00) | - | - | (20,000.00) |
| Transfer to retained earnings | - | - | - | - | - | - | - |
| Any other change (to be specified) | - | - | - | - | - | - | - |
| Balance At March 31, 2023 | - | 11,500.00 | 1,44,532.21 | 1,83,398.12 | - | (189.43) | 3,39,240.91 |

Notes:-

- (a). Capital reserve is created during the year ended 31 March 2023 after the implementation of The Resolution plan on dt Sep 05, 2022 through Extinguishment of share capital of erstwhile promoters of Rs. 1,44,532.21 Lakhs (See Note 16)
- (b). This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (c). Debenture Redemption Reserve is created @10% of outstanding debentures value on March 31, 2024 as per provision of section 71 (4) & Rule 18 (7) of the Companies Act, 2013 (See Note 16)



JHABUA POWER LIMITED
Notes to Financial Statements
Non-current Assets

3 Property, Plant and Equipment as at March 31, 2024
All amounts are in ₹ Lakhs, unless otherwise stated

| Particulars | Gross Block | | | Depreciation and Amortisation | | | Net Block | |
|--------------------------------|---------------------|-----------------|----------------------------|-------------------------------|--------------------|----------------------------|---------------------|---------------------|
| | As at 01.04.2023 | Additions | Deductions/ Adjustments | As at 01.04.2023 | For the Period | Deductions/ Adjustments | As at 31.03.2024 | as at 31.03.2023 |
| Freehold land | 4,044.65 | - | - | 55.80 | 18.31 | - | 4,044.65 | 4,044.65 |
| Right of use Asset- Lease Land | 146.63 | 59.02 | - | 25,394.38 | 3,826.02 | - | 131.54 | 90.83 |
| Building | 1,11,750.40 | 1,741.31 | - | 91,157.06 | 13,700.29 | 333.03 | 84,271.30 | 86,356.01 |
| Plant & machinery | 3,71,023.67 | 1,218.31 | 1,186.53 | 455.98 | 12.14 | - | 2,66,531.11 | 2,79,866.60 |
| Furniture & fixtures | 525.22 | 3.26 | - | 206.28 | 5.50 | - | 60.35 | 69.24 |
| Computers | 240.98 | 7.60 | - | 252.61 | 17.56 | - | 117.60 | 34.70 |
| Office equipment's | 340.24 | 47.53 | - | 15.07 | 0.57 | - | 6.07 | 87.64 |
| Vehicles | 17.17 | 4.53 | - | 1,17,537.18 | 17,580.39 | 333.03 | 3,55,199.43 | 3,70,551.78 |
| Total | 4,88,088.96 | 3,081.55 | 1,186.53 | 4,89,983.97 | 1,34,784.55 | 333.03 | 3,70,551.78 | 3,70,551.78 |

| Particulars | Gross Block | | | Depreciation and Amortisation | | | Net Block | |
|--------------------------------|---------------------|---------------|----------------------------|-------------------------------|--------------------|----------------------------|---------------------|---------------------|
| | As at 01.04.2022 | Additions | Deductions/ Adjustments | As at 01.04.2022 | For the Period | Deductions/ Adjustments | As at 31.03.2023 | as at 31.03.2022 |
| Freehold land | 4,044.65 | - | - | 50.91 | 4.90 | - | 4,044.65 | 4,044.65 |
| Right of use Asset- Lease Land | 146.63 | - | - | 21,590.04 | 3,804.34 | - | 90.83 | 95.73 |
| Building | 1,11,750.40 | - | - | 77,296.97 | 13,860.10 | - | 86,356.01 | 90,160.36 |
| Plant & machinery | 3,70,543.14 | 480.52 | - | 447.37 | 8.61 | - | 2,79,866.60 | 2,93,246.18 |
| Furniture & fixtures | 485.03 | 40.18 | - | 199.26 | 7.01 | - | 69.24 | 37.66 |
| Computers | 234.89 | 6.09 | - | 243.10 | 9.50 | - | 34.70 | 35.63 |
| Office equipment's | 307.61 | 32.63 | - | 14.80 | 0.27 | - | 87.64 | 64.51 |
| Vehicles | 17.17 | - | - | 99,842.45 | 17,694.73 | - | 2.11 | 2.37 |
| Total | 4,87,529.53 | 559.43 | - | 4,88,088.96 | 1,17,537.18 | - | 3,70,551.78 | 3,87,687.08 |

Note:-

- 1). Spares parts/Standby equipment and servicing equipment which meet the definition of PPE are capitalised.
- 2). Impairment losses recognised during the year in accordance with Ind AS-36 "Impairment of Assets" based on management assessment Rs. Nil (F.Y 23-24) and Rs. Nil (F.Y 2022-23)
- 3). Property, Plant and equipment costing Rs. 5000/- or Less are depreciated in year of acquisition.
- 4). The company has not revalued any of its property plant and equipment.
- 5). Refer note no 17 for charge created on Property, Plant and Equipment.
- 6). Refer note no 38 for de-recognition of capital spares & MDBFP (motor) from Property, Plant and Equipment.
- 7). The company has also recognised Lease Rent on Lease land as per Ind.As 116 working under the head right of use asset for Rs. 59.02 lakh as addition in F.Y 2023-24.(Ref note 37).
- 8). The right of use asset- Lease Land are amortized over the period of legal right to use that land.



JHABUA POWER LIMITED
Notes to Financial Statements
Non-current Assets

4 Capital Work-In-Progress

All amounts are in ₹ Lakhs, unless otherwise stated

| Particulars | As at 01.04.2023 | Additions | Deductions/ Adjustments | Capitalised | As at 31.03.2024 |
|-------------------------|---------------------|---------------|----------------------------|-----------------|---------------------|
| BTG | - | - | - | - | - |
| Balance of Plant | - | - | - | - | - |
| ROW- Approach Road | 22.99 | - | - | 22.99 | - |
| AUC-SAP-II | (0.00) | - | - | (0.00) | - |
| Ash Bund | 2.76 | - | - | 2.76 | - |
| Ash Handling | 43.94 | 46.69 | - | 53.87 | 36.76 |
| Ash Pond | 2.54 | - | - | 2.54 | - |
| Civil-BOP | 74.64 | 10.07 | - | 84.72 | - |
| Coal Handling Plant | 101.54 | 0.88 | - | 100.20 | 2.22 |
| Main Plant | 8.42 | 346.35 | - | 353.37 | 1.40 |
| Railway | 23.91 | - | - | 23.91 | - |
| Raw Water Supply System | 725.44 | 64.76 | - | 790.20 | - |
| Road & Drains | 51.76 | - | - | 51.76 | - |
| Site Infra | 7.46 | 444.88 | - | 428.05 | 24.28 |
| Ventilation System | 4.29 | - | - | - | 4.29 |
| BOP-Electricals | - | 34.40 | - | - | 34.40 |
| Total | 1,069.70 | 948.03 | - | 1,914.37 | 103.35 |

| Particulars | As at 01.04.2022 | Additions | Deductions/ Adjustments | Capitalised | As at 31.03.2023 |
|-------------------------|---------------------|-----------------|----------------------------|-------------|---------------------|
| BTG | 371.09 | - | 371.09 | - | - |
| Balance of Plant | 31.35 | - | 31.35 | - | - |
| ROW- Approach Road | 22.99 | - | - | - | 22.99 |
| AUC-SAP-II | 153.81 | - | 153.81 | - | (0.00) |
| Ash Bund | - | 2.76 | - | - | 2.76 |
| Ash Handling | - | 43.94 | - | - | 43.94 |
| Ash Pond | - | 2.54 | - | - | 2.54 |
| Civil-BOP | - | 74.64 | - | - | 74.64 |
| Coal Handling Plant | - | 101.54 | - | - | 101.54 |
| Main Plant | - | 8.42 | - | - | 8.42 |
| Railway | - | 23.91 | - | - | 23.91 |
| Raw Water Supply System | - | 725.43 | - | - | 725.44 |
| Road & Drains | - | 51.76 | - | - | 51.76 |
| Site Infra | - | 7.46 | - | - | 7.46 |
| Ventilation System | - | 4.29 | - | - | 4.29 |
| Total | 579.23 | 1,046.70 | 556.25 | - | 1,069.70 |

a). **CWIP aging schedule**

| Desc. | Amount/Period | | | | Total |
|--|------------------|-------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a)(i) Projects in progress | 95.44 | 7.91 | - | - | 103.35 |
| (a)(ii) Projects temporarily suspended | - | - | - | - | - |
| Total | 95.44 | 7.91 | - | - | 103.35 |

b). **CWIP, whose completion is overdue or has exceeded its cost compared to its original plan:-**

| Desc. | Amount/Period | | | | Total |
|--------------|------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project-1 | - | - | - | - | - |
| Project-2 | - | - | - | - | - |
| Total | - | - | - | - | - |



JHABUA POWER LIMITED
Notes to Financial Statements
Non-current Assets

5 Other Intangible Assets

All amounts are in ₹ Lakhs, unless otherwise stated

| Particulars | Gross Block | | | Depreciation and Amortisation | | | Net Block | |
|-------------------|---------------------|--------------|----------------------------|-------------------------------|-------------------|----------------------------|---------------------|---------------------|
| | As at 01.04.2023 | Additions | Deductions/ Adjustments | As at 01.04.2023 | For the Period | Deductions/ Adjustments | As at 31.03.2024 | as at 31.03.2023 |
| Computer Software | 573.06 | 12.13 | - | 572.15 | 0.70 | - | 572.85 | 12.34 |
| Total | 573.06 | 12.13 | - | 572.15 | 0.70 | - | 572.85 | 12.34 |
| | | | | | | | | 0.92 |
| Particulars | Gross Block | | | Depreciation and Amortisation | | | Net Block | |
| | As at 01.04.2022 | Additions | Deductions/ Adjustments | As at 01.04.2022 | For the Period | Deductions/ Adjustments | As at 31.03.2023 | as at 31.03.2022 |
| Computer Software | 573.06 | - | - | 572.12 | 0.02 | - | 572.15 | 0.92 |
| Total | 573.06 | - | - | 572.12 | 0.02 | - | 572.15 | 0.92 |
| | | | | | | | | 0.94 |



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

6 Non-current Financials Assets - Others

| Particulars | As at 31-03-24 | As at 31-03-23 |
|-----------------------------------|-----------------|----------------|
| Bank Deposits | 4,737.29 | 913.46 |
| Interest accrued on bank deposits | 1.69 | 18.64 |
| | 4,738.98 | 932.10 |

Notes:-

- 1). These bank deposits includes deposits having maturities more than 12 months and have been lodged as security deposit with government departments of Rs. 737.29 Lakhs (F.Y 2023-24) & Rs. 693.10 Lakhs (F.Y 22-23).

7 Deferred Tax Assets (Net)

| Particulars | As at 31-03-24 | As at 31-03-23 |
|---------------------------|-----------------|----------------|
| Deferred Tax Assets (Net) | 1,598.00 | - |
| | 1,598.00 | - |

Notes:-

- 1). Refer Note no 34 for detail.

