



State: తెలంగాణ తెలంగాణ TELANGANA  
Date: 06/01/2016 1801 -  
Sold to: A. Anthony  
No. of Dis: S. Arulammalam  
For whom: NTPC Ltd

KHALID HUSSAIN  
LICENCED STAMP VENDOR  
L.I.C. No.16-10-03/2013  
H.No.33-6-608/128FF, Tallagadda,  
HYDERABAD. (SOUTH) DISTRICT.  
Phone No: 7396139189

POWER PURCHASE AGREEMENT

BETWEEN

NTPC LIMITED

AND

< Southern Power Distribution Company of Telangana Limited (TSSPDCL) >

FOR

Telangana Super Thermal Power Project Ph-I ( 2x800 MW)

THIS POWER PURCHASE AGREEMENT hereinafter called the "Agreement" entered into at HYDERABAD on the 18<sup>th</sup> day of JANUARY Two Thousand Sixteen (18/01/2016) between

NTPC Limited, a Company incorporated under the Companies Act, 1956 having its

  
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registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003 (hereinafter called 'NTPC' or Seller) which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part; and **Southern Power Distribution Company of Telangana Limited (TSSPDCL)**, a distribution licensee in the state of Telangana having its Registered/Head Office at at 6-1-50, Corporate Office, Mint Compound, Hyderabad - 500 063 in the State of Telangana (hereinafter referred to as 'TSSPDCL or Procurer') which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part. Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

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

AND WHEREAS as per AP Reorganisation Act, 2014, State of Telangana has been carved out of State of Andhra Pradesh as a new state.

AND WHEREAS NTPC is in the process of establishing a Coal fired Power project of capacity 1600 MW (2 X 800 MW) at Jyoti Nagar in Karimnagar district of Telangana named as Telangana Super Thermal Power Station, Ph-I hereinafter referred to as "TnSTPS-I" and generally be referred to as "Station" to be owned, operated and maintained by NTPC.

AND WHEREAS **Procurer(s)** is desirous of purchasing electricity from TnSTPS-I and NTPC is willing to sell electricity from TnSTPS-I to **Procurer(s)** from the date of commissioning of Unit-I of TnSTPS-I on mutually agreed terms and conditions mentioned hereunder.

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

#### 1.0 DEFINITIONS

- (a) The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the

  
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Electricity Act, 2003 as amended from time to time, the Rules framed there under and Regulations issued by CERC from time to time.

(b) The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

- |       |  |  |
|-------|--|--|
| i)    | Act; 2003  | The Electricity Act, 2003 as amended or modified from time to time including any re-enactment thereof.   |
| ii)   | Agreement to Hypothecate cum Deed of Hypothecation | Shall have the meaning as ascribed under Article 6.2.8   |
| iii)  | Billing Centre                                     | The office / RHQ as intimated by NTPC to the Procurer from where the bills will be raised on them.   |
| iv)   | Bulk Power Customer(s)                             | Bulk Power Customer(s) in relation to the Station shall mean the person(s) including Procurer to whom capacity is contracted from the station.   |
| v)    | Busbars/Ex Bus                                     | Busbars of the Station to which outgoing feeders are connected.  |
| vi)   | CEA  | Central Electricity Authority  |
| vii)  | CERC   | Central Electricity Regulatory Commission or any other competent Authority ( for determination of Tariff)  |
| viii) | CTU  | Central Transmission Utility.  |
| ix)   | Capacity Charges                                   | Capacity Charges are Fixed Charges as determined by CERC or any other competent authority and shall be paid in proportion to the Contracted Capacity from time to time.  |
| x)    | Charges for supply of Electricity                  | Mean and include all charges including the Tariff to be paid by the Procurer(s)/Bulk Power Customer(s) in respect of supply of electricity to them from the Station in accordance with the provisions of this Agreement.   |
| xi)   | Commercial Operation Date                          | 'Date of Commercial Operation' or 'COD' in relation to a unit means the date declared by NTPC after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) through a successful trial run after notice to the Bulk Power Customer(s) and in relation to the generating station the date of commercial operation means the date of commercial operation of the last unit or block of the Station. |

