

# **Draft Supplementary Power Purchase Agreement**

**Between**

**Paschimanchal Vidyut Vitran Nigam Ltd.**

**(“Procurer 1”)**

**and**

**Poorvanchal Vidyut Vitran Nigam Ltd.**

**(“Procurer 2”)**

**and**

**Madhyanchal Vidyut Vitran Nigam Ltd.**

**(“Procurer 3”)**

**and**

**Dakshinanchal Vidyut Vitran Nigam Ltd.**

**(“Procurer 4”)**

**and**

**Lalitpur Power Generation Company Limited**

**(“Seller”)**

**This Supplementary Power Purchase Agreement is made on the**

**---th day of -----, 2013**

Between

(1) **Paschimanchal Vidyut Vitran Nigam Ltd**, a company incorporated in India and registered under the Companies Act, 1956, having its registered office at Victoria Park Meerut-250001 (Hereinafter referred to as "**Procurer 1**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include their respective successors, nominees and permitted assigns); and

(2) **Poorvanchal Vidyut Vitran Nigam Ltd**, a company incorporated in India and registered under the Companies Act, 1956, having its registered office at Vidyut Nagar, P.O. DLW, Varanasi-2201010 (Hereinafter referred to as "**Procurer 2**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include their respective successors, nominees and permitted assigns); and

(3) **Madhyanchal Vidyut Vitran Nigam Ltd**, a company incorporated in India and registered under the Companies Act, 1956, having its registered office at 4A, Gokhale Marg, Lucknow-226001 (Hereinafter referred to as "**Procurer 3**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include their respective successors, nominees and permitted assigns); and

(4) **Dakshinanchal Vidyut Vitran Nigam Ltd**, a company incorporated in India and registered under the Companies Act, 1956, having its registered office at Urja Bhawan. NH2, Sikandra, Agra (Hereinafter referred to as "**Procurer 4**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include their respective successors, nominees and permitted assigns)

**THROUGH**

**UTTAR PRADESH POWER CORPORATION LIMITED ("UPPCL")** a company incorporated in India and registered under the Companies Act, 1956, having its registered office at Shakti Bhawan, 14, Ashok Marg, Lucknow, U.P duly authorised by each of the above Procurers to enter into this

Agreement on their behalf

(The "**Procurer 1**", "**Procurer 2**", "**Procurer 3**" and "**Procurer 4**" are (hereinafter collectively referred to as the "**Procurers**" and individually as a "**Procurer**")

And

M/sLalitpur Power Generation Company Limited (the "Seller"), a company incorporated in India and registered under the Companies Act, 1956, having its registered office and Corporate Office at B-10 Sector 3 , Noida, Gautam Budh Nagar(UP)

(each of the "Procurer 1", "Procurer2", "Procurer 3", "Procurer4" and or "Procurers" and "Seller" are individually referred as "Party" and collectively to as the "Parties")

**WHEREAS:**

- A-** Power Purchase Agreement Dated 10-12-10 read with Supplementary Agreement dated 15-06-11 was signed between the aforesaid Parties for purchase of 100% Saleable Energy from 1980 MW Thermal Power Generating Plant situated at Lalitpur (UP) , in accordance with GoUP Energy Policy-2009 (as amended ) issued by Department of Energy , GoUP.
- B-** In accordance with Article-3.1 under "conditions subsequent to be satisfied by the seller and the procurers." of aforesaid PPA , the seller was required to perform and complete the various prescribed activities within 18 months from the effective date of PPA.
- C-** On the request of seller, GoUP vide order dated 8-6-12 have accorded permission on the extension of time limit for a period of 18 months or as requested by the seller (whichever is lesser) but with the condition that additional IDC on account of above extension shall not be admissible to the seller. Accordingly, a mutually agreed supplementary PPA signed on 21-09-12 has been submitted before UPERC for their approval.
- D-** Subsequently, the seller again mentioned vide their letter dated 11-11-13 that they have complied with all the conditions stipulated vide Cl. 3.1.2 of PPA except obtaining coal linkage and since the time period allowed by GoUP vide its order dated 08-06-12 is expiring by 10-12-13, they may be allowed further extension upto 31-03-15 for meeting the condition in respect of coal linkage.
- E-** GoUP vide its order dated 09-12-13 giving last chance have accorded permission on extension of time limit for a further period of 18 months or as requested by the seller (whichever is lesser) but with a condition that additional IDC on account of aforesaid extension shall not be admissible to the seller.
- F-** UPPCL on behalf of Procurers and the Seller have mutually agreed to this Supplementary Agreement in respect of Generating Plant being set up and the same has been duly approved by UPERC vide its Order dated----- ,a copy of which is annexed hereto as Annexure-1

