

- b. Any payments made within the Due Date shall be allowed a rebate of one percent (1%).
- c. For the billing purpose, if bill is received by 12:00 Hours, the present date is considered or else billing date.
- d. No Rebate shall be payable on the Bills raised on account of Change in Law relating to taxes, duties, cess, etc. and on Supplementary Bill.

10.4. **Payment Security Mechanism Letter of Credit**

- 10.4.1. GRIDCO shall provide to the SPG, in respect of payment of its Monthly Bills and/or Supplementary Bills, a Monthly unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained which may be drawn upon by the SPG in accordance with this Article.
- 10.4.2. Not later than one (1) Month before the start of supply, GRIDCO through a scheduled bank open a Letter of Credit in favour of the SPG, 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 a term of twelve (12) Months and shall be renewed annually, for an amount equal to:
 - a. for the first Contract Year, equal to the estimated average monthly billing;
 - b. for each subsequent Contract Year, equal to the average of the monthly billing of the previous Contract Year.
- 10.4.3. Provided that the SPG shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill and shall not make more than one drawl in a Month.
- 10.4.4. Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 10.4.2 due to any reason whatsoever, GRIDCO shall restore such shortfall within fifteen (15) days.
- 10.4.5. GRIDCO shall cause the scheduled bank issuing the Letter of Credit to intimate the SPG, in writing regarding the establishing of such irrevocable Letter of Credit.
- 10.4.6. GRIDCO shall ensure that the Letter of Credit shall be renewed not later than its expiry.
- 10.4.7. All costs relating to opening, maintenance of the Letter of Credit shall be borne by GRIDCO.
- 10.4.8. If GRIDCO fails to pay undisputed Monthly Bill or Supplementary Bill or a part thereof within and including the Due Date, then, subject to Article 10.4.6 & 10.5.2, the SPG may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from GRIDCO, an amount equal to such Monthly Bill or Supplementary Bill or part thereof, in accordance with Article 10.4.3 above, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:
 - a. a copy of the Monthly Bill or Supplementary Bill which has remained unpaid to SPG and;
 - b. a certificate from the SPG 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;

10.5. **Disputed Bill**

- 10.5.1. If GRIDCO does not dispute a Monthly Bill or a Supplementary Bill raised by the SPG within fifteen (15) days of receiving such Bill shall be taken as conclusive.
- 10.5.2. If GRIDCO disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, it shall pay undisputed amount of the invoice amount and it shall within fifteen (15) 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.

- 10.5.3. If the SPG agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.2, the SPG shall revise such Bill and present along with the next Monthly Bill. 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 by the disputing Party to the invoicing Party, including the date on which such payment has been received a refund.
- 10.5.4. If the SPG does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.2, it shall, within fifteen (15) days of receiving the Bill Dispute Notice, furnish a notice (Bill Disagreement Notice) to the GRIDCO 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.
- 10.5.5. Upon receipt of the Bill Disagreement Notice by the GRIDCO under Article 10.5.4, authorized representative(s) or a director of the Board of Directors/ member of the Board of GRIDCO and SPG shall meet and make best endeavours to amicably resolve such dispute within fifteen (15) days of receipt of the Bill Disagreement Notice.
- 10.5.6. If the Parties do not amicably resolve the Dispute within fifteen (15) days of receipt of Bill Disagreement Notice pursuant to Article 10.5.4, the matter shall be referred to Dispute resolution in accordance with Article 16.
- 10.5.7. For the avoidance of doubt, it is clarified that despite a Dispute regarding an invoice, GRIDCO shall, without prejudice to its right to Dispute, be under an obligation to make payment of the undisputed amount of the invoice amount in the Monthly Bill.

106. **Quarterly and Annual Reconciliation**

- 10.6.1. The Parties acknowledge that all payments made against the Monthly Bills and Supplementary Bills shall be subject to quarterly reconciliation and annual reconciliation at the end of each Contract Year within 30 days to take into account the JMR/ EBC energy export statement, Tariff adjustment payments, Rebate, Late Payment Surcharge, or any other reasonable circumstance provided under this Agreement.
- 10.6.2. 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 SPG and GRIDCO shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the SPG shall make appropriate adjustments in the next Monthly Bill. Late Payment Surcharge/ interest 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 16.

10.7. **Payment of Supplementary Bill**

- 10.7.1. SPG may raise a ("Supplementary Bill") for payment on account of:
- i. Adjustments required in the JMR/ EBC energy export statement (if applicable); or
 - ii. Change in Law as provided in Article 12

And such Supplementary Bill shall be paid by the other Party.

