



Sasan Power Limited

CIN: U40102MH2006PLC190557

2nd Floor, Reliance Centre
19, Walchand Hirachand
Marg, Ballard Estate
Mumbai 400 001

Tel: +91 22 30327000

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www.reliancepower.co.in

WITHOUT PREJUDICE

SPL / 2016 / 1944

20.05.2016

To,

**Shri P. Mukhopadhyaya
General Manager, Western Regional Load Dispatch Centre (WRLDC)
F-3, M.I.D.C. Area, Marol,
Andheri (E),
Mumbai-400093**

Subject: Regulation of Power Supply on account of non-payment of dues- Notice to Punjab State Power Corporation Ltd. (PSPCL) under PPA and Regulation 4 of Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010

Ref: Power Purchase Agreement (PPA) dated 07.08.2007 signed between Sasan Power Limited (SPL) and Procurers

Dear Sir,

1. Sasan Power Limited has been supplying electricity to the Procurers under the PPA and PSPCL ("Defaulting Procurer") is in default of payment of dues under the PPA.
2. PPA provides for sale of 25% / whole of the Contracted Capacity pertaining to defaulting Procurer(s) to the other non defaulting Procurer(s)/ third parties upon the occurrence of an event where the Procurer(s) has/have not made payment of Invoice by the Due Date through the payment mechanism provided in the PPA.
3. The bills under which defaults have occurred, were served on the Defaulting Procurer from time to time commencing from March 2013. List of Monthly Bills under default by Defaulting Procurer and amount of default against each Monthly Bill is provided vide **Annexure-1**.
4. The basis of Defaulting Procurer's refusal to pay the amount in default has been rejected by the Hon'ble Appellate Tribunal for Electricity by its order dated 31.03.2016 in Appeal No. 233 of 2014. However, the Defaulting Procurer continues to be in default for all the Monthly Bills issued since Mar'13.
5. SPL has already issued notice to the Defaulting Procurer as required under the PPA. Copy of the Notice dated 10.05.2016 duly served on the Defaulting Procurer is enclosed as **Annexure 2**.
6. SPL has also issued notice dated 16.05.2016 under Regulation 4 of Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 to the Defaulting Procurer for regulation of power supply. Copy of the said Notice dated 16.05.2016 issued to Defaulting Procurer is enclosed as **Annexure 3**.

7. SPL has also in-principally offered the Default Electricity to non-defaulting Procurers i.e. Tata Power Delhi Distribution Ltd (TPDDL), BSES Rajdhani Power Limited (BRPL) and Uttarakhand Power Corporation Limited (UPCL) vide letters dated 12.05.2016. Copies of letters are attached vide **Annexure 4a to Annexure 4c**.
8. Details of the proposed regulation of power supply to the Defaulting Procurer are as follows:
- 8.1. Amount of outstanding dues: Rs 175.66 Crore (Rs 141.69 Crore towards Principal amount and Rs 33.97 Crore as Late Payment Surcharge) – Monthly outstanding dues are provided vide **Annexure-1**.
- 8.1.1. Some of the Procurers have desired issuance of REA for the period upto 15.08.2013, which we have requested to WRPC & WRLDC. Dues for the period upto 31.08.2013 are Rs 2.44 Cr (Principal Rs 1.62 Cr & Interest Rs 0.82 Cr)
- 8.1.2. Dues for the period from 01.09.2013 to 30.04.2016 amount to Rs 173.22 Cr (Principal Rs 140.07 Cr & interest Rs 33.15 Cr)
- 8.2. Quantum of reduction in drawl schedule: 139.59 MW
- 8.3. Initial duration of Reduction: In terms of Article 11.5 of the PPA i.e. 30 days from 25.05.2016 to 23.06.2016
- 8.4. Price of the Power: In terms of Article 11.5 of the PPA (Extracts enclosed as **Annexure 5**)
- 8.5. Source of Power: Sasan Ultra Mega Power Project, Village Sasan in Singrauli Tehsil in District Sidhi of Madhya Pradesh
- 8.6. The above regulation is likely to result in excess power available to the extent of scheduled reduction of Defaulting Procurer share from above Sasan Power Station for further sale to non-defaulting Procurers and/or through Indian Energy Exchange (IEX) Platform.
- 8.7. Diversion / absorption of regulated power: Absorption by non-defaulting Procurers and / or sale through Indian Energy Exchange (IEX) [Sasan Power Limited is a Proprietor Member of IEX]
9. As per requirement of CERC (Regulations of Power Supply) Regulations, 2010, Sasan Power Limited is also posting Regulation Notice on Reliance Power Limited website http://www.reliancepower.co.in/rpowersms/jsp/coal_based_projects.jsp, under the link "Notice for Regulation of Power Supply from Sasan UMPP – May 16".
10. The proposed regulation will be implemented w.e.f. 00:00 Hrs of 25.05.2016 to 24:00 Hrs 23.06.2016 in accordance with the terms of PPA and as per procedure under CERC (Regulation of Power Supply) Regulations, 2010. Through this letter WRLDC is being requested to prepare implementation plan of regulated power and further implement the same as per procedure laid down by CERC.
11. Original indemnity being issued by SPL indemnifying WRLDC as required under CERC (Regulation of Power Supply) Regulations, 2010 is provided vide **Annexure 6**.