8 Other Non-current Assets

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--------------------------------------|----------------|----------------|
| Unsecured, considered good | | |
| Balances with Government Authorities | 62.81 | 62.81 |
| TDS receivable | 596.34 | 381.38 |
| | 659.15 | 444.19 |

Notes:-

Balance with government authorities pertains to amount deposited with MP commercial tax appellate authorities against entry tax cases U/S 3(2).

9 Inventories

At Lower of weighted cost or Net realisable value

| Particulars | As at 31-03-24 | As at 31-03-23 |
|-------------------|------------------|------------------|
| Stores and Spares | 5,969.82 | 4,556.42 |
| Coal | 4,994.23 | 12,660.36 |
| LDO | 456.02 | 263.09 |
| | 11,420.07 | 17,479.87 |

Notes:-

- a) inventories Item have been valued as per accounting policy.
b) Inventories of coal includes material in transit Rs. Nil (F.Y 23-24) and Rs. Nil (F.Y 22-23)
c) Inventories of LDO includes material in transit Rs. Nil (F.Y 23-24) and Rs. Nil (F.Y 22-23)
d) Inventories of store & spares includes material in transit Rs. Nil (F.Y 23-24) and Rs. Nil (F.Y 22-23)

10 Current Financial Assets- Trade Receivables

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--|------------------|--------------------|
| Secured, considered good | - | - |
| Unsecured, considered good | 26,357.24 | 70,820.50 |
| Doubtful | 71,011.78 | 35,735.00 |
| | 97,369.02 | 1,06,555.50 |
| Less: Allowance for Bad & Doubtful Debts | 71,011.78 | 35,735.00 |
| | 26,357.24 | 70,820.50 |

Notes:-

- 1). Refer note no 10.1 for unbilled revenue and ageing analysis (net off doubtful debts) for F.Y 23-24 & F.Y 22-23.
2). Refer note no 10.2 for customer wise doubtful debts.



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

10.1 Trade Receivable Ageing Schedule (Net Off Provision For Doubtful Debts)

| Particulars | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | more Than 3 Years | Grand Total |
|--|------------------|-----------------|--------------------|-------------------|-----------------|------------------|-------------------|------------------|
| Undisputed Trade receivables - considered good | | | | | | | | |
| March 31, 2024 | 11,171.60 | 4,951.65 | - | 60.14 | 6,136.86 | 3,213.27 | - | 25,533.53 |
| March 31, 2023 | 11,912.75 | 675.63 | 1,863.11 | 10,284.56 | 4,833.03 | - | - | 29,569.08 |
| Undisputed Trade Receivables - considered doubtful | | | | | | | | |
| March 31, 2024 | - | - | - | - | - | - | - | - |
| March 31, 2023 | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | | | | | | | | |
| March 31, 2024 | - | - | - | 1.72 | 143.01 | - | 678.98 | 823.71 |
| March 31, 2023 | 1,296.72 | 621.09 | 5,331.99 | 6,636.71 | 2,999.35 | 13,454.53 | 10,911.03 | 41,251.42 |
| Disputed Trade Receivables considered doubtful | | | | | | | | |
| March 31, 2024 | - | - | - | - | - | - | - | - |
| March 31, 2023 | - | - | - | - | - | - | - | - |
| Total Trade receivables | 11,171.60 | 4,951.65 | - | 61.86 | 6,279.87 | 3,213.27 | 678.98 | 26,357.24 |
| March 31, 2024 | 13,209.47 | 1,296.72 | 7,195.10 | 16,921.27 | 7,832.37 | 13,454.53 | 10,911.03 | 70,820.50 |
| March 31, 2023 | | | | | | | | |

10.2 Customer wise doubtful debts provision

| Customer | Financial Years | | | | | | | | Gross Total |
|--------------|------------------|-----------------|-----------------|------------------|---------|-----------------|-----------------|---|------------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | Prior years | | |
| MPPMCL | 1,316.92 | - | - | 8,248.24 | - | - | - | - | 9,565.16 |
| KSEB | 31,252.45 | 4,024.49 | 3,451.59 | 13,836.92 | - | 3,077.13 | 3,096.62 | - | 58,739.21 |
| PTC | 2,707.41 | - | - | - | - | - | - | - | 2,707.41 |
| Total | 35,276.78 | 4,024.49 | 3,451.59 | 22,085.16 | - | 3,077.13 | 3,096.62 | - | 71,011.78 |



11 Current Financial Assets- Cash and Cash Equivalents

| Particulars | As at 31-03-24 | As at 31-03-23 |
|----------------------------------|------------------|------------------|
| Fixed Deposit Less than 3 months | 36,571.27 | 28,600.00 |
| Interest accrued on deposits | 1,926.02 | 573.71 |
| Balances with Banks : | | |
| - In Current Accounts | 2,014.62 | 2,315.82 |
| Cash on hand | - | - |
| | 40,511.91 | 31,489.53 |

12 Bank Balances other than Cash and Cash Equivalents

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--|------------------|------------------|
| Fixed Deposit more than 3 months and less than 12 months | 31,388.19 | 17,800.00 |
| Interest accrued on deposits | 375.90 | 124.22 |
| | 31,764.09 | 17,924.22 |

13 Current Financial Assets- Others

| Particulars | As at 31-03-24 | As at 31-03-23 |
|------------------|----------------|----------------|
| Security deposit | 96.29 | 97.76 |
| | 96.29 | 97.76 |

Notes:-

- 1). Security deposit includes deposits with government departments Rs. 96.29 Lakhs (MCL- Rs. 72.88 Lakhs, MPPKVNL-Rs 3.25 Lakhs & EE- Bargi Dam Rs. 20.16 Lakhs)

14 Other Current Assets

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--------------------------|------------------|------------------|
| Advance to employees | 16.99 | - |
| Advance to related party | - | - |
| Advance to supplier | 34,116.49 | 15,182.27 |
| Prepaid Expenses | 201.13 | 303.40 |
| | 34,334.61 | 15,485.67 |

Notes:-

- 1). Advances to supplier includes advances paid for coal procurement.

14.1 Loans and Advances

| Type of Borrower | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
|------------------|---|---|
| Promoters | NIL | NIL |
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Related Parties | NIL | NIL |



15 Share Capital

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--|--------------------|--------------------|
| Authorised : | | |
| 1,55,00,00,000 (Previous Year - 1,55,00,00,000) Equity shares of ₹10/- each | 1,55,000.00 | 1,55,000.00 |
| | 1,55,000.00 | 1,55,000.00 |
| Issued, Subscribed and Paid Up | | |
| 65,00,00,000 (Previous Year - 65,00,00,000) Equity shares of ₹ 10/- each | 65,000.00 | 65,000.00 |
| Total | 65,000.00 | 65,000.00 |

Notes:

a) Reconciliation of Outstanding Shares

No. of shares outstanding at the beginning of year
Add: Issued during the year
Less: "Extinguishment of shares of erstwhile promoters"
No. of shares outstanding at the end of year

| | As at 31-03-24 | | As at 31-03-23 | |
|---|---------------------|---------------|---------------------|---------------|
| | No of Shares | Amount | No of Shares | Amount |
| No. of shares outstanding at the beginning of year | 65,00,00,000 | 65,000 | 1,44,53,22,146 | 1,44,532 |
| Add: Issued during the year | - | - | 65,00,00,000 | 65,000 |
| Less: "Extinguishment of shares of erstwhile promoters" | - | - | 1,44,53,22,146 | 1,44,532 |
| No. of shares outstanding at the end of year | 65,00,00,000 | 65,000 | 65,00,00,000 | 65,000 |

b) The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The resolution plan has been approved by NCLT vide order dated 06th July, 2022 which was implemented on 05th Sep.2022. On implementation of resolution Plan on dt Sep 05, 2022 through Extinguishment of share capital of erstwhile promoters of Rs. 1,44,532.21 lakhs and fresh Equity is infused 50% by NTPC limited of Rs 32,500 lakhs & 50 % by Axis Trustee Services Ltd (trustee of Secured Financials creditors) of Rs 32,500 lakhs.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | As at 31-03-24 | | As at 31-03-23 | |
|---|---------------------|----------------|---------------------|----------------|
| | No of Equity Shares | Holding (%) | No of Equity Shares | Holding (%) |
| Name of Shareholders | | | | |
| NTPC Limited | 32,49,99,995 | 50.00% | 32,49,99,995.00 | 50.00% |
| Axis Trustee Services Limited (trustee of Secured Financials creditors) | 32,50,00,000 | 50.00% | 32,50,00,000.00 | 50.00% |
| Total | 64,99,99,995 | 100.00% | 64,99,99,995 | 100.00% |

d) Shares Hold by the promoters at the end of the period

| Particulars | Holding (%) | As at 31-03-24 | |
|---|-------------|---------------------|-----------------------------|
| | | No of Equity Shares | % of Change During the Year |
| Promoters Name | | | |
| NTPC Limited | 50.00% | 32,49,99,995 | 0.00% |
| Axis Trustee Services Limited (trustee of Secured Financials creditors) | 50.00% | 32,50,00,000 | 0.00% |

| Particulars | Holding (%) | As at 31-03-23 | |
|---|-------------|---------------------|-----------------------------|
| | | No of Equity Shares | % of Change During the Year |
| Promoters Name | | | |
| NTPC Limited | 50.00% | 32,49,99,995 | 100.00% |
| Axis Trustee Services Limited (trustee of Secured Financials creditors) | 50.00% | 32,50,00,000 | 100.00% |



JHABUA POWER LIMITED**Notes to Financial Statements****All amounts are in ₹ Lakhs, unless otherwise stated****16 Other Equity**

| Particulars | As at 31.03.2024 | As at 31.03.2023 |
|---|---------------------|---------------------|
| Debenture Redemption Reserve | 10,500.00 | 11,500.00 |
| Capital Reserve | 1,44,532.21 | 1,44,532.21 |
| Retained Earnings | 1,73,339.88 | 1,83,398.12 |
| Other items of Other Comprehensive Income | (325.87) | (189.43) |
| | 3,28,046.23 | 3,39,240.91 |

a) Debenture Redemption Reserve

| | | |
|---|------------------|------------------|
| Opening Balances | 11,500.00 | - |
| Add:- Transfer during the Year from Retained earnings | - | 11,500.00 |
| Add\(\Less):- Transfer back to Retained earnings | (1,000.00) | - |
| Closing Balance | 10,500.00 | 11,500.00 |

b) Capital Reserve

| | | |
|---|--------------------|--------------------|
| Opening Balances | 1,44,532.21 | - |
| Add:- Extinguishment of shares of erstwhile promoters | - | 1,44,532.21 |
| Less:- transfer/Used as per Companies Act | - | - |
| Closing Balance | 1,44,532.21 | 1,44,532.21 |

c) Retained Earnings

| | | |
|---|--------------------|--------------------|
| Opening Balances | 1,83,398.12 | (1,29,664.74) |
| Add:- Profit for the year as per P&L account | (11,058.24) | 3,44,562.86 |
| Add\(\Less):- Transfer during the Year to DRR | 1,000.00 | (11,500.00) |
| Add\(\Less):- Dividend Paid | - | (20,000.00) |
| Closing Balance | 1,73,339.88 | 1,83,398.12 |

d) Other items of Other Comprehensive Income/(Loss)

| | | |
|--|-----------------|-----------------|
| Opening Balances | (189.43) | (55.61) |
| Add:- Re-measurements gain / (loss) on the net defined | (136.44) | (133.82) |
| Less:- Transfer to retained earnings | - | - |
| Closing Balance | (325.87) | (189.43) |