- 10.7.2. GRIDCO shall remit all amounts due under a Supplementary Bill raised by the SPG to the SPG's Designated Account by the Due Date, except open access charges, RLDC or scheduling charges and transmission charges (if applicable). For Supplementary Bill on account of adjustment required in the JMR/ EBC energy export statement, Rebate as applicable to Monthly Bills pursuant to Article 10.3.5 shall equally apply. No surcharge will be applicable other than that on the monthly energy payment and associated debit and credit note.

11. **FORCE MAJEURE**

11.1. **Definitions**

- 11.1.1. In this Article, the following terms Affected Party, and Force Majeure, and shall have the following meanings.

11.2. **Affected Party**

11.2.1. An affected Party means GRIDCO or the SPG whose performance has been affected by an event of Force Majeure.

11.3. **Force Majeure**

11.3.1. A 'Force Majeure' means any event or circumstance or combination of events those stated below that wholly or partly prevents or unavoidable 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:

- a. 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 or tornado if and only if it is declared/ notified by the competent state / central authority/ agency (as applicable);
- b. 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 if and only if it is declared/notified by the competent state/ central authority/ agency (as applicable); or
- c. radioactive contamination or ionizing radiation originating from a source in India or resulting from another 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 Project by the Affected Party or those employed or engaged by the Affected Party.

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 or consumables for the Project;
- b. Delay in the performance of any contractor, sub-contractor or their agents;
- c. Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
- d. Strikes 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.

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 fifteen (15) 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.

11.5.2. 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.

11.5.3. 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. every Party shall be entitled to claim relief in relation to a Force Majeure Event in regard to its obligations;
- c. For avoidance of doubt, neither Party's obligation to make payments of money due and payable prior to occurrence of Force Majeure events under this Agreement shall be suspended or excused due to the occurrence of a Force Majeure Event in respect of such Party.
- d. Provided that no payments shall be made by either Party affected by a Force Majeure Event for the period of such event on account of its inability to perform its obligations due to such Force Majeure Event.

12. **CHANGE IN LAW**

12.1. ***Definitions***

In Article 12, the term Change in Law shall refer to the occurrence of any of the following events pertaining to this project only after the last date of the bid submission, including

- i. the enactment of any new law; or
- ii. an amendment, modification or repeal of an existing law; or
- iii. the requirement to obtain a new consent, permit or license; or
- iv. any modification to the prevailing conditions prescribed for obtaining consent, permit or license, not owing to any default of the SPG; or
- v. any change in the rates of any Taxes including any duties and cess or introduction of any new tax made applicable for setting up the Power Project and supply of power from the Power Project by the SPG which have a direct effect on the Project.

However, Change in Law shall not include

- i. any change in taxes on corporate income or
- ii. any change in any withholding tax on income or dividends distributed to the shareholders of the SPG, or
- iii. any change on account of regulatory measures by the Appropriate Commission.

In the event a Change in Law results in any adverse financial loss/ gain to the SPG then, in order to ensure that the SPG is placed in the same financial position as it would have been had it not been for the occurrence of the Change in Law, the SPG/ GRIDCO shall be entitled to compensation by the other Party, as the case may be, subject to the condition that the quantum and mechanism of compensation payment shall be determined and shall be effective from such date as may be decided by the Appropriate Commission.

In the event of any decrease in the recurring/ nonrecurring expenditure by the SPG or any income to the SPG on account of any of the events as indicated above, SPG shall file an application to the Appropriate Commission no later than sixty (60) days from the occurrence of such event, for seeking approval of Change in Law. In the event of the SPG failing to comply with the above requirement, in case of any gain to the SPG, GRIDCO shall withhold the monthly tariff payments on an immediate basis, until compliance of the above requirement by the SPG.

12.2. **Relief for Change in Law**

12.2.1. The aggrieved Party shall be required to approach the Appropriate Commission for seeking approval of Change in Law.

12.2.2. The decision of the Appropriate Commission to acknowledge a Change in Law and the date from which it will become effective, provide relief for the same, shall be final and governing on both the Parties.