NOW, THEREFORE, in consideration of the foregoing and respective covenants and agreements set forth in this PPA and other consideration, the receipt, sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

- 1- The time period for fulfillment of conditions subsequent under Article-3.1 of PPA shall now be upto 31-03-15.
- 2- The additional IDC in the project cost due to this extension shall not be admissible in the cost.
- 3- The validity of Bank Guarantee earlier submitted by the seller in GoUP shall be proportionately extended for the same amount with extended period and the grace period for six months.

All other terms and conditions of PPA dated 10-12-10 shall remain unaltered.

IN WITNESS WHEREOF the Parties have executed these presents through their authorized representatives at Lucknow.

For and on behalf of

For and on behalf of

[Procurers]

[THE Seller]

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Signature with seal

Signature with seal

Witness:

Witness:

1.

1.

2.

2.

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW

PETITION No.

In the matter of: Approval of Supplementary PPA for Lalitpur Thermal Power Project (3x660 MW) under clause -126 of UPERC (Conduct of Business ) Regulation 2004.

In the matter of:

U.P Power Corporation Ltd

14–Ashok Marg

Lucknow.....

Petitioner

M/s Lalitpur Power Generation Co. Ltd.,

B-2/355 Vishal Khand-II, Gomti Nagar

Lucknow-226010

.....Respondent

The undersigned is presently posted as Chief Engineer, Power Purchase Agreement Directorate, U.P Power Corporation Limited, Shakti Bhawan , Lucknow and has been authorized to file the present petition.

**It is most humbly prayed by the Petitioner :-**

- 1- That , in compliance to the GoUP Energy Policy -2009 , a MOU dated 22-04-10 was signed in between Promoter M/s Bajaj Hindusthan Ltd and GoUP for setting up 3x660 MW Thermal Project at Lalitpur in Distt. Lalitpur. Subsequently consequent to the approval by UPERC vide its order dated 18-11-10, a Power Purchase Agreement for purchase of power generated from this project was signed by UPPCL on behalf of DISCOMS with the special purpose vehicle namely M/s Lalitpur Power Generation Company on 10-12-10
- 2- That , the Cl. No. (3.1.2 ) of the aforesaid PPA provides certain conditions which are required to be fulfilled by the Developer within 18 months from signing of PPA unless such completion is affected due to Procurers failure to comply with their obligations or by Force Majeure event or if any of the activities is specifically waived by the Procurers. This clause further provides at Cl (3.3.4) that any extension/ increase in time period shall lead equal increase in the period of Bank Guarantee and new scheduled COD will be decided with the approval of the Commission.
- 3- That, the developer vide their letter dated 11-11-13 (copy enclosed) stated that they have complied with all the conditions of Cl. 3.1.2 of PPA excepting the coal linkage. In light of Presidential Directive issued under Article 37 of the memorandum and Article of association of Coal India for implementing the CCEA decision taken on 21-06-13, they are hopeful for getting allocation of the coal as the same is virtually assured. As the time extension permitted vide GoUP order dated 08-06-12 is expiring by 10-12-13, they may be allowed further time upto 31-03-15 for fulfillment of condition subsequent as per Cl 3.1.2.
- 4- That , GoUP vide its order dated 09-12-13 (copy enclosed ) have permitted the time extension upto 31-03-15 with the conditions stipulated therein in respect to Lalitpur Project. The Developer have accepted the above extension and have also agreed to the draft supplementary PPA which is enclosed herewith.
- 5- That , as per PPA the scheduled COD of Unit-1 is 52 months from Financial Closure and the remaining units to come at the interval of 6-6.months. But as may kindly be seen from Progress Report (copy enclosed) the project execution at Lalitpur is being done very fast and presently the Developer have invested about more than Rs. 7000 cr. on this project.

In view of the forgoing paragraphs, the Commission is requested to approve the supplementary PPA and /or otherwise pass the appropriate directions so that the same may be finally signed with the Company.

(S.P. Pandey)  
Chief Engineer (PPA)

**VERIFICATION**

I, the above deponent, do hereby verify that the contents of this affidavit are true to my knowledge and belief, no part of it is false and nothing material has been concealed.

Signed and verified this \_\_\_\_\_

(S.P. Pandey)  
Chief Engineer (PPA)