12. This notice for regulation of power supply is without prejudice to our right to exercise other remedies/recourse available to us as per law and PPA to recover the dues.

Thanking you.

Yours faithfully,

For Sasan Power Limited

Mayank Gupta
General Manager

Enclosure: As above

Copy to:

1. **The Chief Engineer (PP & R)**
Punjab State Power Corporation Ltd. (PSPCL)
Shed C-3, Shakti Vihar, Patiala – 147 001, Punjab
2. **The Member Secretary,**
Northern Regional Power Committee,
18-A, Qutab Institutional Area,
Shaheed Jeet Singh Marg, Katwaria Sarai,
New Delhi-110 016
3. **Shri P. K. Agarwal**
General Manager,
Northern Regional Load Despatch Centre
18-A, Qutab Institutional Area,
Shaheed Jeet Singh Marg, Katwaria Sarai,
New Delhi -110016
4. **The Member Secretary,**
Western Regional Power Committee,
F-3, MIDC Area, Marol, Opp. SEEPZ,
Central Road, Andheri (East),
Mumbai - 400 093
5. **Shri K D Chaudhri,**
Chairman cum Managing Director (CMD)
Punjab State Power Corporation Ltd (PSPCL)
The Mall, Patiala – 147001
6. **Shri K L Sharma**
Director – Distribution
Punjab State Power Corporation Ltd (PSPCL)
The Mall, Patiala – 147001
7. **Chief Engineer**
Punjab State Load Despatch Center
SLDC Building, near 220KV Grid Substation,
PSTCL, Ablawal,
Patiala-147001

Annexure 1
Details of amount in default and Late Payment Surcharge
(Amount in Rs. Crore)

S.No.	Bill for the month	Principal	LPS calculated up to 30.04.2016 (#)	Total Outstanding amount**
1.	Mar-13	0.00	0.00	0.00
2.	Apr-13	0.08	0.04	0.12
3.	May-13	0.00	0.00	0.00
4.	Jun-13	0.47	0.24	0.72
5.	Jul-13	0.78	0.40	1.18
6.	Aug-13	0.28	0.14	0.43
7.	Sep-13	0.01	0.00	0.01
8.	Oct-13	0.00	0.00	0.01
9.	Nov-13	0.01	0.01	0.02
10.	Dec-13	0.03	0.01	0.04
11.	Jan-14	0.02	0.01	0.03
12.	Feb-14	0.03	0.01	0.05
13.	Mar-14	0.04	0.02	0.06
14.	Apr-14	8.52	2.92	11.45
15.	May-14	8.03	2.60	10.63
16.	Jun-14	10.90	3.34	14.24
17.	Jul-14	13.10	3.77	16.87
18.	Aug-14	13.24	3.58	16.82
19.	Sep-14	11.58	2.93	14.51
20.	Oct-14	9.49	2.24	11.73
21.	Nov-14	13.10	2.86	15.96
22.	Dec-14	13.46	2.71	16.17
23.	Jan-15	9.18	1.71	10.89
24.	Feb-15	13.86	2.35	16.21
25.	Mar-15	12.29	1.88	14.17
26.	Apr-15	0.25	0.03	0.28
27.	May-15	0.26	0.03	0.29
28.	Jun-15	0.28	0.03	0.31
29.	Jul-15	0.27	0.02	0.29
30.	Aug-15	0.27	0.02	0.29
31.	Sep-15	0.26	0.02	0.28
32.	Oct-15	0.27	0.01	0.28
33.	Nov-15	0.26	0.01	0.27
34.	Dec-15	0.27	0.01	0.27
35.	Jan-16	0.27	0.00	0.27
36.	Feb-16	0.25	0.00	0.25
37.	Mar-16	0.27	0.00	0.27
	Sub-total	141.69	33.97	175.66