  
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xii)	Contracted Capacity	Capacity contracted by the Procurer/Bulk Power Customer(s) under this Agreement under Article 2.2
xiii)	Deviation Settlement charges	Deviation Settlement charges as defined by CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014 as amended or replaced from time to time
xiv)	Effective Date	means the date of signing of this Agreement including payment security as envisaged under Article 6.2.
xv)	Energy Charges	As per provisions in the CERC (Terms and Conditions of Tariff ) Regulation, 2014 as amended from time to time.
xvi)	Escrow Agreement	Shall have the meaning as ascribed under Article 6.2.8
xvii)	GOI	Government of India
xviii)	IEGC	Indian Electricity Grid Code, as notified by CERC or any other competent authority and as amended from time to time.
xix)	Infirm Electricity	means electricity generated prior to commercial operation of a Unit(s) /Block(s) of the Station
xx)	LC	Irrevocable Revolving Letter(s) of Credit.
xxi)	Main & Check Meter	Meter for measurement and checking of import/export of energy on the outgoing feeders of the Station Busbars for Energy Accounting.
xxii)	Standby Meter	As defined in CEA (Installation and Operation of Meters ) Regulation 2006
xxiii)	Monthly Bill	Monthly Bill as raised by NTPC as per REA in line with the CERC Regulations as amended from time to time. Provided that periodicity of billing may change as per CERC regulations from time to time.
xxiv)	Party/Parties	Shall have the meaning ascribed thereto in the recital to this Agreement
xxv)	Permitted Assigns	Have the meaning as per Article 12 of this agreement
xxvi)	Powergrid	Power Grid Corporation of India Ltd.
xxvii)	Receivables	As defined in Article 6.2.8
xxviii)	Regional Energy Account (REA)	Periodic Energy Account issued by SRPC/ SRLDC/SLDC including amendments thereof.
xxix)	SRLDC	Southern Regional Load Despatch Centre.

  
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xxx)	SRPC	Southern Regional Power Committee established under Section 2(55) of the Electricity Act, 2003.
xxxi)	Scheduled Generation	Scheduled Generation as defined in the CERC (Terms and Conditions of Tariff) Regulations, 2014 as amended or replaced from time to time
xxxii)	SLDC	State Load Dispatch Centre
xxxiii)	STU	State Transmission Utility
xxxiv)	Station	Have the meaning as given in the recital
xxxv)	Supplementary Bill	Have the meaning under the Article 6.1.3
xxxvi)	Target Availability	Availability of the Station for recovery of full Capacity (Fixed) Charges on annual basis
xxxvii)	Tariff	Tariff shall constitute all charges including Capacity Charges, Energy Charges, Incentive, Deviation Settlement charges, Water Charges, duties, levies, royalty, taxes, cess etc for supply of electricity from the Station as determined by CERC.
xxxviii)	Third Party(ies)	Any person other than the person to whom electricity is contracted under this Agreement
xxxix)	Transmission Licensee	Have the meaning as per Electricity Act 2003
xl)	Tripartite Agreement (TPA)	The Tripartite Agreement dated 20 <sup>th</sup> March 2003 signed by Govt of Undivided Andhra Pradesh, GOI and Reserve Bank of India as per the provisions of the GOI Scheme for One time Settlement of SEBs dues
xli)	Unit	Each Unit of the Station

## 2.0 GENERAL

### 2.1 INSTALLED CAPACITY:

2.1.1 The capacity of TnSTPS-I is proposed to be 1600 MW (2 X 800 MW). The capacity of the Station is subject to change after placement of orders for the main plant equipment

  
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## 2.2 ALLOCATION OF CAPACITY

- 2.2.1 Allocation of capacity from the Station to the State of Telangana shall be as decided by GOI. Allocation of Capacity to the Procurer(s) shall be made, subsequently, by the State Govt. /State Electricity Regulatory Commission or any other competent authority as the case may be.
- 2.2.2 The allocation made from the Station by GOI or any other competent authority in favour of the Procurer(s) shall be Contracted Capacity. The Procurer(s) shall draw electricity against the above Contracted Capacity limited to the amount of LC opened and maintained by it. NTPC shall intimate SRLDC/SLDC from time to time regarding the quantum of capacity Procurer(s) is eligible to draw.

