

अरुणाचल प्रदेश ARUNACHAL PRADESH

037720

JOINT VENTURE AGREEMENT

This Joint Venture Agreement ("Agreement ") is made at Itanagar on this the 8th day of December, 2008

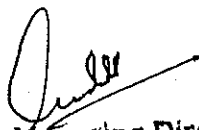
By and Between:

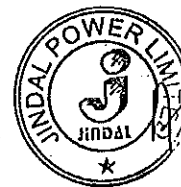
Jindal Power Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Kharsia Road, Raigarh (Chhattisgarh) through Mr. Anand Goel., Director who is duly authorised by the company to sign and execute this Agreement (hereinafter referred to as "Jindal", which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns);

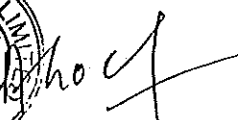
AND

Hydro Power Development Corporation of Arunachal Pradesh Limited, a public sector undertaking set up by the State Government of Arunachal Pradesh for development of hydro

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Managing Director
Hydro Power Development
Corporation of Arunachal Pradesh Ltd.






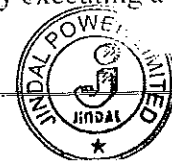
power projects in the State and having its registered office at Tahung Tatak building, Near APPSC, MLA Cottage Road, Itanagar, acting through Mr. Pulak Deb, Managing Director, who is duly authorised by the Corporation to sign and execute this Agreement (hereinafter referred to as "Hydro Corporation", which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns);

Jindal and Hydro Corporation shall collectively be referred to as the "Parties" and individually as "Party".

WHEREAS:

- (A) The State Government of Arunachal Pradesh has announced Hydro Power Policy 2008 which inter alia stipulates that the State would seek private sector participation for development of hydro power potential in the State through Joint Venture model on BOOT basis. The policy further mentions that the Joint Venture model has ostensible benefits, wherein the State becomes partner in the development of the project and thus enjoys the fruits of return on equity as well as that of free power.
- (B) The State Government has allotted the 500 MW Attunli Hydroelectric to Hydro Corporation for developing the Projects under Joint Venture route under the Hydro Policy – 2008.
- (C) Jindal has approached the state government for development of the Project in Joint Venture with Hydro Corporation. State Government has approved the development of the Project through Joint Venture Company between Hydro Corporation and Jindal.
- (D) Hydro Corporation and Jindal will incorporate a joint venture company for development of the Project and have agreed to execute this Agreement for establishing a joint venture company by name as may be approved by the ROC under the provisions of the Companies Act, 1956;
- (E) Upon incorporation of the JV Company, the JV Company shall become a party to this Agreement by executing a Deed of


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Adherence in order to comply with the terms and conditions of this Agreement insofar they relate to the JV Company .

- (F) The State Government has permitted the JV Company to undertake preliminary investigation for preparation of the PFR, detailed investigation for DPR preparation and subsequent implementation, operation and maintenance of the Projects in the State.
- (G) State Government has allotted the Project to Hydro Corporation and has also approved the development of the Project through Joint Venture Company on certain terms and conditions. These terms and conditions are given in Annexure A and form part of the Agreement. No terms or conditions contained in Annexure A can be altered or amended without prior written consent of State Government.

NOW THEREFORE, in consideration of the premises and the mutual covenants set forth herein, the Parties agree as follows:

1. DEFINITIONS & INTERPRETATIONS

- 1.1 In this Agreement (including the recitals above and the Schedules and Annexures hereto), except where the context otherwise requires, the following words and expressions shall have the following meanings:


"Agreement" means this Agreement including any annexures and any amendment thereto made in accordance with the provisions of this Agreement.

"Associate" means in respect of any Party, its holding company, subsidiaries, as the case may be.

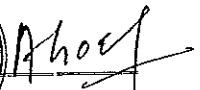
"AoA" means the Articles of Association of the JV Company, as amended from time to time.

"Act" means the Companies Act, 1956, as amended from time to time.

"Board" means the Board of Directors of the JV Company, as constituted from time to time

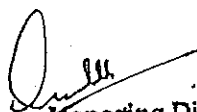

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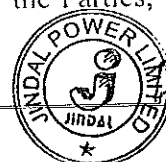


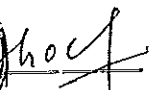
in accordance with the terms hereof.