13. **EVENTS OF DEFAULT AND TERMINATION**

13.1. **SPG Event of Default**

13.1.1. The occurrence and/or continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by GRIDCO of its obligations under this Agreement, shall constitute an SPG Event of Default:

- i. the failure to commence supply of power to GRIDCO up to the Contracted Capacity, by the end of the period specified in Article 4, or failure to continue supply of Contracted Capacity to GRIDCO after Commercial Operation Date throughout the term of this Agreement, or
if
 - a) the SPG assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Project in contravention of the provisions of this Agreement; or
 - b) the SPG 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
 - 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
 - is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee;
- ii. if (a) the SPG becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding-up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or (b) any winding up or bankruptcy or insolvency order is passed against the SPG, or (c) the SPG 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 SPG will not be a SPG Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to the SPG and expressly assumes all obligations of the SPG under this Agreement and is in a position to perform them; or
- iii. the SPG repudiates this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from GRIDCO in this regard; or

- iv. except where due to any GRIDCO's failure to comply with its material obligations, the SPG is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the SPG within thirty (30) days of receipt of first notice in this regard given by GRIDCO; or
- v. occurrence of any other event which is specified in this Agreement to be a material breach/default of the SPG;

13.2. **GRIDCO 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 SPG of its obligations under this Agreement, shall constitute the Event of Default on the part of defaulting GRIDCO:

- i. GRIDCO fails to pay (with respect to a Monthly Bill or a Supplementary Bill), subject to Article 10.5, for a period of ninety (90) days after the Due Date and the SPG is unable to recover the amount outstanding to the SPG through the Letter of Credit,
- ii. GRIDCO repudiates this Agreement and does not rectify such breach even within a period of sixty (60) days from a notice from the SPG in this regard; or
- iii. except where due to any SPG's failure to comply with its obligations, GRIDCO is in material breach of any of its obligations pursuant to this Agreement, and such material breach is not rectified by GRIDCO within sixty (60) days of receipt of notice in this regard from the SPG to GRIDCO; or
 - if
 - GRIDCO becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding-up proceedings and such proceedings remain uncontested for a period of sixty (60) days, or
 - any winding up or bankruptcy or insolvency order is passed against GRIDCO, or
 - GRIDCO 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, provided that it shall not constitute a GRIDCO Event of Default, where such dissolution or liquidation of GRIDCO or GRIDCO is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and has creditworthiness similar to GRIDCO and expressly assumes all obligations of GRIDCO and is in a position to perform them; or;
- iv. Occurrence of any other event which is specified in this Agreement to be a material breach or default of GRIDCO.

13.3. **Procedure for cases of SPG Event of Default**

13.3.1. Upon the occurrence and continuation of any SPG Event of Default under Article 13.1, GRIDCO shall have the right to deliver to the SPG, with a copy to the representative of the lenders to the SPG with whom the SPG has executed the Financing Agreements, a notice stating its intention to terminate this Agreement (GRIDCO Preliminary Default Notice), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.

13.3.2. Following the issue of a GRIDCO 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.

13.3.3. During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.

13.3.4. Within a period of seven (7) days following the expiry of the Consultation Period unless the Parties shall have otherwise agreed to the contrary or the SPG Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, GRIDCO may terminate this Agreement by giving a written Termination Notice of sixty (60) days to the SPG.

13.3.5. Subject to the terms of this Agreement, upon occurrence of a SPG Event of Default under this Agreement, the lenders in concurrence with the GRIDCO, may exercise their rights, if any, under Financing Agreements, to seek substitution of the SPG by a selectee for the residual period of the Agreement, for the purpose of securing the payments of the total debt amount from the SPG and performing the obligations of the SPG. However, in the event the lenders are unable to substitute the defaulting SPG within the stipulated period, GRIDCO may terminate the PPA and may acquire the Project assets for an amount equivalent to 90% of the debt due or less as mutually agreed, failing which, the lenders may exercise their mortgage rights and liquidate the Project assets.

Provided that any substitution under this Agreement can only be made with the prior consent of GRIDCO including the condition that the selectee meets the eligibility requirements of Request for Selection (RfS) issued by GRIDCO and accepts the terms and conditions of this Agreement.

13.3.6. The lenders in concurrence with GRIDCO may seek to exercise the right of substitution under Article 13.3.5 by an amendment or novation of the PPA in favour of the selectee. The SPG shall cooperate with GRIDCO to carry out such substitution and shall have the duty and obligation to continue to operate the Project in accordance with this PPA till such time as the is finalized. In the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions leading to signing of fresh PPA with a new entity, an amount of Rs. 1 Lakh per MW +18% GST per transaction as facilitation fee (non-refundable) shall be deposited by the SPG to GRIDCO.

13.3.7. In the event the lenders are unable to substitute the defaulting SPG within the stipulated period, GRIDCO may terminate the PPA and may acquire the Project assets for an amount equivalent to 90% of the debt due, failing which, the lenders may exercise their mortgage rights and liquidate the Project assets.

13.4. ***Procedure for cases of GRIDCO Event of Default***

13.4.1. Upon the occurrence and continuation of any GRIDCO Event of Default specified in Article 13.2, the SPG shall have the right to deliver to GRIDCO, an SPG Preliminary Default Notice, which notice shall specify in reasonable detail the circumstances giving rise to its issue.