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

17 Borrowings

| Particulars | As at 31-03-24 | | As at 31-03-23 | |
|---|------------------|------------------|--------------------|------------------|
| | Non-current | Current | Non-current | Current |
| Secured Borrowings-at amortised cost | | | | |
| Term Loans : | | | | |
| -From Banks | - | - | - | - |
| -From Financial Institutions | - | - | - | - |
| Total | - | - | - | - |
| Secured Borrowings | | | | |
| Compulsory Convertible Debentures | - | - | - | - |
| Non Convertible Debentures | 94,999.99 | 10,000.00 | 1,04,999.99 | 10,000.00 |
| Total | 94,999.99 | 10,000.00 | 1,04,999.99 | 10,000.00 |
| Total | 94,999.99 | 10,000.00 | 1,04,999.99 | 10,000.00 |

Notes:

- 1). Non Convertible Debentures issued Nos 11,99,99,988 face value of Rs 100 each having total value of Rs. 1,19,999.99 lakhs and redemption is done in 48 equal instalment starting from Dec 31, 2022 (1st) and Sep 30, 2034 (last and 48th instalment).
- 2). Non Convertible Debentures carrying the 8.5% p.a interest coupon rate payable at the last working day of the each qtr. of that F.Y.
- 3). The maturity profile of the company's borrowing at the reporting date based on contractual undiscounted repayment obligation are as follows :-

| Year | Non Convertible Debentures (Principal) | In lakhs |
|----------------------------------|--|-----------------|
| 2023-24 (Current maturities) | - | - |
| 2024-25 (Current maturities) | - | 10,000 |
| 2025-26 (Non-Current maturities) | - | 10,000 |
| 2026-27 (Non-Current maturities) | - | 10,000 |
| 2027-28 (Non-Current maturities) | - | 10,000 |
| 2028-29 (Non-Current maturities) | - | 10,000 |
| 2029-30 (Non-Current maturities) | - | 10,000 |
| 2030-31 (Non-Current maturities) | - | 10,000 |
| 2031-32 (Non-Current maturities) | - | 10,000 |
| 2032-33 (Non-Current maturities) | - | 10,000 |
| 2033-34 (Non-Current maturities) | - | 10,000 |
| 2034-35 (Non-Current maturities) | - | 5,000 |
| Total | | 1,05,000 |

4). Nature of Security and terms of repayment for secured borrowings:

| Terms of Repayment | Nature of Security |
|--|--|
| The above NCD are secured by way of :- | |
| Term Loans from banks | |
| Non convertible Debentures issued to NTPC Ltd is repayable in 48 Quarterly instalments of Consisting of Rs. 1250.00 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to Axis Bank Ltd. is repayable in 48 Quarterly instalments of Consisting of Rs. 111.21 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to Bank of India. is repayable in 48 Quarterly instalments of Consisting of R. 86.39 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to LIC of India is repayable in 48 Quarterly instalments of Consisting of Rs. 59.18 lakhs starting from 31 Dec, 2022 | First pari-passu charge over fixed assets and current assets and assignment of the right under the project documents in favour of the NCDs holders. |
| Non convertible Debentures issued to Power Finance Corporation is repayable in 48 Quarterly instalments of Consisting of Rs. 265.56 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to Punjab National Bank is repayable in 48 Quarterly instalments of Consisting of Rs. 158.84 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to REC is repayable in 48 Quarterly instalments of Consisting of Rs. 107.25 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to State Bank of India is repayable in 48 Quarterly instalments of Consisting of Rs. 187.91 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to UCO Bank is repayable in 48 Quarterly instalments of Consisting of Rs. 84.89 lakhs starting from 31 Dec, 2022 | |
| Non convertible Debentures issued to Union Bank of India is repayable in 48 Quarterly instalments of Consisting of Rs.188.77 lakhs starting from 31 Dec, 2022 | |



JHABUA POWER LIMITED**Notes to Financial Statements**

All amounts are in ₹ Lakhs, unless otherwise stated

18 Non- Current Financial Liabilities- Lease Liabilities

| Particulars | As at 31-03-24 | As at 31-03-23 |
|-------------------------|----------------|----------------|
| Finance Lease Liability | 51.60 | - |
| | 51.60 | - |

Notes:-

- 1). Refer Note no 37 for lease liabilities.

19 Non- current Liabilities- Provision

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--|----------------|----------------|
| Provisions for employee benefits :- | | |
| Provision for Gratuity | 344.80 | 245.24 |
| Provision for Leave Encashment | 109.23 | 82.81 |
| | 454.03 | 328.05 |

20 Non- current Liabilities- Deferred Tax Liabilities (Net)

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--------------------------------|----------------|-----------------|
| Deferred Tax Liabilities (Net) | - | 1354.35 |
| | - | 1,354.35 |

Notes:-

- 1). Refer Note no 34 for deferred tax working.

21 Current Financial Liabilities- Borrowings

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--|------------------|------------------|
| Current maturities of Non Convertible Debentures | 10,000.00 | 10,000.00 |
| | 10,000.00 | 10,000.00 |

22 Current Financial Liabilities- Lease Liabilities

| Particulars | As at 31-03-24 | As at 31-03-23 |
|-------------------------|----------------|----------------|
| Finance Lease Liability | 1.50 | - |
| | 1.50 | - |

Notes:-

- 1). Refer Note no 37 for lease liabilities.



23 Current Financial Liabilities- Trade Payables

| Particulars | As at 31-03-24 | As at 31-03-23 |
|--|-----------------|-----------------|
| Total outstanding dues of micro enterprises and small enterprises | 346.14 | 1,013.61 |
| Total outstanding dues of creditors other than micro enterprises and small | 4,521.44 | 1,625.34 |
| | 4,867.58 | 2,638.95 |

Notes:

- The fair value of Trade Payables is not materially different from the carrying value presented.
- Details of due to micro, small and medium enterprises
- Total outstanding other than MSME of Rs. 4521.44 Lakhs includes Payable to related party NTPC Ltd Rs. 88.66 Lakhs for F.Y 23-24.
- Trade Payables including MSME dose not include amount retained/hold for contractual obligations & same is stated in retention monies.

23.1 Trade Payable**Ageing Schedule as on March 31, 2024**

| Particulars | < 365 Days | 365-720 Days | > 2 Years |
|-----------------------------|-----------------|--------------|---------------|
| (i) MSME | 273.32 | 72.23 | 0.59 |
| (ii) Others | 4,062.54 | 14.99 | 443.91 |
| (iii) Disputed dues – MSME | - | - | - |
| (iv) Disputed dues - Others | - | - | - |
| | 4,335.86 | 87.22 | 444.50 |

23.2 Trade Payable**Ageing Schedule as on March 31,2023**

| Particulars | < 365 Days | 365-720 Days | > 2 Years |
|-----------------------------|-----------------|--------------|---------------|
| (i) MSME | 1,009.86 | 3.59 | 0.16 |
| (ii) Others | 1,149.49 | 19.80 | 456.05 |
| (iii) Disputed dues – MSME | - | - | - |
| (iv) Disputed dues - Others | - | - | - |
| | 2,159.35 | 23.39 | 456.21 |

24 Other Current Liabilities

| Particulars | As at 31-03-24 | As at 31-03-23 |
|-----------------------------|-----------------|-----------------|
| Creditors for Capital Goods | 54.10 | 337.11 |
| Retention Monies | 1,568.12 | 1,257.17 |
| Security Deposits Payable | 974.00 | 363.50 |
| Payable to Employee | 3.38 | - |
| Statutory liabilities | 760.91 | 765.77 |
| | 3,360.51 | 2,723.54 |

Notes:-

- Retention monies includes amount retained/hold for contractual obligations.

24.1 Statutory Liabilities

| Particulars | As at 31-03-24 | As at 31-03-23 |
|---------------------------------|----------------|----------------|
| Tax Deducted at Source Payable | 305.96 | 337.19 |
| Provident Fund Payable | 24.20 | 22.75 |
| Professional Tax payable | 0.25 | 0.26 |
| Electricity Duty Payable | 176.76 | 162.21 |
| Energy Development Cess-Payable | 220.04 | 173.22 |
| Goods & Service Tax Payable | 33.40 | 70.17 |
| | 760.91 | 765.80 |

25 Current Liabilities-Provisions

| Particulars | As at 31-03-24 | As at 31-03-23 |
|---|----------------|----------------|
| Provisions for employee benefits : | | |
| Provision for Gratuity | 10.71 | 7.86 |
| Provision for Leave Encashment | 3.31 | 2.59 |
| | 14.02 | 10.45 |



26 Revenue From Operations

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|--|--------------------------------------|--------------------------------------|
| Revenue from operations | 1,90,791.87 | 1,64,627.67 |
| | 1,90,791.87 | 1,64,627.67 |
| Revenue from operations | | |
| Sales of Energy | 1,85,073.16 | 1,59,565.40 |
| Electricity duty & Energy Development Cess | 3,048.86 | 3,760.37 |
| Fly Ash billing | 2,093.64 | 1,066.56 |
| Water Charges | 489.03 | 537.90 |
| Other billing | 1,305.07 | 766.75 |
| Less:- Discount on Prompt Payment | (1,217.89) | (1,069.30) |
| Total Revenue | 1,90,791.87 | 1,64,627.67 |

Notes:-

- Revenue from Operations is net of discount/ rebate for prompt payments Rs. 1217.89 Lakhs (F.Y 23-24) & Rs. 1069.30 Lakhs (F.Y 22-23)
- Sales of energy includes revenue bills raised to customers i.e. MPPMCL, KSEB, UPPCL & market transaction.
- Electricity duty and Energy Development Cess includes reimbursement billing to Customers i.e. MPPMCL & KSEB.
- Fly Ash & Water charges billing includes reimbursement billing to customers i.e. MPPMCL & KSEB for their share of expenses of fly ash & water with respect to energy supplied.
- Other billing includes reimbursement of coal sampling/WRLDC fee/ other etc.

In May-2023 KSERC, vide order dated 10.05.2023, disapproved both the PPAs with KSEB citing irregularities in bidding process. However, Hon'ble KSERC passed another Order on 07.06.2023 directing all the generators (including JPL) to resume supply of power for a period of 75 days i.e. up to 20.08.2023 as an interim arrangement. Fuel supply under FSA was also suspended w.e.f August 20, 2023. JPL stopped supply to KSEB after completion of 75 days. Consequently, JPL entered into a long term power sale arrangement with NVVNL on 27.09.23 (till useful life of plant) for untied capacity. KSERC vide order dtd. 29.12.23 approved all the unapproved PPAs without prejudice to enquiry on the deviations pointed out by KSERC itself & directed all generators to resume power supply with immediate effect. Since entire 600 MW of power of JPL was tied up and JPL was not in position to supply power to KSEB, it was decided to file an Appeal against the impugned Order of KSERC dated 29.12.23 before APTEL along with Stay Application and the same was filed on 18.01.24. The Order is reserved for further directions vide APTEL's Daily order dated 05.04.24.