"Business"	has the meaning ascribed to it in clause 4 of this Agreement.
"CEO"	means the Chief Executive Officer of the JV Company.
"CFO"	means the Chief Financial Officer of the JV Company.
"Directors"	means the directors of the JV Company for the time being and shall include their duly appointed alternates.
"Equity Capital"	means the equity share capital of the JV Company.
"MoA"	means the memorandum of articles of the JV Company, as amended from time to time.
"Parties" / "Party"	means the "Parties" to this Agreement collectively and "Party" shall mean any of the Parties to this Agreement individually.
"Project"	means 500 MW Attunli hydro electric project proposed to be established in the State of Arunachal Pradesh including complete hydroelectric power generating facility covering all components such as dam, intake works, water conductor system, power station, generating units, project roads, bridges, offices, residential facilities store, guest houses, security office and other connected facilities including the interconnection facilities;
"PPA"	means power purchase agreement to be executed between the JV Company and the State Government.
"ROC"	means the Registrar of Companies, Shillong.
"Shareholders"	means the Party or the Parties, for so long



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as they hold Shares and includes any other

person who becomes a Party to this Agreement, in terms of this Agreement.

"Shares" means equity shares of par value of Rs. 10/- each of the issued, subscribed and paid up Equity Capital of the JV Company.

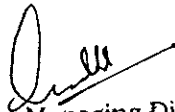
"State Government" means the government

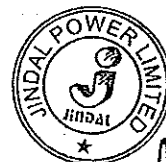
"State" means the state of Arunachal Pradesh.

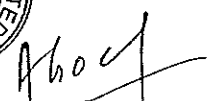
1.2 In this Agreement (unless the context requires otherwise):

- (a) reference to the singular includes a reference to the plural and vice versa, and reference to any gender includes a reference to all other genders;
- (b) reference to an individual shall include his legal representative, successor, legal heir, executor and administrator;
- (c) reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the date of this Agreement) for the time being in force and to all statutory instruments or orders made pursuant to statutory provisions;
- (d) references to any statute or regulation made using a commonly used abbreviation, shall be construed as a reference to the short title of the statute or full title of the regulation; and,
- (e) references to any Article, Clause, Schedule, Annexure or Exhibit shall be deemed to be a reference to such Article, Clause, Schedule, Annexure or Exhibit of or to this Agreement.

1.3 The Exhibits, Annexures and Schedules to this Agreement shall be deemed to form an integral part of this Agreement.


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2. SCOPE AND TERM OF THE AGREEMENT

- 2.1 This Agreement sets out the framework of understanding between the Parties as to the formation of the JV Company for the development and operation and maintenance of the Project in the State, which includes complying with the respective obligations of each Party and such obligations of each Party as mentioned in terms and conditions contained in Annexure A.
- 2.2 This Agreement shall come into force on the date of execution of this Agreement by the Parties and shall, subject to Clause 13 of this Agreement, continue in full force till the continuance of the Project.
- 2.3 This Agreement supersedes any previous agreements or arrangements between the Parties (whether written or oral) in regard to formation of JV Company in the State and represents the entire understanding between the Parties.

3. JV COMPANY

3.1 Form of the JV Company

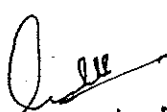
The JV Company shall be incorporated as a limited company with the name as may be approved by the ROC, under the Act, for the purposes of this Agreement. The Parties will endeavor to incorporate the JV Company within a period of 3 months from the signing of this Agreement and in this respect agree to share the responsibility, cost and burden of work associated with the formation of the JV Company.

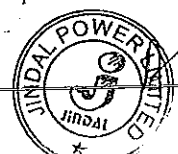
3.2 Location of its registered office

The registered office of the JV Company shall at all times be in the State of Arunachal Pradesh, Itanagar.

3.3 MoA and AoA of the JV Company

The MoA and AoA of the JV Company shall be as agreed between the Parties and shall be printed in English. The MoA and AoA shall be consistent with and will, to the extent possible, incorporate the substantive provision of this


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Agreement and terms and conditions contained in Annexure A.

3.4 Capital Structure of the JV Company

3.4.1 Authorised Capital

The initial proposed authorized capital of the JV Company shall be 5.00 crores divided into 50,00,000 shares of Rs. 10 each.

3.4.2 Paid-Up Capital

The initial Paid-Up Capital of the JV Company shall be 1.00 crore divided into 10,00,000 shares of Rs. 10 each.