(#) Late Payment Surcharge as per PPA @ SBAR + 2% p.a.

(**) Due to rounding off to 2 decimal places of amounts in Rs Crores, smaller values are appearing as nil

SPL / 2016 /1895

May 10, 2016

By E-mail/Courier/Fax

To,

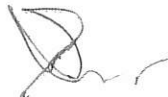
The Chief Engineer (PP & R)
Punjab State Power Corporation Ltd. (PSPCL)
Shed C-3, Shakti Vihar, Patiala – 147 001, Punjab

Subject: Failure to Pay Invoices by Due Dates
- Notice under Article 11.5 of the Power Purchase Agreement dated
07.08.2007 (PPA)

Ref: SPL letter no. SPL/2016/1840 dated April 01, 2016

Dear Sir,

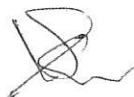
1. Sasan Power Limited ("SPL"), has been supplying power from Sasan Ultra Mega Power Project ("Project") to the Procurers on the terms and conditions contained in the PPA.
2. As per the provisions of Article 11.1 read with Article 11.3 of the PPA, from the Commercial Operation Date of the first Unit, the Procurers are obliged to pay to SPL the Monthly Tariff Payment on or before the Due Date, comprising of Tariff for every Contract Year, determined in accordance with Article 11 and Schedule 7 of the PPA.
3. Commercial Operation Date ("COD") of the first Unit of the Project occurred on 31.03.2013 and SPL from time to time issued Monthly Bills in accordance with the terms of the PPA to you. As per the terms of PPA, the entire amount under the said Bills was required to be paid in full by you within 30 days of the receipt of the respective Bills. However, you, in disregard of the terms of PPA, disputed the COD of the first Unit of the Project and failed to pay sums due and payable under the Monthly Bills for the period from March 2013.
4. SPL from time to time conveyed its unacceptability of the non-payment of dues and made repeated requests to you for payment of entire outstanding dues. Consequent to your persistent failure to pay the dues raised in Monthly Bills by disputing the COD of the first



Unit, SPL was constrained to file Petition No. 84/MP/2014 before the Hon'ble Central Electricity Regulatory Commission ("CERC"). In another petition being Petition No. 85/MP/2013 filed by Western Regional Load Despatch Centre, Ltd. CERC, in its Order dated 08.08.2014, inter alia, erroneously accepted the COD of first Unit as 16.08.2013. In the Appeal No. 233/2014 filed by SPL before the Hon'ble Appellate Tribunal for Electricity ("ATE"), the Hon'ble ATE did not find any violation of the provisions of law on declaration of COD by SPL and, by its judgment dated 31.03.2016, inter alia, set aside/quashed the Order dated 08.08.2014 passed by Ltd. CERC. Accordingly, 31.03.2013 stood conclusively established as the COD of the first Unit of the Project. SPL, vide its Letter No. 1840 dated Apr 01, 2016 requested you to release the dues at the earliest. However you failed and neglected to pay the sums due and payable by you.