27 Other Income

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|------------------------------|--------------------------------------|--------------------------------------|
| Interest on fixed deposit | 4,669.22 | 2,859.42 |
| Interest from others | 23.27 | 25.90 |
| Scrap sales | 99.73 | 17.28 |
| Other miscellaneous receipts | 28.20 | 34.39 |
| Provision Written Back | 2,094.29 | - |
| | 6,914.71 | 2,936.99 |

Notes:-

- Scrap sales includes sale of waste/used oil/empty drums etc.
- Other miscellaneous receipts includes sale of tender forms/application.
- Interest from others includes, Rs. 23.27 Lakhs interest on Income tax refund for F.Y 2022-23
- Refer note no. 45 for provision written back.



28 Fuel Expenses

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Cost of Generation of Power | | |
| - Coal consumed | 1,15,119.97 | 96,849.05 |
| - LDO consumed | 1,478.10 | 706.60 |
| Cost of Power | | |
| -Bilateral costs | 1,104.81 | - |
| | 1,17,702.88 | 97,555.65 |

29 Employee Benefit Expenses

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|---|--------------------------------------|--------------------------------------|
| Salaries & wages | 2,994.40 | 2,803.35 |
| Contribution to provident & other funds | 102.67 | 85.12 |
| Staff welfare | 36.61 | 35.37 |
| Recruitment Expenses | - | 0.03 |
| | 3,133.68 | 2,923.87 |

30 Finance Costs

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|--------------------------|--------------------------------------|--------------------------------------|
| Interest Expenses | | |
| NCD Interest | 9,452.92 | 5,758.46 |
| Interest Leases-Land | 24.16 | - |
| Other borrowing costs | 1.75 | - |
| | 9,478.83 | 5,758.46 |

Notes:-

- 1). Interest on Non-Convertible Debentures @ 8.5% p.a.
- 2). Interest on Leases (Ref. Note 37)

31 Depreciation

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Depreciation and amortisation | 17,581.10 | 17,694.75 |
| | 17,581.10 | 17,694.75 |



32 Other Expenses

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|--|--------------------------------------|--------------------------------------|
| Electricity duty | 1,951.80 | 1,949.73 |
| Energy Development Cess | 2,243.62 | 2,243.66 |
| Water Charges | 1,292.08 | 1,301.21 |
| Open access charges | 5,254.03 | 3,167.96 |
| DSM & start-up power | 1,667.36 | 1,488.50 |
| Consumables | 2,276.22 | 2,203.33 |
| O&M Contracts | 4,372.32 | 3,942.33 |
| O&M Service Charges | 166.56 | 153.11 |
| Repair & Maint. - Office | 5.03 | 29.74 |
| Repair & Maint. - Others | 654.57 | 606.90 |
| Repair & Maint. - Plant & Machinery | 223.13 | - |
| Rent (ref note no. 32.1) | 88.46 | 65.95 |
| Rate & Taxes | 75.27 | - |
| Electricity expenses | 1.17 | 0.70 |
| Travelling and conveyance | 290.54 | 267.64 |
| Legal and professional charges (ref note no 32.2) | 318.39 | 684.99 |
| Insurance | 577.34 | 627.42 |
| Telephone expenses | 1.23 | 1.57 |
| CSR Expenses | 97.48 | 67.71 |
| Safety Expenses | 135.86 | 131.33 |
| Environmental Expenses (ref note no 32.3) | 2,566.04 | 1,296.66 |
| Security Expenses | 343.04 | 395.64 |
| Loss On Assets Retirement | 729.03 | 153.81 |
| Provision For Doubtful Debts (ref note no 32.4) | 37,371.07 | 4,024.49 |
| Bad Debts (ref note no 45) | 484.91 | - |
| Hiring of Equipment's | 519.31 | 461.09 |
| Auditors Remuneration (ref note no 32.5) | 10.11 | 5.74 |
| ROC & other filing fees | 1.28 | 2.18 |
| Miscellaneous expenses (ref note no 32.6) | 123.38 | 176.07 |
| | 63,840.60 | 25,449.46 |

Notes:-

- 1). Rate & Taxes pertains to amount deposited with govt department as diversion tax for land includes Rs 37.87 Lakhs (F.Y 23-24) & Rs 37.40 (F.Y 22-23).
- 2). Refer Note no 38 for Loss on Asset retirement.
- 3). Refer Note no 39 for CSR expenditure disclosures.
- 4). Refer Note no 45 for bad and doubtful debts..

32.1 Rent

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|------------------|--------------------------------------|--------------------------------------|
| Rent Office | 77.35 | 63.95 |
| Rent-Guest House | 11.11 | 2.00 |
| Rent-Lease Land | - | - |
| | 88.46 | 65.95 |

Notes:-

- 1). Ref note no 37 for rent -lease land.



32.2 Legal and professional charges

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|---------------------|--------------------------------------|--------------------------------------|
| Consultancy Charges | 40.31 | 582.39 |
| Legal Expenses | 278.08 | 102.59 |
| | 318.39 | 684.99 |

32.3 Environmental Expenses

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|------------------------------|--------------------------------------|--------------------------------------|
| Ash utilization Exp | 2,464.56 | 1,116.47 |
| Other Environmental Expenses | 101.48 | 180.19 |
| | 2,566.04 | 1,296.66 |

Notes:-

- 1). Environmental expenses includes disposing of ash to low lying area & rack loading expenses for cement companies & CTO renewal fees.

32.4 Doubtful Debts

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|-------------|--------------------------------------|--------------------------------------|
| MPPMCL | 2,841.92 | - |
| KSEB | 31,821.74 | 4,024.49 |
| PTC | 2,707.41 | - |
| | 37,371.07 | 4,024.49 |

Notes:-

- 1). Refer note no 45 for doubtful debts.

32.5 Auditors Remuneration

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|---------------------------|--------------------------------------|--------------------------------------|
| Statutory Audit Fee | 5.02 | 3.25 |
| Tax Audit Fee | 1.77 | - |
| Cost Audit Fee | 1.71 | - |
| Certificate Fee | 0.30 | - |
| Internal Audit Fees | 0.80 | - |
| Reimbursement of expenses | 0.51 | 2.49 |
| | 10.11 | 5.74 |

Notes:-

- 1). Statutory audit fee includes Rs. 4.14 Lakhs for (F.Y 2023-24) & Rs. 0.88 Lakhs (F.Y 2022-23).
- 2). Tax audit fee includes Rs. 0.88 Lakhs for (F.Y 2023-24) & Rs. 0.88 Lakhs (F.Y 2022-23).
- 3). Cost audit fee includes Rs. 0.88 Lakhs for (F.Y 2023-24) & Rs. 0.82 Lakhs (F.Y 2022-23).
- 4). Internal Audit fee includes Rs. 0.55 Lakhs for (F.Y 2023-24) & Rs. 0.25 Lakhs (F.Y 2022-23).

32.6 Miscellaneous Expenses

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Guest House Expenses | 2.21 | - |
| Membership And Subscription Fees | 4.21 | 7.49 |
| Advertisement Expenses | 44.94 | 14.84 |
| Printing And Stationery | 1.34 | 1.78 |
| Other Miscellaneous expenses | 24.18 | 30.19 |
| Bank Charges | 46.50 | 121.78 |
| | 123.38 | 176.07 |



JHABUA POWER LIMITED**Notes to Financial Statements**

All amounts are in ₹ Lakhs, unless otherwise stated

33 Exceptional Income

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|---|--------------------------------------|--------------------------------------|
| Effect of Implementation of Resolution Plan. | | |
| (i). Extinguishment of dues of operational creditors | 19.92 | 10,899.68 |
| (ii). Extinguishment of dues of financial creditors | - | 2,99,343.68 |
| (iii). Extinguishment of Other Liabilities | - | 4,024.71 |
| (iv). Extinguishment of CCD of M/s Avantha Power & Infrastructure Limited | - | 13,470.58 |
| | 19.92 | 3,27,738.66 |

Note:-

Pursuant to the CIRP Process and implementation of the Resolution Plan, there has been a gain by way of exceptional items. These adjustments, having one-time, non-routine material impact on the financial statements hence, the same has been disclosed as "Exceptional Income" in the Financial statements.

- (i). Extinguishment of dues of operational creditor for Rs 19.92 Lakhs (F.Y 2023-24) & Rs 10899.68 Lakhs (F.Y 2022-23).
(ii). Extinguishment of dues of financial creditors Rs Nil (F.Y 2023-24) & Rs ((2,65,902.19 lakhs (LTB)+ Rs 33,441.49 lakhs (Working capital Loan)) (F.Y 2022-23).
(iii). Extinguishment of Other Liabilities Rs Nil (F.Y 2023-24) & Rs 4,024.71 lakhs (F.Y 2022-23).
(iv). Extinguishment of CCD of M/s Avantha Power & Infrastructure Limited Rs Nil (F.Y 2023-24) & Rs 13470.58 lakhs (Net off Adv.) (F.Y 2022-23).