13.4.2. Following the issue of an SPG 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.

13.4.3. During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.

13.4.4. After a period of two hundred ten (210) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed to the contrary or GRIDCO Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, GRIDCO under intimation to SPG shall, subject to the prior consent of the SPG, novate its part of the PPA to any third party, including its Affiliates within the stipulated period. In the event the aforesaid novation is not acceptable to the SPG, or if no offer of novation is made by GRIDCO within the stipulated period, then the SPG may terminate the PPA and at its discretion require GRIDCO to either (i) takeover the Project assets by making a payment of the termination compensation equivalent to the amount of the debt due and 150% (one hundred and fifty per cent) of the adjusted equity or, (ii) pay to the SPG, damages, equivalent to 6 (six) months, or balance PPA Term whichever is less, of charges for its contracted capacity, with the Project assets being retained by the SPG.

Provided further that at the end of three (3) months period from the period mentioned in this Article 13.4.4, this Agreement may be terminated by the SPG.

135. **Termination due to Force Majeure**

13.5.1. If the Force Majeure Event or its effects continue to be present beyond a period as specified in Article 4.4.2, either Party shall have the right to cause termination of the Agreement. In such an event this Agreement shall terminate on the date of such Termination Notice without any further liability to either Party from the date of such termination.

14. **LIABILITY AND INDEMNIFICATION**

14.1. **Indemnity**

14.1.1. The SPG shall indemnify, defend and hold GRIDCO harmless against:

- a. any and all third-party claims against GRIDCO 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 SPG of any of its obligations under this Agreement; and
- b. any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by GRIDCO from third party claims arising by reason of a breach by the SPG of any of its obligations under this Agreement, (provided that this Article 14 shall not apply to such breaches by the SPG, for which specific remedies have been provided for under this Agreement).

14.1.2. GRIDCO shall indemnify, defend and hold the SPG harmless against:

- a. any and all third-party claims against the SPG, 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 GRIDCO of any of their obligations under this Agreement; 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 SPG from third party claims arising by reason of a breach by GRIDCO of any of its obligations.

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 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 a claim. 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 refer the dispute before the Arbitrator in accordance with Article 16.3.2;
 - 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 the claim by referring to the Arbitrator for which it is entitled to be Indemnified under Article 14.1.1(a) or 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 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.

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 nonpayment of such losses after a valid notice under this Article 14.3, such event shall constitute a payment default under Article 13.

14.4. **Limitation of Liability**

14.4.1. Except as expressly provided in this Agreement, neither the SPG 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 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 GRIDCO, the SPG or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.

14.4.2. GRIDCO shall have no recourse against any officer, director or shareholder of the SPG or any Affiliate of the SPG or any of its officers, directors or shareholders for such claims excluded under this Article. The SPG shall have no recourse against any officer, director or shareholder of GRIDCO, or any affiliate of GRIDCO or any of its officers, directors or shareholders for such claims excluded under this Article.

14.5. **Duty to Mitigate**

14.5.1. The Parties shall endeavor to take all reasonable steps so as to mitigate any loss or damage which has occurred under this Article 14.

15. **ASSIGNMENTS AND CHARGES**

15.1. **Assignments**

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any Party, except to the Project lender or lender's representative as security for their debt under the Financing Agreements, other than by mutual consent between the Parties to be evidenced in writing. Such assignment shall be agreed to by GRIDCO subject to the compliance of provisions contained in this Agreement and more specifically to the provisions of Article 4.1.1 of this Agreement. In no case, such assignment shall be permissible prior to the declaration of COD.

Provided that, GRIDCO shall permit assignment of any of SPG's rights and obligations under this Agreement in favour of the lenders to the SPG, if required under the Financing Agreements. Provided that, such consent shall not be withheld if GRIDCO seeks to transfer to any transferee all of its rights and obligations under this Agreement.

The enforcement of the rights and obligation between the SPG and the GRIDCO provided in this Agreement shall not be treated as an assignment but an enforcement of the terms agreed under this Agreement.

Provided further that any successor(s) or permitted assign(s) identified after mutual agreement between the Parties may be required to execute a new agreement on the same terms and conditions as are included in this Agreement. An amount of Rs. 1 Lakh per Transaction as Facilitation Fee (non-refundable) shall be deposited by the SPG to GRIDCO. Provided further that, such consent shall not be withheld by the SPG if GRIDCO seeks to transfer to any affiliate all of its rights and obligations under this Agreement.

In the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions leading to signing of fresh PPA with a New Entity, an amount of INR 1 Lakh per Transaction as Facilitation Fee (non-refundable) shall be deposited by the SPG to GRIDCO.