5. An amount of Rs. **175.66** Crore including the Late Payment Surcharge calculated upto 30.04.2016 is due and payable by you in respect of the Monthly Bills. The details of amount in default and Late Payment Surcharge accrued till 30.04.2016 are given in **Annexure 1** hereto.
6. We invite your attention to the provisions of Article 11.5 of the PPA, pursuant to which upon the occurrence of an event where the Procurer has not made payment by the Due Date of an Invoice, 25% of the Contracted Capacity pertaining to the defaulting Procurer is required to be offered to the non-defaulting Procurers and/or third parties. In case, such default continues for more than 30 days, 100% of the Contracted Capacity is required to be offered to non-defaulting Procurers and/or third parties.
7. In view of your persistent failure to pay the amount due and payable under the Monthly Bills referred above, we hereby notify you under Article 11.5 of the PPA as under:

Unless the entire amount of Rs. 175.66 Crore as described in Annexure 1 hereto together with Late Payment Surcharge upto the date of payment is paid by you to us, we shall, from the expiry of a period of 7 days from the date of this notice and without any further communication to you, be entitled to proceed with offering part or whole of your share in the Contracted Capacity to the non defaulting Procurers and/or third parties in accordance with the provisions of PPA.



8. Please note that this communication is without prejudice to any of the other rights, remedies, entitlements of SPL under the PPA and the law to recover the dues and nothing herein amounts to waiver of any of the rights and entitlements, under PPA and the law, all of which are specifically reserved by SPL.

Yours faithfully,
For Sasan Power Limited



Shrikant Kulkarni
Director - Sasan Power Limited

Encl- As above

Copy to:

1. Shri K D Chaudhri,
Chairman cum Managing Director (CMD)
Punjab State Power Corporation Ltd (PSPCL)
The Mall, Patiala – 147001
2. Shri K L Sharma
Director – Distribution
Punjab State Power Corporation Ltd (PSPCL)
The Mall, Patiala – 147001

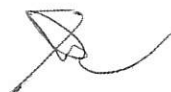
Details of amount in default and Late Payment Surcharge

Annexure 1

(Amount in Rs. Crore)

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5.	Jul-13	0.78	0.40	1.18
6.	Aug-13	0.28	0.14	0.43
7.	Sep-13	0.01	0.00	0.01
8.	Oct-13	0.00	0.00	0.01
9.	Nov-13	0.01	0.01	0.02
10.	Dec-13	0.03	0.01	0.04
11.	Jan-14	0.02	0.01	0.03
12.	Feb-14	0.03	0.01	0.05
13.	Mar-14	0.04	0.02	0.06
14.	Apr-14	8.52	2.92	11.45
15.	May-14	8.03	2.60	10.63
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25.	Mar-15	12.29	1.88	14.17
26.	Apr-15	0.25	0.03	0.28
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28.	Jun-15	0.28	0.03	0.31
29.	Jul-15	0.27	0.02	0.29
30.	Aug-15	0.27	0.02	0.29
31.	Sep-15	0.26	0.02	0.28
32.	Oct-15	0.27	0.01	0.28
33.	Nov-15	0.26	0.01	0.27
34.	Dec-15	0.27	0.01	0.27
35.	Jan-16	0.27	0.00	0.27
36.	Feb-16	0.25	0.00	0.25
37.	Mar-16	0.27	0.00	0.27
	Sub-total	141.69	33.97	175.66

(#) Late Payment Surcharge as per PPA @ SBAR + 2% p.a.



SPL / 2016 / 1916

16.05.2016

To,

**The Chief Engineer (PP & R)
Punjab State Power Corporation Ltd. (PSPCL)
Shed C-3, Shakti Vihar, Patiala – 147 001, Punjab**

**Subject: Notice under Regulation 4 of Central Electricity Regulatory Commission
(Regulation of Power Supply) Regulations, 2010 and PPA**

**Ref: 1) Power Purchase Agreement (PPA) dated 07.08.2007 signed between Sasan
Power Limited (SPL) and Procurers
2) SPL letter no. SPL/2016/1840 dated April 01, 2016
3) SPL notice no. SPL/2016/1895 dated 10.05.2016 under Article 11.5.2 of the PPA**

Dear Sir,

1. This is in continuation to our Invoices raised from time to time and the communications mentioned under reference above, including our notice dated 10.05.2016 issued under the PPA.
2. Despite our repeated requests for payment of dues, you continue to be in default for payment of outstanding dues. This notice is being issued under Regulation 4 of Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010, for regulation of 25% of your Contracted Capacity. The electricity available consequent to the regulation of your supply is proposed to be sold to other non defaulting Procurers/ third parties in accordance with the terms of the PPA.
3. Details in relation to the regulation of your supply are as follows:
 - 3.1. Amount of outstanding dues: Rs 175.66 Crs as on 30.04.2016.
 - 3.2. Quantum of reduction in drawl schedule: 139.59 MW
 - 3.3. Initial duration of reduction: 30 days from 20.05.2016 to 18.06.2016 i.e. As per terms of Article 11.5 of the PPA
 - 3.4. Price of the Power: As per terms of Article 11.5 of the PPA
 - 3.5. Source of Power: Sasan Ultra Mega Power Project (UMPP), at Singrauli Tehsil in District Sidhi of Madhya Pradesh