3.4.3 Capital Contribution of Parties

3.4.3.1 Initially the shareholding of the Parties in the JV Company will be as follows:


Jindal: 74%

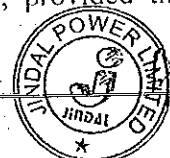
Hydro Corporation: 26%

3.4.3.2 Jindal shall on request from Hydro Corporation, syndicate the loan (including interest payment on the loan and cost of raising the loans) for Equity contribution of the Hydro Corporation in the JV Company based upon the security of 12% free power of the State and pledge of Equity of Hydro Corporation in the JV Company.

3.4.3.3 The proceeds from sale of free power entitlement of the State Government as per terms and conditions contained in Annexure A and the dividends in respect of Equity of Hydro Corporation in the JV Company would be utilized for repayment of due amount of the loan arranged by Jindal, the interest on the said loan and cost of raising the loans. Jindal and Hydro Corporation shall execute all the necessary agreements as may be required by the providers of such loan.

3.4.3.4 If Hydro Corporation arranges its own Equity and / or through its authorized agency, then Hydro Corporation and / or such agency shall be allowed to do so, provided that such


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arrangement shall not be detrimental to the JV Company.

- 3.4.3.5 In the event, adequate loan for funding the Equity contribution of Hydro Corporation in the JV Company could not be arranged even after providing the security of 12% free power of the State, the shareholding of Hydro Corporation in the JV Company may be reviewed with due approval of State Government.

4. BUSINESS OF THE JV COMPANY, OBLIGATIONS OF PARTIES

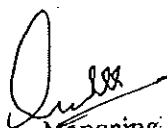
- 4.1 The State Government has awarded the Project to Hydro Corporation to be implemented on joint venture route basis under the Hydro Policy – 2008 and the State Government has approved the joint venture between Hydro Corporation and Jindal and incorporation of JV Company for development and operation of the Project. The State Government has granted permission to Hydro Corporation and Jindal to undertake preliminary investigation for preparation of the PFR, detailed investigation for DPR preparation and subsequent implementation, operation and maintenance of the Project in the State.
- 4.2 Further each Party agrees to comply with its respective obligations, for the purposes of successful continuation and completion of the Project in the State and agrees to place at the disposal of the other Party the benefit of its experience, knowledge and skill to secure optimum benefit for the Project.
- 4.3 The JV Company, subject to the MoA and AoA, may undertake such other activities as the Board may approve from time to time.

5. MANAGEMENT OF THE JV COMPANY

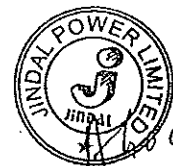
- 5.1 The Board shall comprise of minimum of 5 Directors. So long as the board comprises 5 Directors, Jindal shall be represented by 4 Directors. In case the number of Directors is increased beyond 5, Jindal shall at all times be represented by at least 50% of the board strength (any fraction rounded off to 1) + 1 Director. Hydro Corporation shall be represented by 1 Director. Any increase in the total number of Directors shall be subject to prior approval of the Board in writing. The Chairman, at all times, of the Board shall be elected from the Directors represented by Jindal. The Chairman of the Board shall also act

as Chairman of the General Meetings and if he is not present, the Directors may choose one among them to be the Chairman. The Chairman shall have a second or casting vote.

- 5.2 If financial institutions/ banks as a condition of lending require the appointment of their nominee as a Director for the period their loans is outstanding the parties hereby agree to appoint such nominee as an additional Director.
- 5.3 In case the public/ financial institution/ banks/ mutual funds subscribe to the equity stake in the company offered to them and they require the appointment of their nominee(s) as Director(s), then the parties hereby agree to appoint such directors as additional director.
- 5.4 The Parties shall ensure that the JV Company shall indemnify each Director against all claims and liabilities incurred by reason of his or her being a Director of the JV Company, provided that the Director's acts or omissions giving rise to such claim or liability did not constitute intentional misconduct or gross negligence or a violation of applicable laws.
- 5.5 Directors shall not be paid any salary by the JV Company unless the JV Company directly or indirectly employs the Director(s) for whom salary may be paid as decided by the Management.
- 5.6 The Board shall appoint the CEO, CFO and other key officials of the JV Company.
- 5.7 The Parties including their nominees and Associates shall ensure that the individuals nominated by either of the Parties to be the Directors of the JV Company are duly elected and for this purpose shall use the voting rights attached to the respective Shares held by them in favour of the election of such individuals as Director.
- 5.8 The Parties shall be entitled from time to time to remove their respective Directors and nominate others in place of the Directors so removed in the JV Company.