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

34 Disclosure as per Ind-AS 12 Income Tax Expenses

Income Tax Expenses

Income Tax recognised in the Statement of profit & loss :

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|---|--|--|
| Current Tax Expenses | | |
| Current Year | - | - |
| Adjustment for earlier years | - | - |
| Total | - | - |
| Deferred Tax Expenses | | |
| Obligation and reversal temporary differences | (2,952.36) | 1,354.35 |
| Total Deferred Tax Expenses | (2,952.36) | 1,354.35 |

Deferred Tax Asset/(Liabilities)- Net

Movement in Deferred Tax Balances

| Particulars | For the Year Ended March 31, 2023 | During the F.Y 2023-24 | For the Year Ended March 31, 2024 |
|--|--|-----------------------------------|--|
| Deferred Tax Assets | | | |
| Provision for Doubtful debts | 8,993.79 | 8,878.46 | 17,872.25 |
| Leave Encashment & Gratuity | 85.19 | 32.60 | 117.80 |
| Carry forwarded Business Losses | 43,672.35 | (5,474.17) | 38,198.18 |
| Total | 52,751.33 | 3,436.89 | 56,188.22 |
| Deferred Tax Liability | | | |
| Timing Difference due to WDV | 54,105.69 | 484.53 | 54,590.22 |
| Total | 54,105.69 | 484.53 | 54,590.22 |
| Net Deferred Tax Assets/(Liabilities) | (1,354.35) | 2,952.36 | 1,598.00 |

| Particulars | For the Year Ended March 31, 2022 | During the F.Y 2022-23 | For the Year Ended March 31, 2023 |
|--|--|-----------------------------------|--|
| Deferred Tax Assets | | | |
| Provision for Doubtful debts | - | 8,993.79 | 8,993.79 |
| Leave Encashment & Gratuity | - | 85.19 | 85.19 |
| Carry forwarded Business Losses | - | 43,672.35 | 43,672.35 |
| Total | - | 52,751.33 | 52,751.33 |
| Deferred Tax Liability | | | |
| Timing Difference due to WDV | - | 54,105.69 | 54,105.69 |
| Total | - | 54,105.69 | 54,105.69 |
| Net Deferred Tax Assets/(Liabilities) | - | (1,354.35) | (1,354.35) |



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

35 Disclosure as per Ind-AS 33 on 'Earnings per Share'

| Basic and Diluted Earning Per Share | Amount in (Rs.) | |
|--|--|--|
| | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
| Basic Earning Per Share* | (1.70) | 34.73 |
| Diluted Earning Per Share* | (1.70) | 34.73 |
| Nominal Value Per Share | 10.00 | 10.00 |
| Profit attributable to Equity Shareholders (used as numerator) | | |
| | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
| Net Profit/(Loss) for the year after tax as per Statement of Profit and Loss | (11,058.24) | 3,44,562.85 |
| | (11,058.24) | 3,44,562.85 |
| Weighted average number of equity shares (used as denominator) | | |
| | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
| Opening balance of issued equity shares | 65,00,00,000 | 1,44,53,22,146 |
| Effect of shares issued during the year if any | - | 65,00,00,000 |
| Extinguishment of shares of erstwhile promoters | - | (1,44,53,22,146) |
| Weighted avg. number of equity shares for Basic EPS | | |
| Avg No of Shares held on 31.03.2024 (65,00,00,000 *366) | 2,37,89,99,99,927 | |
| Avg No of Shares held till 04.09.2022 (1,44,53,22,134 *157) | - | 2,26,91,55,76,922 |
| Avg No of Shares held On 05.09.2022 (65,00,00,000 *208) | - | 1,35,19,99,99,958 |
| | 2,37,89,99,99,927 | 3,62,11,55,76,880 |
| Weighted avg. number of equity shares for Basic EPS | 65,00,00,000 | 99,20,97,471 |
| Effect of Dilution | - | - |
| Weighted avg. number of equity shares for Diluted EPS | 65,00,00,000 | 99,20,97,471 |

* The amount of EPS shown upto two decimal only.



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

36 Disclosures as per IND AS-2 Inventories

i) Amount of Inventories consumed and recognised as expenses during the year is as under

| Particulars | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 |
|-----------------------------------|--|--|
| Coal (included in Note 28) | 1,15,119.97 | 96,849.05 |
| LDO (included in Note 28) | 1,478.10 | 706.60 |
| Consumables (included in Note 32) | 2,276.22 | 2,203.33 |
| Total | 1,18,874.29 | 99,758.98 |

ii) Carrying amount of inventories hypothecated as security for borrowing as on March 31, 2024 is Rs 11420.07 lakhs and as on March 31, 2023 was Rs 17,479.87 lakhs. (ref note no 9)



37 Disclosures as per IND AS-116 "Leases"

1). Company as Lessee

The Company's significant leasing arrangements are in respect of the following assets:-

- (i). The company has entered into a leasing arrangements in respect of land for plant use in year 2010 for total area is around 90.51 hect for 30 years in Village Barela/Gorakhpur & bineki for which one time expenditure of Rs 146.63 lakhs was incurred. The company has paid entire lease consideration on entering into the agreement with future liability of Rs. 6.01 lakhs as lease rent every year for the lease period or lease is cancel. These leases are capitalized at the value of initial consideration of Rs 146.63 lakhs under head Right of Use Land and amortised considering the signification accounting polices of the company in period of 30 years.
- (ii). Company (JPL) is require to pay Rs 6.01 Lakhs Lease rent every year to Government which is neither demanded by nor paid to the respective dep't. As per NCLT order all liabilities prior to NCLT date (27.03.2019) is extinguished so JPL has create a further Right of use Assets as per the AS-116 Lease accounting in F.Y 23-24 with effect from 01.04.2019 by creating Right of use-Land & lease liabilities on dated 01.01.2024 of Rs. 59.02 lakhs and same is amortized in balance life of lease agreements i.e. 22 years.
- (iii). The carrying amount of lease liabilities recognized and movement during the Year is Rs. 59.02 lakhs (F.Y 22-23 Nil).
- (iv). Maturity Analysis of lease liabilities- Obligation during Year Rs. 5.92 lakhs (F.Y. 22-23 Nil) as principal re-payment and interest Rs. 24.15 lakhs (F.Y 22-23 Nil)
- (v). The following are the amounts recognized as in Statement of Profit and loss :-

| Particulars | Amount in Lakhs (Rs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
| Depreciation and amortisation expenses for the Right of Use of Assets* | 18.31 | 4.90 |
| Interest expenses on Lease Liabilities** | 24.16 | - |
| Expenses related to Short Term Lease | 88.46 | 65.95 |
| | <u>130.93</u> | <u>70.85</u> |

* .Depreciation and amortisation expenses on leases includes for the Current year Rs. 7.58 Lakhs & Rs. 10.73 Lakhs (F.Y 2019-20 to 2022-23)

** Interest expenses on leases includes Interest for the current year Rs. 4.63 Lakhs & Rs. 19.58 Lakhs (F.Y 2019-20 to 2022-23).

- (vi). The following are the carrying amounts of lease liabilities recognised and the movements during the year:

| Particulars | Amount in Lakhs (Rs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
| Opening Balance | - | - |
| Additions in Lease liabilities | 59.02 | - |
| Payment of lease liabilities/Trf to vendor Account | (5.92) | - |
| Closing Balance | <u>53.10</u> | - |
| Current | 1.50 | - |
| Non Current | 51.60 | - |

- (vii). Total amount payable to Govt dep't for Lease Land is Rs 30.08 Lakhs which comprises Rs 24.16 Lakhs (Interest) & Rs 5.92 Lakhs towards principal re-payment.

- (viii). Lease rent has been discounted @ 8.5% p.a. (i.e. NCD coupon rate).

2). Company as Lessor

No leasing arrangements during the Year (F.Y 22-23 Nil).



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

38 De-Recognition of Capital Spares From Fixed Asset Register

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|--|--------------------------------------|--------------------------------------|
| Gross Block of Spares De-recognized From FAR | | |
| Capital Spares | 471.23 | |
| MDBFP (Motor) | 715.31 | |
| Total Gross Block | 1,186.54 | |
| Accumulated Depreciation on Capital Spares | 129.49 | |
| Accumulated Depreciation on MDBFP (Motor) | 203.54 | |
| Total Accumulated Depreciation | 333.03 | |
| Net Block | 853.51 | |
| Insurance Claim Received against MDBFP (Motor)-Partial | 100.00 | |
| Sale of Scrap of MDBFP (Motor) | 24.47 | |
| Total Amount Received | 124.47 | |
| Profit/(Loss)On Assets Retirement | (729.03) | |

Notes:-

- 1). The company has de-recognised the capital spares & MDBFP (motor) which were capitalized earlier and now de-recognised in F.Y 2023-24.



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

39 Disclosure for Corporate Social Responsibility (CSR)

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|---|--|--|
| Amount required to be spent in F.Y | 398.49 | 410.86 |
| Amount actually spent in F.Y | 97.48 | 67.71 |
| Balance Amount unspent for F.Y | 301.01 | 343.16 |
| Amount unspent for F.Y to be set off with brought forwarded CSR exp | 301.01 | 343.16 |
| CSR Exp brought forwarded:- | | |
| F.Y 2020-21 | 670.09 | 1,013.24 |
| F.Y 2021-22 | 75.14 | 75.14 |
| Amount to be carry forwarded for next F.Y. | | |
| F.Y 2020-21 | - | 670.09 |
| F.Y 2021-22 | 75.14 | 75.14 |
| F.Y 2022-23 | - | - |
| Nature of CSR activities, | Rural Infrastructure/Agro based Livelihood | Rural Infrastructure/Agro based Livelihood |

Notes:-

As per the provisions of Companies Act 2013, if any company spends an amount in excess of requirement provided under sub-section (5) of section 135 which is 2% of its net profit of preceding three financial years, then such excess amount may be set off against the requirement to spend under sub-section (5) of up to immediate succeeding three financial years. Carry forwarded available from F.Y 2022-23 Rs. 745.23 Lakhs, JPL requires to incurred Rs 398.49 Lakhs as csr expenditure in F.Y 23-24, but actual expenditure incurred Rs 97.49 Lakhs and unspent amount Rs 301.01 Lakhs is adjusted with C.F from F.Y 2022-23. Carry forwarded CSR expenditure which will be available for next F.Y 2024-25 is Rs. 75.14 Lakhs.



JHABUA POWER LIMITED

Notes to Financial Statements

All amounts are in ₹ Lakhs, unless otherwise stated

40 Disclosure as per Ind-AS-24 on Related Parties

(i) Names of related parties having transactions during the year and description of relationship :

Related Parties:- **NTPC Limited**

Key Management Personnel

Sh. Anil Kumar - Chief Executive Officer

Sh. Kundan Kumar Mishra - Chief Financial Officer

Mr. Gagan Deep Gupta - Company Secretary

(ii) Details of transaction with the related parties.

| Particulars | Nature of relationship | Transaction Type | F.Y 2023-24 | | | | |
|---------------------------------------|------------------------|------------------|-------------|-----------|--------------------|-------------------|----------|
| | | | Share Issue | NCD Issue | Repayment of NCD | Interest-NCD | Dividend |
| Axis Trustee Services Limited | Shareholder | Share Issue | - | - | - | - | - |
| NTPC Limited | Group Company | Share Issue | - | - | - | - | - |
| NTPC Limited | Group Company | NCD Issue | - | - | (5,000.00) | (4,726.38) | - |
| Axis Bank Ltd. | Others | NCD Issue | - | - | (444.84) | (420.50) | - |
| Bank of India | Govt-PSU | NCD Issue | - | - | (345.55) | (325.64) | - |
| LIC of India | Govt-PSU | NCD Issue | - | - | (236.70) | (223.75) | - |
| Power Finance Corporation Ltd | Govt-PSU | NCD Issue | - | - | (1,062.24) | (1,004.11) | - |
| Punjab National Bank | Govt-PSU | NCD Issue | - | - | (635.37) | (600.60) | - |
| Rural Electrification Corporation Ltd | Govt-PSU | NCD Issue | - | - | (429.00) | (405.53) | - |
| State Bank of India | Govt-PSU | NCD Issue | - | - | (751.66) | (710.53) | - |
| UCO Bank | Govt-PSU | NCD Issue | - | - | (339.55) | (320.97) | - |
| Union Bank of India | Govt-PSU | NCD Issue | - | - | (755.08) | (713.76) | - |
| Total | | | - | - | (10,000.00) | (9,452.77) | - |