4. Please note that this communication is without prejudice to any of the other rights, remedies, entitlements of SPL under the PPA and the law to recover the dues and nothing herein amounts to waiver of any of the rights and entitlements, under PPA and the law, all of which are specifically reserved by SPL.

Thanking you.

Yours faithfully,

For Sasan Power Limited



Suresh Nagarajan
Sr. Ex. Vice President

Copy to:

1. Shri K D Chaudhri,
Chairman cum Managing Director (CMD)
Punjab State Power Corporation Ltd (PSPCL)
The Mall, Patiala – 147001
2. Shri K L Sharma
Director – Distribution
Punjab State Power Corporation Ltd (PSPCL)
The Mall, Patiala – 147001

SPL/2016/1908

May 12, 2016

By Email/ Courier / Fax

To,

**The Managing Director
Tata Power Delhi Distribution Ltd
Grid Substation Building, Hudson Lines,
New Delhi - 110 009**

Subject: Seeking information on in-principle interest for availing Default Electricity under the PPA

Dear Sir,

1. As you are aware that Sasan power Limited ("SPL"), has been supplying power from Sasan Ultra Mega Power Project ("Project") to all the 14 Procurers as per the terms of the Power Purchase Agreement ("PPA") dated 07.08.2007.
2. As per the provisions of Article 11.5.2 of the PPA, upon the occurrence of an event where a Procurer(s) has /have not made payment by Due Date of an Invoice through the payment mechanism provided in the PPA and after the Seller giving a notice of at least 7 days to the defaulting Procurer(s), the non defaulting Procurers have a right to receive Default Electricity out of the Contracted Capacity pertaining to the defaulting Procurer(s).
3. In this connection we advise that consequent to non-payment of amounts due and payable under some Invoices by some of the Procurers, the events referred in Article 11.5.1 of the PPA have occurred and, SPL has issued notices under Article 11.5.2 of the PPA to the Procurers.
4. As a result of the above, there is a possibility of Default Electricity to be made available to you as per the PPA.
5. In case of availability of any Default Electricity, based on your existing Allocated Contracted Capacity, you can opt to receive upto 389 MW.
6. Please note that you have still not paid sums of Rs.7.85 Cr towards LPS of COD dues. The present communication is without prejudice to our claims and entitlement to recover any amount due and payable by you to us.

7. We request you to advise your in-principle interest in receiving the above electricity as per the terms of the PPA, if available to us for such dispatch, at the earliest preferably before forenoon of 14th May 2016.

Yours faithfully,

For Sasan Power Limited



Suresh Nagarajan
Sr. Ex. Vice-President

SPL/2016/1907

May 12, 2016
By Email/ Courier / Fax

To,

Chief Executive Officer
BSES Rajdhani Power Limited
BSES Bhavan, Nehru Place,
New Delhi – 110 019

Subject: Seeking information on in-principle interest for availing Default Electricity under the PPA

Dear Sir,

1. As you are aware that Sasan power Limited ("SPL"), has been supplying power from Sasan Ultra Mega Power Project ("Project") to all the 14 Procurers as per the terms of the Power Purchase Agreement (PPA) dated 07.08.2007.
2. As per the provisions of Article 11.5.2 of the PPA, upon the occurrence of an event where a Procurer(s) has /have not made payment by Due Date of an Invoice through the payment mechanism provided in the PPA and after the Seller giving a notice of at least 7 days to the defaulting Procurer(s), the non defaulting Procurers have a right to receive Default Electricity out of the Contracted Capacity pertaining to the defaulting Procurer(s).
3. In this connection we advise that consequent to non-payment of amounts due and payable under some Invoices by some of the Procurers, the events referred in Article 11.5.1 of the PPA have occurred and, SPL has issued notices under Article 11.5.2 of the PPA to the said Procurers.
4. As a result of the above, there is a possibility of Default Electricity to be made available to you as per the PPA.
5. In case of availability of any Default Electricity, based on your existing Allocated Contracted Capacity, you can opt to receive upto 188 MW.
6. We request you to advise your in-principle interest in receiving the above electricity as per the terms of the PPA, if available to us for such dispatch, at the earliest preferably before forenoon of 14th May 2016.