## 3. TRANSMISSION / WHEELING OF ELECTRICITY

- 3.1 Sale of electricity shall be at the busbars of the Station and it shall be the obligation and responsibility of Procurer(s) to make the required arrangement for evacuation of electricity from such delivery points of NTPC.
- 3.2 For timely and expeditious development of the required transmission system for evacuation of power from the said project to its various beneficiaries, NTPC shall initially make an application for Connectivity and Long-Term Access to the CTU, POWERGRID on behalf of the beneficiaries. The Procurer(s) hereby consents for NTPC to make the said application on its behalf. The Procurer(s) also agrees to subsequently sign all necessary agreements, including LTAA/TSA/BPTA, with POWERGRID/ other transmission licensees developing the identified transmission system, corresponding to their share of allocated capacity from the project.
- 3.3 Charges for utilization of transmission system(s) owned by the Powergrid/other Transmission Licensee for wheeling of the electricity beyond busbar of the Station shall be paid directly by Procurer(s) to the Powergrid or the Transmission Licensee as the case may be. NTPC shall be

  
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neither liable, nor responsible for payment of such charges.

#### 4. SCHEDULING, METERING AND ENERGY ACCOUNTING

##### 4.1 SCHEDULING

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

All charges/fees related to scheduling and dispatch of electricity shall be borne by Procurer(s).

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

##### 4.2 DECLARED CAPACITY

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

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

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

##### 4.3 METERING

- 4.3.1 A set of Main, Check and Standby Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable,

  
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shall be installed by CTU/STU/Generator. Procurer(s) shall make all necessary arrangements for installation of meters of required accuracy and specifications, at all its drawl points.

- 4.3.2 The Main, Check and Standby Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.
- 4.3.3 Data shall be downloaded from the meters at regular intervals as decided by SRPC/SRLDC/SLDC for preparation of the REA/Deviation Settlement Account.
- 4.3.4 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter or Standby Meter is found to be not working at the time of meter readings or at any other time, NTPC shall inform the CTU/SRLDC/SLDC of the same.
- 4.3.5 In case of failure of meters, energy/Deviation Settlement accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:
- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy/Deviation Settlement accounting. If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be computed based on standby meters. In case of dispute, the decision of Member Secretary of the SRPC would be final and binding.
- 4.3.6 Periodic testing and calibration of Main, Check and Standby Meters shall be carried out in the presence of representatives of NTPC and Procurer(s) as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven

  
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days will be given.

#### 4.4 ENERGY ACCOUNTING

- 4.4.1 Both the Parties agree to facilitate issue of Energy Accounts by 1<sup>st</sup> day of every month.
- 4.4.2 Energy Account issued by SRPC /SRLDC/SLDC or any other Competent Authority shall be binding on all the parties for billing and payment purposes.
- 4.4.3 Any change in the methodology of Energy Account shall be done only as per the decisions taken in the SRPC/any other competent authority and both the Parties agree to abide by the methodology so finalised.

#### 5.0 TARIFF

##### 5.1 Terms and conditions:

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

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

##### 5.2 SALE OF INFIRM ELECTRICITY:

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

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

#### 5.3.1 TAX ON INCOME

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

#### 5.3.2 Other TAXES, LEVIES, DUTIES, ROYALTY, CESS ETC

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

### 6.0 BILLING AND PAYMENT

#### 6.1 BILLING:

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

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

6.1.2 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the Officer to be nominated by Procurer(s).

6.1.3 The Monthly Bill for the Station shall include the Charges for Supply of Electricity under this Agreement, taxes, duties, cess, royalty etc including additional bill (s) for the past period(s) on account of orders of CERC/Appellate Tribunal for Electricity/Other Courts/other Competent

  
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Authority (ies). If for certain reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the main Monthly Bills, such charges shall be billed as soon as possible through Supplementary Bill(s).