| Particulars | Nature of relationship | Transaction Type | F.Y 2022-23 | | | | |
|---------------------------------------|------------------------|------------------|------------------|--------------------|-------------------|-------------------|--------------------|
| | | | Share Issue | NCD Issue | Repayment of NCD | Interest-NCD | Dividend |
| Axis Trustee Services Limited | Shareholder | Share Issue | 32,500.00 | - | - | - | - |
| NTPC Limited | Group Company | Share Issue | 32,500.00 | - | - | - | - |
| NTPC Limited | Group Company | NCD Issue | - | 59,999.99 | (2,500.00) | (2,879.23) | (10,000.00) |
| Axis Bank Ltd. | Others | NCD Issue | - | 5,338.12 | (222.42) | (256.16) | (889.69) |
| Bank of India | Govt-PSU | NCD Issue | - | 4,146.63 | (172.78) | (198.98) | (691.10) |
| LIC of India | Govt-PSU | NCD Issue | - | 2,840.41 | (118.35) | (136.30) | (473.40) |
| Power Finance Corporation Ltd | Govt-PSU | NCD Issue | - | 12,746.85 | (531.12) | (611.69) | (2,124.48) |
| Punjab National Bank | Govt-PSU | NCD Issue | - | 7,524.47 | (317.69) | (365.88) | (1,270.75) |
| Rural Electrification Corporation Ltd | Govt-PSU | NCD Issue | - | 5,148.04 | (214.50) | (247.04) | (858.01) |
| State Bank of India | Govt-PSU | NCD Issue | - | 9,019.92 | (375.83) | (432.84) | (1,503.32) |
| UCO Bank | Govt-PSU | NCD Issue | - | 4,074.63 | (169.78) | (195.53) | (679.11) |
| Union Bank of India | Govt-PSU | NCD Issue | - | 9,060.93 | (377.54) | (434.81) | (1,510.15) |
| Total | | | 65,000.00 | 1,19,999.99 | (5,000.00) | (5,758.46) | (20,000.00) |

(iii) Compensation to Key Management personnel

| Particulars | Nature of relationship | Transaction Type | F.Y 2023-24 | F.Y 2022-23 |
|-------------------------|-------------------------|-------------------------|-------------|-------------|
| Sh. Anil Kumar | Chief Executive Officer | Managerial remuneration | 92.11 | 35.73 |
| Sh. Kundan Kumar Mishra | Chief Financial Officer | Managerial remuneration | 67.32 | 32.93 |
| Mr. Gagan Deep Gupta | Company Secretary | Managerial remuneration | 15.90 | 14.72 |
| Mr. Janmejiya Mahapatra | Chief Executive Officer | Managerial remuneration | - | 48.54 |
| Mr. R. RAJAGOPAL | Chief Financial Officer | Managerial remuneration | - | 1.55 |



JHABUA POWER LIMITED
Notes to Financial Statements

All amounts are in ₹ Lakhs, unless otherwise stated

40 Disclosure as per Ind-AS-24 on Related Parties
(iv) Details of transaction with the Other related parties.

| Particulars | Nature of relationship | Transaction Type | F.Y 23-24 | F.Y 22-23 |
|---|------------------------|----------------------|-----------|-----------|
| NTPC Limited | Group Company | Rent - Noida Office | 77.35 | 19.11 |
| NTPC Limited | Group Company | Employee -related | 518.11 | 217.59 |
| NVVNL | Group Company | Sale of Power | 80,482.84 | 23,000.51 |
| NVVNL | Group Company | Open Access Charges | 1,361.98 | - |
| Axis Trustee Services Limited | Others | Others | - | 7.39 |
| Bharat Heavy Electricals Limited- Bangalore | Govt-PSU | O&M Ser. | 2.34 | - |
| Bharat Heavy Electricals Limited- Jabalpur | Govt-PSU | O&M Ser. | - | - |
| Indian Oil Corp. Ltd | Govt-PSU | Supply of HSD | 444.94 | 337.99 |
| Indian Oil Corp. Ltd | Govt-PSU | Supply of Lubricants | 73.62 | - |
| HPCL | Govt-PSU | Supply of LDO | 1,578.99 | 604.23 |
| Steel Authority of India Limited-Bhilai | Govt-PSU | Steel Supply | 29.80 | - |
| Steel Authority of India Limited-Jabalpur | Govt-PSU | Steel Supply | - | - |
| Coal India Limited | Govt-PSU | Supply of Coal | - | - |
| South Eastern Coalfield Limited | Govt-PSU | Supply of Coal | 17,076.77 | 24,411.46 |
| South Eastern Coalfield Limited-RCR | Govt-PSU | Supply of Coal | 26,038.81 | 9,152.00 |
| Mahanadi Coalfield Limited | Govt-PSU | Supply of Coal | 5,421.23 | 9,667.53 |
| Western Coalfield Limited | Govt-PSU | Supply of Coal | - | - |
| Northern Coalfield Limited | Govt-PSU | Supply of Coal | 9,396.49 | 15,510.83 |
| Central Coalfield Limited | Govt-PSU | Supply of Coal | 1,440.23 | 3,858.28 |
| BCCL | Govt-PSU | Supply of Coal | 5,732.48 | - |

(v) Outstanding balances receivable/(payable) with the related parties

| Particulars | Related to | Transaction Type | Balances As At | |
|---|---------------|-------------------------|----------------|---------------|
| | | | 31 March 2024 | 31 March 2023 |
| NTPC Limited | Group Company | NCD | (52,499.99) | (57,499.99) |
| Axis Bank Ltd. | Others | NCD | (4,670.85) | (5,115.69) |
| Bank of India | Govt-PSU | NCD | (3,628.30) | (3,973.85) |
| LIC of India | Govt-PSU | NCD | (2,485.36) | (2,722.06) |
| Power Finance Corporation Ltd | Govt-PSU | NCD | (11,153.50) | (12,215.74) |
| Punjab National Bank | Govt-PSU | NCD | (6,671.42) | (7,306.79) |
| Rural Electrification Corporation Ltd | Govt-PSU | NCD | (4,304.53) | (4,933.54) |
| State Bank of India | Govt-PSU | NCD | (7,892.43) | (8,644.09) |
| UCO Bank | Govt-PSU | NCD | (3,565.30) | (3,904.86) |
| Union Bank of India | Govt-PSU | NCD | (7,928.32) | (8,683.39) |
| Axis Trustee Services Limited | Others | Other | (1.22) | (7.39) |
| NTPC Limited | Group Company | Other -Rent | (12.71) | (19.11) |
| NTPC Limited | Group Company | Other -Employee related | (75.95) | (97.19) |
| NVVNL | Group Company | Sale of Power | 4,897.07 | - |
| Bharat Heavy Electricals Limited- Bangalore | Govt-PSU | O&M Ser. | - | - |
| Bharat Heavy Electricals Limited- Jabalpur | Govt-PSU | O&M Ser. | 24.45 | - |
| Indian Oil Corp. Ltd | Govt-PSU | Supply of HSD | 2.24 | 24.47 |
| Indian Oil Corp. Ltd | Govt-PSU | Supply of Lubricants | - | - |
| HPCL | Govt-PSU | Supply of LDO | 9.22 | 43.56 |
| Steel Authority of India Limited-Bhilai | Govt-PSU | Steel Supply | 24.82 | - |
| Steel Authority of India Limited-Jabalpur | Govt-PSU | Steel Supply | 149.90 | - |
| Coal India Limited | Govt-PSU | Supply of Coal | - | 22.67 |
| South Eastern Coalfield Limited | Govt-PSU | Supply of Coal | 1,050.97 | 1,573.16 |
| South Eastern Coalfield Limited-RCR | Govt-PSU | Supply of Coal | 20,626.83 | 3,275.75 |
| Mahanadi Coalfield Limited | Govt-PSU | Supply of Coal | 3,048.45 | 1,230.81 |
| Western Coalfield Limited | Govt-PSU | Supply of Coal | - | - |
| Northern Coalfield Limited | Govt-PSU | Supply of Coal | 5,924.65 | 6,102.38 |
| Central Coalfield Limited | Govt-PSU | Supply of Coal | 1,419.67 | 868.16 |
| BCCL | Govt-PSU | Supply of Coal | 383.44 | - |

(vi) The company has not granted any loan and advances in the nature of loan to promoters, KMP and related parties.

(vii) Transaction with the related parties are made on normal commercial terms and conditions at market price.

(viii) Outstanding balances from/or related parties at the year end are unsecured and interest free (except NCD) and settlement occurs through banking transactions.



JHABUA POWER LIMITED
Notes to Financial Statements
All amounts are in ₹ Lakhs, unless otherwise stated

41 Disclosures as per Ind-AS-37 on Contingent liabilities & Commitments

| Contingent liabilities (to the extent not provided for) | 31 March 2024 | 31 March 2023 |
|--|----------------------|----------------------|
| Contingent liabilities: | | |
| Bank Guarantees (ref note no 1) | - | - |
| Letter of credit (ref note no 1) | - | - |
| Claims against the Company not acknowledge as debts-Taxes(ref note no 2) | 453.84 | 453.84 |
| | 453.84 | 453.84 |

Notes:-

- 1). Bank Gurantees & Letter of Credit issued from bank against 100% FD margin and same has not considered in contingent liability.
 - 2). Commercial tax department demanding Rs. 453.84 lakhs under section 3(2) of entry tax. However all these cases are extinguished as per NCLT order. (ref point no 4).
 - 3). BHEL has filed a claim against JPL of Rs. 296.48 crore and same is under arbitration. As per para 19 (2) Relinquishment/Waiver of liabilities of NCLT order dt 6th July 2022 for approval of resolution plan, no action can be taken by Operational Creditors or Other Creditors against the company. Considering the above fact same is not part of contingent liabilities. (ref point no 4).
 - 4). As per approved resolution plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan, among other matters provide that upon the approval of this Resolution Plan by the National Company Law Tribunal (NCLT) and settlement and receipt of the payment towards the IRP Costs and by the creditors in terms of this plan, all the liabilities demands, damages, penalties, loss, claims of any nature whatsoever (whether admitted/verified/submitted/rejected or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future) including any liabilities, losses, penalties or damages arising out of non-compliances, to which the Company is or may be subject to and which pertains to the period on or before the Effective Date (i.e. September 05, 2022) and are remaining as on that date shall stand extinguished, abated and settled in perpetuity without any further act or deed. The Resolution plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.
- Commitments**
- 5). Estimated amount of contracts remaining to be executed on capital nature account and not provided for March 31, 2024 Rs. 3744.68 Lakhs.



42 Disclosures as per IND AS-115 "Revenue from Contract with Customers"

Nature of Goods and Services

The revenue of the company comprises of income from energy sales through PPA (long/medium & short term) and sale of energy through trading in market.

(i). Revenue from Energy Sales

The major revenue of the company comes from energy sales. The company sells electricity to bulk customers, mainly electricity utilities owned by state governments (MPPMCL/KSEB/UPCL) as well as private discoms operating in states. Sale of energy is generally made pursuant to PPA (long/medium & short term) and sale of energy through trading in market. Revenue also includes other reimbursement billing like Electricity Duty/Energy Development Cess/Ash utilization billing etc. or other amounts collected from customers.