Yours faithfully,
For Sasan Power Limited

Suresh Nagarajan
Sr. Ex. Vice-President

SPL/2016/1906

May 12, 2016
By Email/ Courier / Fax

To,

The Chairman and Managing Director
Uttarakhand Power Corporation Limited (UPCL),
Urja Bhawan, Kanwali Road,
Dehradun – 248 001, Uttarakhand

Subject: Seeking information on in-principle interest for availing Default Electricity under the PPA

Dear Sir,

1. As you are aware that Sasan power Limited ("SPL"), has been supplying power from Sasan Ultra Mega Power Project ("Project") to all the 14 Procurers as per the terms of the Power Purchase Agreement (PPA) dated 07.08.2007.
2. As per the provisions of Article 11.5.2 of the PPA, upon the occurrence of an event where a Procurer(s) has /have not made payment by Due Date of an Invoice through the payment mechanism provided in the PPA and after the Seller giving a notice of at least 7 days to the defaulting Procurer(s), the non defaulting Procurers have a right to receive Default Electricity out of the Contracted Capacity pertaining to the defaulting Procurer(s).
3. In this connection we advise that consequent to non-payment of amounts due and payable under some Invoices by some of the Procurers, the events referred in Article 11.5.1 of the PPA have occurred and, SPL has issued notices under Article 11.5.2 of the PPA to the said Procurers.
4. As a result of the above, there is a possibility of Default Electricity to be made available to you as per the PPA.
5. In case of availability of any Default Electricity, based on your existing Allocated Contracted Capacity, you can opt to receive upto 282 MW.
6. We request you to advise your in-principle interest in receiving the above electricity as per the terms of the PPA, if available to us for such dispatch, at the earliest preferably before forenoon of 14th May 2016.

Yours faithfully,

Sasan Power Limited


Suresh Nagarajan
Sr. Ex. Vice-President

Article 11.5 of the Sasan UMPP PPA

11.5 Third Party Sales on default

11.5.1 Notwithstanding anything to the contrary contained in this Agreement, 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 Seller shall follow the steps as enumerated in Articles 11.5.2 and 11.5.3.

11.5.2 On the occurrence of the event mentioned in Article 11.5.1 and after giving a notice of at least seven (7) days to the defaulting Procurer(s), the Seller shall have the obligation to offer twenty five (25) per cent of the Contracted Capacity pertaining to such defaulting Procurer ("Default Electricity") to the other non - defaulting Procurers. The non defaulting Procurers have the right to receive the whole or any part of such Default Electricity by giving a notice within a further two (2) Business Days, in the following manner:

- a) In ratios equal to their then existing Allocated Contracted Capacities at the same Tariff as would have been applicable to the defaulting Procurer. Provided that, if any of the non-defaulting Procurer(s) does not elect to receive the Default Electricity so offered, the Seller shall offer the balance of the Default Electricity to other non-defaulting Procurer(s) at the same Tariff in proportion to their additional requirement as intimated.
 - b) At a lower tariff as may be specified by non-defaulting Procurer(s) to the extent of their capacity requirements, in descending order of the tariff. Provided that, the Seller has the right to obtain tariff quotes from third party(s) for sale of Default Electricity not requisitioned under (a) above. The tariff quotes received from non-defaulting Procurer(s) and such third party(s) shall be ranked in descending order of the tariff and the Seller shall sell Default Electricity in such descending order and in compliance with Article 11.5.3, to the extent applicable.
- In case of both (a) and (b) above if non- defaulting Procurer(s) receive Default Electricity, then, subject to applicability of Article 11.4.2.2 of this Agreement, such non defaulting Procurer(s) shall within seven (7) days of exercising the right of election, either open an additional Letter of Credit/enhance the existing Letter of Credit in accordance with the principles set forth in Article 11.4 or increase the value of escrow cover under the Default Escrow Agreement and related security under Agreement to Hypothecate secure payment for that part of the Default Electricity as such non- defaulting Procurer elects to receive.