15.2. **Permitted Charges**

15.2.1. SPG shall not create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement, other than as set forth in Article 15.1 and the Guidelines.

16. **GOVERNING LAW AND DISPUTE RESOLUTION**

16.1. **Governing Law**

16.1.1. 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 Agreement shall be under the jurisdiction of appropriate courts in Bhubaneswar/ Odisha.

16.2. **Amicable Settlement and Dispute Resolution**

- i. Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement ("Dispute") by giving a written notice (Dispute Notice) to the other Party, which shall contain:
 - a. a description of the Dispute;
 - b. the grounds for such Dispute; and
 - c. all written material in support of its claim.
- ii. The other Party shall, within thirty (30) days of issue of Dispute Notice issued under Article 16.2.1(i), furnish:
 - a. counter-claim and defenses, if any, regarding the Dispute; and
 - b. all written material in support of its defenses and counter-claim.
- iii. Within thirty (30) days of issue of Dispute Notice by any Party pursuant to Article 16
 - a. if the other Party does not furnish any counterclaim or defense under Article 16
 - b. or thirty (30) days from the date of furnishing counterclaims or defense by the other Party, 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 from the later of the dates mentioned in this Article 16.2.1.
 - c. the Dispute shall be referred for dispute resolution in accordance with Article 16.3.

16.3. **Dispute Resolution**

16.3.1. **Dispute Resolution by the Appropriate Commission**

- i. Where any Dispute or differences arises in relation to this agreement of any nature whatsoever including the construction, interpretation or implementation of the provisions of this agreement as well as claim made by any Party for any change in or determination of the Tariff or any matter related to Tariff or claims made by any Party which partly or wholly relate to any change in the Tariff or determination of any of such claims could result in change in the Tariff, and relates to any matter agreed to be referred to the Appropriate Commission, shall be submitted to adjudication by the Appropriate Commission. Appeal against the decisions of the Appropriate Commission shall be made only as per the provisions of the Electricity Act, 2003, as amended from time to time.
- ii. GRIDCO shall be entitled to co-opt the lenders (if any) as a supporting party in such proceedings before the Appropriate Commission.

16.3.2. **Dispute Resolution through Arbitration**

- ii. If the Dispute arising as per Article 16.2.1 is not amicably resolved & such dispute is not covered in Article 16.3.1(i), such Dispute shall be resolved by arbitration under the provisions of the Electricity Act, 2003 (as amended from time to time) as under: Proceedings as well as appointment of the arbitrator(s) shall be carried out by the Appropriate Commissions under the Electricity Act 2003 as amended from time to time. As stipulated by the said Electricity Act 2003, the said arbitration will take place as per the provisions of the Arbitration and Conciliation Act 1996 as amended from time to time.
- iii. The place of arbitration shall be at Bhubaneswar. The language of the arbitration shall be English.
- iv. The Arbitration Tribunal's award shall be substantiated in writing. The Arbitration Tribunal shall also decide on the costs of the arbitration proceedings and the allocation thereof.
- v. The provisions of this Article shall survive the termination of this PPA for any reason whatsoever.
- vi. The award shall be of majority decision.
- vii. GRIDCO shall be entitled to co-opt the lenders (if any) as a supporting party in such arbitration proceedings.

16.4. **Parties to Perform Obligations**

16.4.1. Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission 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.

17. **MISCELLANEOUS PROVISIONS**

17.1. **Amendment**

17.1.1. This Agreement may only be amended or supplemented by a written agreement between the Parties.

17.2. **Third-party Beneficiaries**

17.2.1. 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.

17.3. **Waiver**

17.3.1. 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 authorized representative of such Party.

17.3.2. 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 Parties 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.

17.4. **Confidentiality**

17.4.1. The Parties undertake to hold in confidence this Agreement and not to disclose the terms and conditions of the transaction contemplated hereby to third-parties, except:

- a. to their professional advisors;
- b. 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
- c. disclosures required under Law, without the prior written consent of the other Party.

17.5. **Severability**

17.5.1. The invalidity or unenforceability, 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.

17.6. **Notices**

17.6.1. All notices or other communications which are required to be given under this Agreement shall be in writing and in the English language.

17.6.2. If to the SPG, all notices or other communications which are required must be delivered personally or by registered post or facsimile or any other method duly acknowledged to the addresses below:

Address: [●]
Attention: [●]
Email: [●]
Fax. No.: [●]
Telephone No.: [●]

17.6.3. If to GRIDCO, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the address(es) below:

Address: GRIDCO Limited, Janpath, Bhoi Nagar, Bhubaneswar - 751022