(ii). Nature, Timing of satisfaction of Performance obligations

The company recognise revenue from contracts for energy sales over time as the customer simultaneously receive and consume the benefits provided by the company. The tariff for computing revenue from energy sales is determined in terms of PPA (long/medium/short term) and other regulation as notified from time to time and in case of market transaction as per bid for that particular sales transaction. The amounts are billed as per terms of agreement and are payable with in contractually agreed credit terms.

(iii). The company has not incurred any incremental costs of obtaining contracts with customers and therefore not recognised as assets for such costs.



JHABUA POWER LIMITED**Notes to Financial Statements**

All amounts are in ₹ Lakhs, unless otherwise stated

43 Disclosures as per Ind-AS-1- Presentation of Financial Statement.

1). During the year no significant changes are made in the accounting policy followed by the company.

2). Reclassification and comparative figures:-

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current's financial statements and to ensure compliance with the Ind AS. As a result certain line items in balance sheet, Statement of profit and loss & statement of cash flow, the details of which are as under:-

Items of balance sheet before and after classification:-

| Particulars | Note No | Before reclassification (as on March 31, 2023) | Amount of re-classification | After re-classification |
|---|---------|--|-----------------------------|-------------------------|
| Trade Payables | | | | |
| -Total outstanding dues of micro enterprises and small enterprises | 23 | 300.92 | 712.69 | 1,013.61 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 23 | 3,822.56 | (2,197.22) | 1,625.34 |
| Other current liabilities | 24 | 1,239.01 | 1,484.52 | 2,723.54 |
| Trade Receivables | 10 | 70,820.50 | - | 70,820.50 |
| Cash and Cash Equivalents | 11 | 2,315.82 | 29,173.71 | 31,489.53 |
| Bank Balances other than Cash and Cash Equivalents | 12 | 47,097.94 | (29,173.71) | 17,924.22 |
| | | | | |
| | | | | |

Items of statement of Profit and loss before and after classification:-

| Particulars | Note No | Before reclassification (as on March 31, 2023) | Amount of Reclassification | After Reclassification |
|----------------|---------|--|----------------------------|------------------------|
| Finance costs | 30 | 5880.24 | (121.78) | 5758.46 |
| Other Expenses | 32 | 25327.66 | 121.78 | 25449.46 |
| | | | | |
| | | | | |

Items of statement of Cash Flow before and after classification:-

| Particulars | Note No | Before reclassification (as on March 31, 2023) | Amount of Reclassification | After Reclassification |
|---|---------|--|----------------------------|------------------------|
| Cash Generated from Operation | | | | |
| Trade Payables, liabilities and provisions | CF | (1,79,355.37) | 1,61,300.96 | (18,054.41) |
| loans & advances and other assets | CF | 4,559.06 | 0.00 | 4,559.06 |
| Cash Generated from investing Activities | CF | | | |
| Investment in bank deposits | CF | (7,955.07) | (29,173.71) | 21,218.64 |
| Cash flows from financing activities | | | | |
| Proceeds from issue of equity shares | CF | 65,000.00 | (32,500.00) | 32,500.00 |
| Proceeds from borrowings | | 1,04,999.99 | (44,999.99) | 60,000.00 |
| Change in/Repayment of borrowings | CF | - | (83,800.95) | (83,800.95) |
| Cash and cash equivalents at end of reporting year | CF | 2,315.82 | 29,173.69 | 31,489.53 |
| | | | | |
| | | | | |



44 Employee Benefits

As per Ind AS-19 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard are given below:

Defined Contribution Plan*

Contribution to defined contribution Plan is recognized and charged off for the year, are as under :

| Defined Contribution Plan: | For the year ended 31 March 2024 | For the Year ended 31 March 2023 |
|---|-------------------------------------|--|
| Particulars | | |
| Employer's contribution to provident & pension fund | 102.67 | 85.12 |

Defined Benefit Plan

a) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit plan, covering eligible employees. This Plan provides for a lump sum payment to vested employees on retirement, death, incapacity or termination of employment of amounts that are based on salary and tenure of employment. Liability with regard to this plan are determined by actuarial valuation.

b) Leave Encashment

The Company permits encashment of leave accumulated by their employees on retirement, separation and during the course of service. The liability for encashment of leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date. This Plan is completely unfunded

c) Reconciliation of opening and closing balances of the present value of the defined benefit obligations

| Defined Benefit Plan: Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|---|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Gratuity (Unfunded) | Leave Encashment (Unfunded) | Gratuity (Unfunded) | Leave Encashment (Unfunded) |
| Present value of obligation as at the beginning of the year | 253.09 | 85.37 | 150.18 | 54.23 |
| Current service cost | 29.70 | 10.79 | 24.68 | 10.55 |
| Interest Expense or cost | 18.27 | 6.17 | 10.96 | 3.96 |
| Acquisition | - | - | - | - |
| Re-Measurement (or Actuarial) (gain) / (loss) arising from: | | | | |
| - change in demographic assumptions | - | - | - | - |
| - change in financial assumptions | 10.07 | 3.04 | 2.46 | 0.80 |
| - experience variance (i.e. Actual experience vs assumptions) | 78.32 | 45.00 | 87.80 | 42.76 |
| - others | - | - | - | - |
| Past service cost | - | - | - | - |
| Effect of change in foreign exchange rates | - | - | - | - |
| Benefits paid | (33.97) | (37.86) | (22.99) | (26.92) |
| Effects of business combinations or disposals | - | - | - | - |
| Exchange differences | - | - | - | - |
| Present value of obligation as at the end of the year | 355.50 | 112.52 | 253.09 | 85.37 |

d) Reconciliation of opening and closing balances of the present value of the defined benefit obligations

| Plan Asset: Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|--|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Gratuity (Unfunded) | Leave Encashment (Unfunded) | Gratuity (Unfunded) | Leave Encashment (Unfunded) |
| Fair value of plan assets as at the beginning of the year | - | - | - | - |
| Investment Income | - | - | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | - | - | - | - |
| Actual Company contribution | 33.97 | 37.86 | 22.99 | 26.92 |
| Fund transferred | - | - | - | - |
| Employee Contribution | - | - | - | - |
| Benefits Paid | (33.97) | (37.86) | (22.99) | (26.92) |
| Fair value of plan assets as at the end of the year | - | - | - | - |

e) Change in effects of assets ceiling

| Effects of assets ceiling Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|--|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Gratuity (Unfunded) | Leave Encashment (Unfunded) | Gratuity (Unfunded) | Leave Encashment (Unfunded) |
| Effect of assets ceiling at the beginning of the year | - | - | - | - |
| Interest expense or Cost (to the extent not recognised in net interest expenses) | - | - | - | - |
| Re-measurement (or actuarial) (gain) / (loss) arising because of change in effect assets ceiling | - | - | - | - |
| Effect of assets ceiling at the end of the year | - | - | - | - |



44 Employee Benefits

l) The Components of Amounts Recognised and Charges off for the year are as under:

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|--|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Current service cost | 29.70 | 10.79 | 24.68 | 10.55 |
| Past service cost | - | - | - | - |
| Loss / (Gain) on settlement | - | - | - | - |
| Net interest income / (cost) on the net defined benefit liability (Assets) | 18.27 | 6.17 | 10.96 | 3.96 |
| Less Recovered from Holding Company | - | - | - | - |
| Net Cost recognised in Statement of Profit/Loss | 47.98 | 16.96 | 35.65 | 14.51 |
| Other Comprehensive Income: | | | | |
| Actuarial (gain) / losses | - | - | - | - |
| - change in demographic assumptions | 10.07 | 3.04 | 2.46 | 0.80 |
| - change in financial assumptions | - | - | - | - |
| - experience variance (i.e. Actual experience vs assumptions) | 78.32 | 45.00 | 87.80 | 42.76 |
| - others | - | - | - | - |
| Return on plan assets, excluding amount recognised in net net interest expense | - | - | - | - |
| Re-measurement (or actuarial) (gain) / (loss) arising because of change in effect assets ceiling | - | - | - | - |
| Components of defined benefit costs recognised in other comprehensive income | 88.39 | 48.05 | 90.26 | 43.56 |

g) Balance Sheet Obligations

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|--|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Present value of obligation as at the end of the year | 355.50 | 112.52 | 253.09 | 85.37 |
| Fair value of plan assets as at the end of the year | - | - | - | - |
| Liabilities/ (Assets) recognised in the Balance Sheet | 355.50 | 112.52 | 253.09 | 85.37 |

h) Economic Assumptions

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|--|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Discount rate | 6.97% | 6.97% | 7.22% | 7.22% |
| Salary growth rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Expected rate of return on plan assets | - | - | - | - |

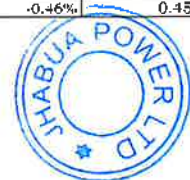
i) Demographic assumptions

| Particulars | As at 31-03-2024 | | As at 31-03-2023 | |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Retirement age (years) | 60 | 60 | 60 | 60 |
| Mortality Rate (as % of IALM 06-08) | 100% | 100% | 100% | 100% |
| Withdrawal rate | 2% | 2% | 2% | 2% |
| Rate of leave availment | - | 0.00% | - | 0.00% |

j) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonable possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

| Particulars | For the year ended 31-03-2024 | | | | For the year ended 31-03-2023 | | | |
|--|-------------------------------|----------|------------------|----------|-------------------------------|----------|------------------|----------|
| | Gratuity | | Leave Encashment | | Gratuity | | Leave Encashment | |
| | (Unfunded) | | (Unfunded) | | (Unfunded) | | (Unfunded) | |
| Defined Benefit Obligation (Base) | 355.50 | | 112.52 | | 253.09 | | 85.37 | |
| Particulars | As at 31.03.2024 | | | | As at 31.03.2023 | | | |
| | Decrease | Increase | Decrease | Increase | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 400.11 | 317.50 | 126.00 | 101.05 | 286.90 | 224.53 | 96.40 | 76.08 |
| % change compared to base due to sensitivity | 12.55% | -10.69% | 11.96% | -10.21% | 13.35% | -11.28% | 12.89% | -10.90% |
| Salary Growth Rate (- / + 1%) | 315.75 | 398.37 | 100.02 | 127.03 | 223.21 | 288.00 | 75.27 | 97.22 |
| % change compared to base due to sensitivity | -11.81% | 12.06% | -11.12% | 12.88% | -11.81% | 13.79% | -11.85% | 13.86% |
| Attrition Rate (- / + 1%) | 347.82 | 362.37 | 110.06 | 114.74 | 246.01 | 259.40 | 82.91 | 87.58 |
| % change compared to base due to sensitivity | -2.16% | 1.93% | -2.20% | 1.96% | -2.80% | 2.49% | -2.90% | 2.57% |
| Mortality Rate (- / + 1%) | 354.15 | 356.82 | 112.11 | 112.95 | 251.94 | 254.24 | 85.00 | 85.77 |
| % change compared to base due to sensitivity | -0.38% | 0.37% | -0.38% | 0.37% | -0.46% | 0.45% | -0.46% | 0.45% |