Provided further within two (2) Months of such election by the non-defaulting Procurer(s), unless the event outlined in Article 11.5.7 has occurred, such Procurer(s) shall open a Letter of Credit/enhance the existing Letter of Credit in accordance with the principles set forth in Article 11.4 and shall increase the value of escrow cover under the Default Escrow Agreement and related Agreement to Hypothecation cum Deed of Hypothecation. Provided that in case the events mentioned in Article 11.4.2.2 (i), (ii) and (iii) are true, then the requirement with respect to Default Escrow Agreement and Agreement to Hypothecate cum Deed of Hypothecation in this Article 11.5.2 shall be applicable as per Article 11.4.2.2.

11.5.3 If all the non-defaulting Procurers do not make the election to receive the Default Electricity or a part thereof, within two (2) Business Days of it being so offered under and as per Article 11.5.2, or all such Procurers expressly waive their first right to receive the same, the Seller shall have the right (but not the obligation) to make available and sell the Default Electricity or a part thereof to a third party, namely:

- (a) any consumer, subject to applicable Law; or
- (b) any licensee under the Electricity Act, 2003;

11.5.4 If the Collateral Arrangement is not fully restored by the Defaulting Procurer within thirty (30) days of the non-payment by a Procurer of a Invoice by its Due Date, the provisions of Article 11.5.2 and Article 11.5.3 shall apply with respect to one hundred (100) per cent of the Contracted Capacity. Provided that in case the events mentioned in Article 11.4.2.2 (i), (ii) and (iii) are true, then this Article 11.5.4 shall be applicable as per Article 11.4.2.2.

11.5.5 Provided that, in the case of Article 11.5.3 or 11.5.4, the Seller shall ensure that sale of power to the shareholders of the Seller or any direct or indirect affiliate of the Seller/shareholders of the Seller, is not at a price less than the Energy Charges.

11.5.6 In case of third party sales or sales to any other non defaulting Procurers as permitted by this Article 11.5, the adjustment of the surplus revenue over Energy Charge (applicable to the defaulting Procurer) attributable to such electricity sold, shall be adjusted as under :

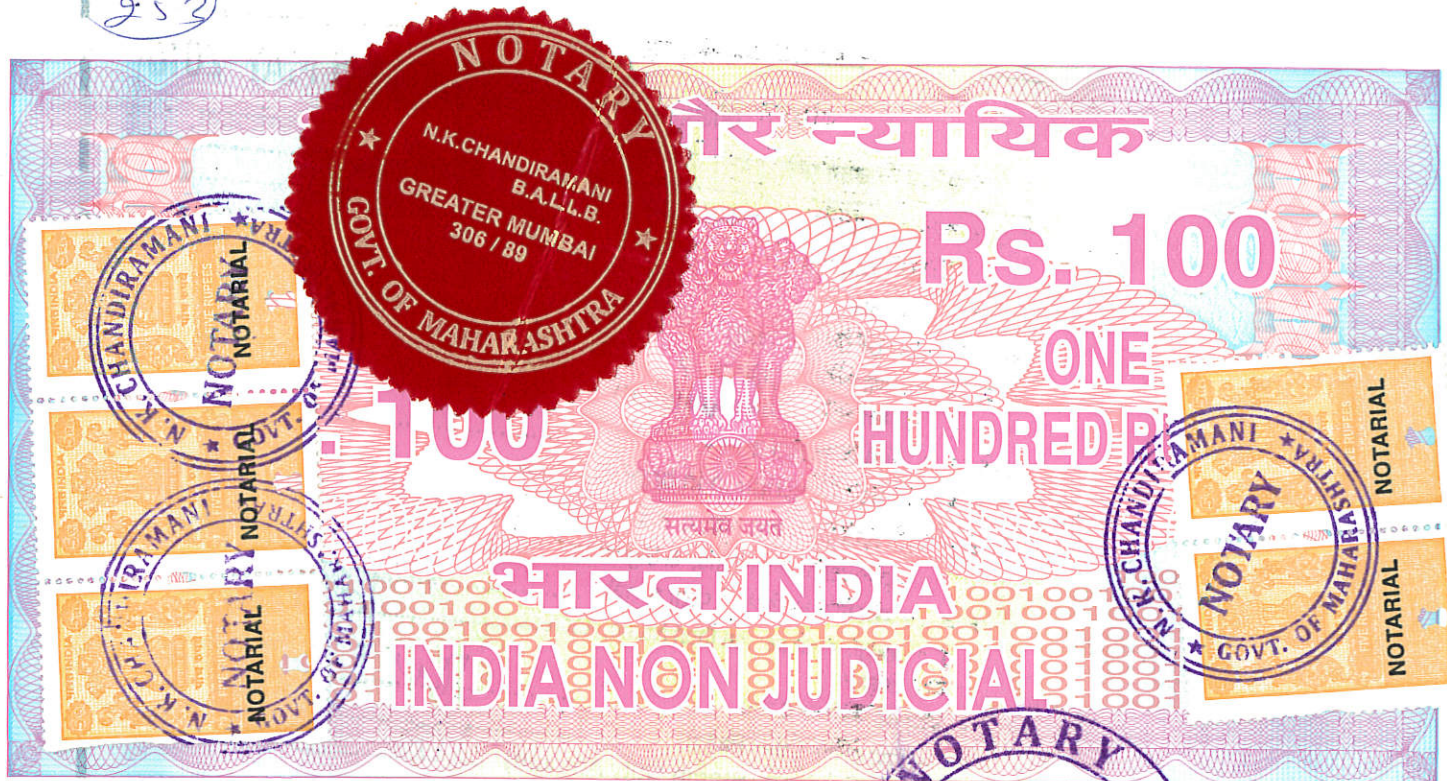
- (a) the surplus upto the Tariff shall be used towards the extinguishment of the subsisting payment liability of the defaulting Procurer towards the Seller; and
- (b) the surplus if any above the Tariff shall be retained by the Seller.