- 6.1.4 Procurer(s) shall arrange payment of such Monthly Bill(s)/Supplementary Bill(s) promptly through irrevocable Letter of Credit at the designated account of NTPC. The date of transfer of payment to NTPC account shall be considered as the date of payment for computation of rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that-
- there is no apparent arithmetical error in the bill(s);
  - the bill(s) is/are claimed as per the notified/agreed tariff ; and
  - they are in accordance with the Energy Accounts issued by SRPC/SRLDC/SLDC or any other Competent Authority
- 6.1.5 All payments made by the Procurer(s) shall be appropriated by NTPC for amounts due from the Procurer(s) in the following order of priority:
- towards Late Payment Surcharge, payable if any;
  - towards earlier unpaid bill (s), if any;
  - towards the statutory dues like, other tax, royalty etc in the current bill (s);and
  - towards the other charges in current Monthly Bill
- 6.1.6 In case Procurer(s) disputes any amount even then, it shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:
- Item disputed, with full details/data and reasons of dispute
  - Amount disputed against each item.
- Provided that non-acceptance of tariffs determined/approved by CERC shall not be a valid ground for dispute.
- 6.1.7 The amount of excess/shortfall with respect to the said 95% payment based

  
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on finally determined amount in line with Article 7 shall be paid /adjusted with the applicable interest @ 15% per annum from the date on which the amount in dispute was payable /refundable.

#### 6.1.8 REBATE AND LATE PAYMENT SURCHARGE

Rebate and Late Payment Surcharge shall be as per Terms and Conditions of Tariff issued by CERC as applicable from time to time. No rebate shall be payable on the bills raised on account of taxes, levies, duties, royalty / cess etc.

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

6.2.1 Procurer(s) shall establish an irrevocable, unconditional revolving Letters of Credit (LC) in favour of NTPC with any public sector / scheduled commercial bank [as per list supplied by NTPC] at least one month prior to the commencement of electricity supply from the first unit of the Station.

6.2.2 The LC shall cover 105% of the one month's estimated billing in respect of electricity supplied from the Station to Procurer(s). This shall be in addition to the obligation of the Procurer(s) to establish similar letters of credit for supply of electricity to the Procurer(s) from all other generating Stations of NTPC.

6.2.3 The amount of LC shall be reviewed on half yearly basis on 1<sup>st</sup> April and 1<sup>st</sup> October in each financial year on the basis of the average of billing of previous 12 months.

6.2.4 The LCs shall be established for a minimum period of one year. Procurer(s) shall ensure that a valid LC is made available at all times during the entire/extended validity of this Agreement. New LCs shall be furnished/existing LCs reinstated not later than 30 days prior to the expiry of existing LCs.



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- 6.2.5 LC shall specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be promptly paid on their presentation. The LC charges shall be borne by the Procurer(s).
- 6.2.6 All costs relating to opening and maintenance and negotiation of LC shall be borne by the Procurer(s).
- 6.2.7 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of the LC shall be reinstated automatically not later than 7 days from such drawal. Procurer(s) shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, regulation of power supply shall be as per provision 6.3.

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

- 6.2.8 Provisions of Tripartite Agreement signed on 20<sup>th</sup> March 2003 between Govt. of Undivided Andhra Pradesh, Govt. of India and Reserve Bank of India under the Scheme for One Time Settlement of SEB dues shall be applicable for supply of electricity from this station and for safeguarding payments for the same. **Procurer(s)** hereby agrees to provide an alternative payment security arrangement before expiry of the TPA either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of **Procurer(s)** shall be routed as per the terms of Escrow Agreement. **Procurer(s)** hereby agrees that NTPC will have first charge on Receivables of **Procurer(s)**. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement and as listed in the schedule enclosed with this Agreement. **Procurer(s)** agrees to enter into

  
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a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, **Procurer(s)** shall hypothecate Receivables to the extent required for Payment of dues of NTPC by **Procurer(s)** including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by **Procurer(s)**. "Receivables" for this purpose shall mean all of the present and future payments, receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the **Procurer(s)** in respect of the sale by the **Procurer(s)** to the Consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

6.2.9 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by **Procurer(s)** to the satisfaction of NTPC at least 6 months before the expiry of the TPA either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event before expiry of TPA, **Procurer(s)** does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' at least 3 months before the expiry of TPA or **Procurer(s)** creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate contracted capacity of **Procurer(s)** to Third Party (ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, **Procurer(s)** shall be liable to pay capacity charges for such capacity till the capacity is reallocated.