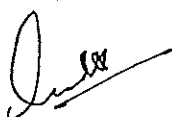
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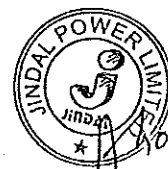
6. MEETINGS OF THE JV COMPANY

6.1 Board Meetings

- 6.1.1 The Board shall meet regularly at least four times a year, i.e., once in each quarter.
- 6.1.2 At least 5 days prior notice shall be given to all Directors of the Board whether residing in India or otherwise. In case of Directors residing outside India, notice shall be sent by telex/fax/email. Each notice shall set out in sufficient detail, the agenda of items to be transacted at each meeting. A meeting may be held at short notice if it is agreed by all the Directors present in meeting.
- 6.1.3 The quorum necessary for transacting any business of or taking any decision of the Board shall be as per relevant provisions of companies Act, 1956.
- 6.1.4 If a director nominated by a Party is unable to attend the meetings of the Board, such Party shall be entitled to nominate in his place any alternate director as per the provisions of Section 313 of the Act to attend such meetings.
- 6.1.5 The Parties on their behalf and on behalf of their Associates and nominees undertake with each other as follows:-
- a) to exercise voting rights and powers available to them in relation to the JV Company so as to give full effect to the terms and conditions of this Agreement, AoA and terms and conditions contained in Annexure A.
 - b) to ensure that the Directors nominated by them and other representatives shall support and implement all reasonable proposals which come before the general meetings, board meetings or committee of the JV Company for the proper development and conduct of the Business as contemplated in this Agreement; and
 - c) use all reasonable endeavors to promote the Business and the interests of the JV Company.



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6.1.6 The decisions in the meetings of the Board shall be valid and effective if approved by majority of the Directors present and voting in the meeting.

6.1.7 The minutes of the meeting shall be circulated to all the Directors of the Board.

6.2 Shareholders Meeting

6.2.1 An annual general meeting of the JV Company shall be held annually in accordance with the Act, but not later than 6 months from the end of financial year.

6.2.2 An extra ordinary meeting of the shareholders of the JV Company may be held at any time upon passing a Board resolution to this effect subject to the provisions of the Act.

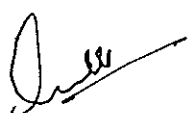
6.2.3 Subject to the Act, general meetings shall be held at the registered office of the JV Company, or at such other place as may be decided by the Board of the JV Company and shall be specified in the notice calling the meeting.

6.2.4 Except in respect of matters which are required pursuant to the Act to be approved at a general meeting by a special resolution, all decisions in general meeting of JV Company's shareholders shall be approved by ordinary resolution.

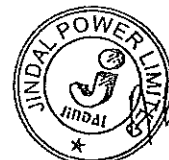
6.3 Matters requiring consent of the Parties

The JV Company shall not give effect to any decision or resolution in respect of any of the following matters except upon the affirmative vote of each of the Parties in the Shareholders meeting and/or Board meeting, as applicable:-

- a) Dissolution, liquidation or winding up of the JV Company.
- b) Commencement of any new business or any diversification from the core Business of the JV Company.


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- c) Merger or amalgamation with any other entity or split/division of the JV Company.
- d) Closure of the Business or activities of the JV Company or sale or transfer or any of its undertaking.
- e) Creation of mortgage, charge, lien or encumbrance on the movable and immovable assets of the JV Company except in the normal course of business of the JV Company for securing loans from the lenders.
- f) Any sale, lease or transfer of the whole or substantial part of the undertaking or assets of the JV Company.

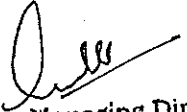
7. FINANCIAL AFFAIRS AND ACCOUNTING

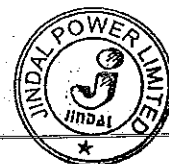
7.1 Fiscal Year

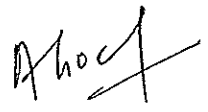
The fiscal year ("Fiscal Year") of the Company shall be from first day of April every calendar year to the thirty first day of March of the following calendar year (both days inclusive). The first Fiscal Year will begin from the date of incorporation of the Company and end on immediately following thirty first day of March (both days inclusive).