The liability of the defaulting Procurer towards making Capacity Charge payments to the Seller even for electricity sold to third parties or other non defaulting Procurers 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 3 years and hundred days from the date of occurrence of a Procurer Event of Default under Article 14.2 (i), provided if prior to such date, such Procurer Event of Default has not ceased and regular supply of electricity for a period of at least 90 continuous days has not occurred.

11.5.7 Sales to any person or Party, other than the defaulting Procurer under Article 11.5, shall cease and regular supply of electricity to the defaulting Procurer in accordance with all 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 Seller:

- (a) the day on which the defaulting Procurer pays the amount due to the Seller and renews the Letter of Credit and restores Default Escrow Account (if applicable) as mentioned in Article 11.4.2.1 ; or
- (b) the date being "x" days from the date on which the defaulting Procurer pays the amount due to the Seller, where "x" days shall be calculated in accordance with **Schedule 3.**

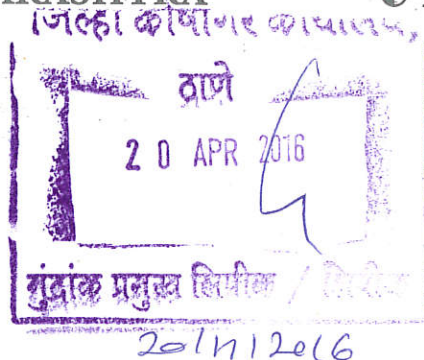
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dated 20.5.2016 as per NOTARIAL
REGISTER

INDEMNITY

Sasan Power Limited (SPL) undertakes to indemnify, defend and save Western Regional Load Despatch Centre (WRLDC) and hold them harmless from any and all damages, losses, cost and expenses suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1944 to WRLDC. WRLDC will immediately upon receipt of any such claim from any third party provide a copy thereof to SPL and extend all reasonable assistance to SPL to contest the claim or demand. WRLDC will not enter into any such consent or compromise with the claimant that may result in any liability on SPL and will allow SPL to conduct the proceedings on its behalf before any Authority in such matters.



SIGNED BEFORE ME
20.5.16
N.K. CHANDIRAMANI
B.A.L.L.B.
NOTARY GREATER MUMBAI
GOVT. OF MAHARASHTRA
20.5.2016

Authorized Signatory

For Sasan Power Limited