44 Employee Benefits

k) Maturity Profile of defined benefit obligation

| Particulars | As at 31.03.2024 | | As at 31.03.2023 | |
|---|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| | (Unfunded) | (Unfunded) | (Unfunded) | (Unfunded) |
| Weighted average duration of cash flows (years) | 12 | 12 | 12 | 12 |
| Expected Cash Flows Over the next (Valued on undiscounted basis) | | | | |
| 1 year | 10.71 | 3.31 | 7.86 | 2.59 |
| 2 - 5 year | 68.80 | 22.54 | 36.88 | 13.09 |
| 6 - 10 year | 151.81 | 46.62 | 99.42 | 30.12 |
| More than 10 year | 679.44 | 206.69 | 573.49 | 190.52 |



JHABUA POWER LIMITED**Notes to Financial Statements****All amounts are in ₹ Lakhs, unless otherwise stated****45 Disclosure for Bad & Doubtful Debts**

| Particulars | For the year ended 31 March, 2024 | For the year ended 31 March, 2023 |
|--|--------------------------------------|--------------------------------------|
| 1). <u>Bad Debts</u> | | |
| (i) MPPMCL | 471.91 | - |
| (ii) PTC | 13.00 | - |
| Total Bad Debts | 484.91 | - |
| 2). <u>Doubtful Debts</u> | | |
| (i) MPPMCL | 2,841.92 | - |
| (ii) KSEB | 31,821.74 | 4,024.49 |
| (iii) PTC | 2,707.41 | - |
| Total Doubtful Debts | 37,371.07 | 4,024.49 |
| 3). <u>Provision Written Back</u> | | |
| (i) MPPMCL | (1,525.00) | - |
| (ii) KSEB | (569.29) | - |
| | (2,094.29) | - |

Notes:-

- 1(i).** Bad debts as provided above for Rs 471.91 Lakhs pertains to disallowance by MPPMCL in variable charges for Part load compensation claim, differential amount for unit considered off bar but claimed on bar, difference of fixed charges etc. The above difference/disallowances were observed by JPL in the course of reconciliation with MPPMCL and have been accounted for accordingly.
- 1(ii).** Bad debts as provided above for Rs 13.00 Lakhs pertains to inadvertent billing error in LPS computation and accordingly disallowed by PTC Limited.
- 2(i).** Doubtful debts of Rs 2841.92 Lakhs is towards LPS amount billed to MPPMCL.
- LPSC amount of Rs. 1732.49 Lakhs billed to MPPMCL has not been admitted and the same is sub-judice before APTEL.
 - The balance amount of Rs. 1109.42 Lakhs is for LPS billing done during current F.Y. as the amount is not paid till date by MPPMCL and to make a fair presentation of financials, the outstanding LPS claims value is provisioned as doubtful debts.



45 Disclosure for Bad & Doubtful Debts

2(ii). Doubtful debts of Rs 31821.74 Lakhs pertains to KSEB's two PPA's with JPL (for 115 MW & 100 MW capacity) and Supply against these PPA commenced from December 2016 & October 2017 respectively. In May-2023 KSERC, vide order dated 10.05.2023, disapproved both the PPAs citing irregularities in bidding process. However, Hon'ble KSERC passed another Order on 07.06.2023 directing all the generators (including JPL) to resume supply of power for a period of 75 days i.e. up to 20.08.2023 as an interim arrangement. Fuel supply under FSA was also suspended w.e.f August 20, 2023. JPL stopped supply to KSEB after completion of 75 days. Consequently, JPL entered into a long term power sale arrangement with NVVNL on 27.09.23 (till useful life of plant) for untied capacity. KSERC vide order dtd. 29.12.23 approved all the unapproved PPAs without prejudice to enquiry on the deviations pointed out by KSERC itself & directed all generators to resume power supply with immediate effect. Since entire 600 MW of power of JPL was tied up and JPL was not in position to supply power to KSEB, it was decided to file an Appeal against the impugned Order of KSERC dated 29.12.23 before APTEL along with Stay Application and the same was filed on 18.01.24. The Order is reserved for further directions vide APTEL's Daily order dated 05.04.24.

• Further, miscellaneous petition regarding unpaid amounts/deductions by KSEB are also sub-judice before Hon'ble CERC.

• An appeal against Hon'ble APTEL's order dated 13.05.21 is pending before Hon'ble Supreme Court in SHR matter.

• Since there is considerable uncertainty regarding the past Tariff realisation against both the PPAs, to make a fair presentation of financials, all outstanding amount towards KSEB is provisioned as doubtful debts.

2(iii). Doubtful debts of Rs. 2707.41 Lakhs pertains to Compensation towards non supply of power to PTC limited during AoH in Oct'21. Order has been reserved by Hon'ble CERC on 18.12.23. To make a fair presentation of financials, the same is provisioned as doubtful debts.

3(i). Provision written back includes Rs. 1525.00 Lakhs of MPPMCL for which doubtful debts provision was made in earlier financial years & Rs. 569.29 Lakhs for KSEB for which doubtful debts provision was made in current financial years. During the C.F.Y JPL received these outstanding amounts from beneficiaries.

4). Provisions made during the year are subject to reversal as per the outcome/final order of regulatory authorities or courts.



JHABUA POWER LIMITED
Notes to Financial Statements

46 Disclosure for Analytic Ratio

| Particulars | Numerator | Denominator | As at 31-03-24 | As at 31-03-23 | Variance | Remarks |
|----------------------------------|--|---|----------------|----------------|----------|------------------|
| Current ratio | Current Assets | Current Liabilities | 7.92 | 9.97 | -21% | See Note-1 below |
| Debt-equity ratio | Total Debt | Shareholder's Equity | 0.27 | 0.28 | -6% | No major Change |
| Return on equity ratio | Net Profits/(loss)after taxes – Preference Dividend (if any) | Average Shareholder's Equity | (0.03) | 1.64 | -102% | See Note-2 below |
| Inventory turnover ratio | Cost of goods sold OR sales | Average Inventory | 13.20 | 12.11 | 9% | No major Change |
| Trade receivables turnover ratio | Net Credit Sales | Average Trade Receivables | 3.93 | 2.35 | 67% | See Note-3 below |
| Trade payables turnover ratio | Purchases of services and other expenses | Average Trade Payables | 38.22 | 23.62 | 62% | See Note-4 below |
| Net capital turnover ratio | Net Sales | Average Working Capital | 1.44 | (1.39) | -204% | See Note-5 below |
| Net profit ratio | Net Profit | Net Sales | (0.07) | 2.10 | -103% | See Note-6 below |
| Return on capital employed | Earning before interest and taxes | Capital Employed | (0.01) | 0.68 | -101% | See Note-7 below |
| Return on investment | Income generated from investments | Time weighted average investm: Not Applicable as the Company does not have any investment | | | | |

Notes:-

- 1). The change in ratio is due to provision for doubtful debts is created against debtors and lower value of inventory.
- 2). The change in ratio is due to loss in current F.Y 2023-24 as compared to profit in F.Y 2022-23.
- 3). The change in ratio is due to decrease in debtors due to creation of provision for doubtful debts as well as increase in turnover as compared to last F.Y.
- 4). The change in ratio is due to decrease in trade payable as well as increase in turnover as compared to last F.Y.
- 5). The change in ratio is due to extinguishment of the current liabilities on implementation of resolution plan in last F.Y 2022-23.
- 6). The change in ratio is due to loss in current F.Y 2023-24 as compared to profit in F.Y 2022-23.
- 7). The change in ratio is due to loss in current F.Y 2023-24 as compared to profit in F.Y 2022-23.



JHABUA POWER LIMITED
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS
All amounts are in ₹ Lakhs, unless otherwise stated

47 i) Financial Risk Management

(1) Financial risk factors

The Company's risk management activities are subject to the management direction and control under the Risk Management Framework. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and the risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

c) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

ii) Credit risk

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the end of the financial year in relation to each class of recognised financial assets is the carrying amount of the those assets as stated in the statement of the financial position. The Company's does not hold any collateral on the balance outstanding.

The Company's extend credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Receivable balances are monitored on an on-going basis.

iii) Liquidity risk

Liquidity risk is the risk that the Company's may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's principal source of liquidity has been cash flow from operations.

Maturity profile of financial liabilities :

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| <u>As at 31st March 2024</u> | <u>Less than 1 year</u> | <u>1 to 5 years</u> | <u>More than 5 years</u> | <u>Total</u> |
|-------------------------------|-------------------------|---------------------|--------------------------|--------------|
| Borrowings | 10,000.00 | 49,999.98 | 45,000.01 | 1,04,999.99 |
| Trade Payables | 4,335.86 | 531.72 | - | 4,867.58 |
| Other Financial Liabilities | - | - | - | - |
| <u>As at 31st March, 2023</u> | <u>Less than 1 year</u> | <u>1 to 5 years</u> | <u>More than 5 years</u> | <u>Total</u> |
| Borrowings | 10,000.00 | 49,999.98 | 55,000.01 | 1,14,999.99 |
| Trade Payables | 2,159.35 | 479.60 | - | 2,638.95 |
| Other Financial Liabilities | - | - | - | - |

48 Fair Value Measurement :

All the financial assets and liabilities are measured at amortised cost method and hence level wise fair value hierarchy is not required to disclose. Further the management assessed that the fair value of these financial assets and liabilities approximate to their carrying value.



49 Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS -108 (Segment Reporting).

50 Disclosures as per Ind-AS-36 on impairment of Assets

There are no external and internal indicators which leads to any impairment of assets of the company as required by Ind As-36 "Impairment of Assets". Based on the management assessment no impairment losses arises and recognised during the year in accordance with Ind As-36 "Impairment of Assets" during the period Nil (F.Y 23-24) & Nil (F.Y 22-23).

51 Additional Regulatory Information :-

- i) The company do not have any benami property, where any proceeding has been initiated or pending against the company for
- ii) The Company do not have any transaction with the Stuckoff companies.
- iii) The company have not traded or invested in crpto currency or virtual currency during the financial year.
- iv) The company has not declared wilfull defaulter by any bank or financial institution or other lender.
- v) The company have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the income tax act 1961.
- vi) During the year the Company have not advanced or loaned or invested funds to any other person (s)or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52 In the opinion of the board, Assets other than fixed assets are realisable in the ordinary course of business at the value at which they are stated in the Financial Statements.

53 Previous year's figures have been regrouped / reclassified wherever necessary to confirm with the current year's classification / disclosure.

For Jhabua Power Limited


Gagan Deep Gupta
CS


Kundan Kumar Mishra
CFO


Anil Kumar
CEO

Prakash S Jain & Co.
Chartered Accountants
FRN - 002423C


Renu Narang
Director
DIN:- 0008070565


Ravindra Kumar
Chairman
DIN: 10523088


CA. Gaurav Thepadia
Partner
Membership No.405326

Place: New Delhi
Date: 17.05.2024
UDIN No. 24405326BKDAU7512