Since the payments from **Procurer(s)** are currently secured as per the provisions of the TPA, establishing of Escrow Arrangement is not being insisted upon by NTPC presently. **Procurer(s)** and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on **Procurer(s)** Receivables in favour of NTPC. Accordingly, **Procurer(s)** shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other

  
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entities like electricity supplier(s), banks, financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, **Procureur(s)** shall duly inform such electricity supplier(s), banks, financial institutions etc. of the legally binding first charge on **Procureur's** Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that **Procureur(s)** may create in favour of any other party.

Except for the provisions of this Agreement other terms and conditions for operation of "Escrow Agreement" and "Agreement to Hypothecate Cum Deed of Hypothecation" shall be as per the provisions of corresponding documents used for the latest Ultra Mega Power Projects competitively bid under Case-II format of the Standard Bidding Documents of GOI.

**Procureur(s)** agrees to ensure that the successor entities of **Procureur(s)** are duly notified of the above arrangement with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

### 6.3 REGULATION OF POWER SUPPLY AND THIRD PARTY SALES:

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

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

It is clarified that the above arrangement shall not be construed as relieving Procureur of any of its obligations to NTPC including obligation of payment of Capacity Charges and Energy Charges, other Charges and arrears, if any under this agreement.

For the removal of any doubt it is clarified that in case of default, **Procureur**

  
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महल प्रबंधक (वाणिज्य)  
General Manager (Commercial)  
एनटीपीसी लिमिटेड / NTPC Limited  
Corp. Centre, New Delhi



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

## 7.0 SETTLEMENT OF DISPUTES

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

## 7.2 Arbitration

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

## 8.0 FORCE MAJEURE

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

## 9.0 IMPLEMENTATION OF THE AGREEMENT

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and given by the

  
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General Manager (Commercial)  
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Corp. Centre, New Delhi





signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Procurer(s) within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South), NTPC Ltd., SRHQ, NTPC Bhawan, Kavadiguda Main Road, Secunderabad, Telangana -500080 as well as Executive Director (Commercial), NTPC Ltd., NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110 003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

#### 10.0 NOTICE

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

#### 11.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

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

Agreement shall remain operative up to completion of twenty five (25) years from the date of commercial operation of last unit of the Station, unless it is specifically extended on mutually agreed terms.

#### 12.0 SUCCESSORS AND PERMITTED ASSIGNS

12.1 In case the functions of Procurer(s) are reorganised and/or this Agreement is assigned to other organisation(s)/agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor Distribution/Trading organisation(s)/agency(ies)/entities and shall continue

  
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to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor organisation(s)/agency(ies) is/are owned or controlled by the Government of Telangana State.


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

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

Witnesses

1.


  
एस.के. कर  
S.K. KAR  
महाप्रबंधक (वाणिज्यिक)  
General Manager (Commercial)  
एन टी सी लिमिटेड, द वी नु, कवाडीगुडा, सिकंदराबाद-50.  
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-50.

  
For and on behalf of NTPC Ltd

सी. वी. आनन्द / C. V. ANAND  
महा प्रबंधक (वाणिज्य)  
General Manager (Commercial)  
एनटीपीसी लिमिटेड / NTPC Limited  
Corp. Centre, New Delhi

2.

  
**CHIEF ENGINEER**  
**Pg., Comml., & Co-ord.**  
**TSPCC, Vidyut, Madha,**  
**HYDERABAD-500 082.**

  
For and on behalf of TSSPDCL  
**Chief General Manager (Commercial)**  
TSSPDCL, Corporate Office,  
6-1-50, Mint Compound, Hyderabad-63.