7.2 Accounting

- (a) The accounting system of and procedures to be adopted by the JV Company shall be approved by the Board and shall be in accordance with accepted accounting standards and the laws of India.
- (b) The JV Company shall maintain complete and accurate financial and accounting books and records.
- (c) All financial statements, reports and accounting documents shall be in English language.


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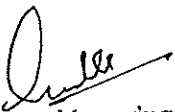


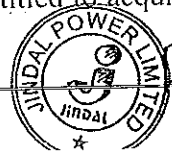
7.3 Audit

- (a) Management will nominate a recognized accounting firm in India to be the statutory auditor of the JV Company and who shall be appointed by the JV Company, in accordance with the Act, as its statutory auditor.
- (b) The JV Company shall cause an audit of the books of account, records and affairs of the JV Company each year as soon as practicable following the close of the Fiscal Year. Each Party shall be furnished a copy of report of each Fiscal Year's audit not later than 10 days after the submission of such report by the statutory auditor.

8. TRANSFER OF SHARES

- 8.1 Each Party shall hold shares in the JV Company in accordance with this Agreement and shall be entitled to transfer shares in accordance with the AoA of the JV Company.
- 8.2 Jindal will be at liberty to transfer its Shares in JV Company to its holding or subsidiary company or associates. Similarly Hydro Corporation will be at liberty to transfer its Shares in JV Company to its holding or subsidiary company or associates.
- 8.3 Save as otherwise permitted under Clause 8.1 above, Hydro Corporation shall be free to transfer all or part of the Shares to any person, subject to such Shares being first offered for sale to Jindal ('Right of First Offer') in the manner specified below.
 - 8.3.1 Hydro Corporation shall send a written notice to Jindal ("Notice"), indicating its desire to sell the Shares, and setting forth the price, the number of shares and the material terms at which the Shares are offered for sale.
 - 8.3.2 Upon receipt of the Notice, Jindal shall have the option, but not the obligation, to purchase the Shares offered for sale upon the terms and conditions to be agreed between the Parties. The Right of First Offer shall be exercised by Jindal within thirty (30) days of receipt of such Notice by Jindal.
 - 8.3.3 If Jindal exercises the Right of First Offer under Clause 8.3.1 and 8.3.2 above, it shall be entitled to acquire such


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number of Shares as it agrees to buy.

8.3.4 If Jindal does not exercise its Right of First Offer, then Hydro Corporation shall be free to transfer the Shares to any third party at a price and terms and conditions stated in the Notice. Any change in price or terms and

conditions will entitle a fresh Right of First Offer. Further, such sale by the Hydro Corporation shall be completed within 60 days from the date of the Notice.

8.3.5 The above conditions from 8.3 to 8.3.4 will be applicable mutatis mutandi to Jindal also except when the Shares are transferred to its holding or subsidiary company or associates.

9. SECRECY

A Party shall at no time, without the prior written agreement of the other Party.

a) Disclose to any third party, or enable any third party to note any information pertaining to this Agreement.

b) Reproduce, copy, disclose to, place at the disposal of, use on behalf of or enable any third party to use any information pertaining to or incorporated within this Agreement except as may be required to be furnished under any laws; and

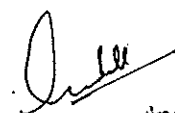
c) Make any publicity releases or announcements concerning any aspect of this Agreement.

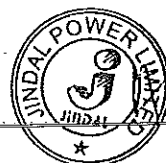
10. CONFIDENTIALITY

Each Party hereto agrees that it shall not divulge any trade, commercial or technical secrets or confidential matters of one another to any third party, save and except for the purpose of implementation, operation and maintenance of the Project.

11. LIABILITY

11.1 Each Party warrants that it will indemnify and keep indemnified the other Party against all legal liabilities arising out of or in connection with the performance, or otherwise, of its obligations under this Agreement.


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11.2 In the event of it being alleged by one Party in writing that any legal liability is attributable to the other Party, the Parties shall jointly use reasonable endeavours to reach agreement on the liabilities to be borne by the defaulting Party, and in the event of the Party failing to agree, such dispute shall be determined

by arbitration in accordance with clause 16.4 of this Agreement.

12. INTELLECTUAL PROPERTY RIGHTS

No transfer of any intellectual property rights held by the individual Parties is implied or intimated under this Agreement.

13. SOLICITING OF PERSONNEL

Each Party agrees that during the tenure of this Agreement, it shall not solicit any personnel employed by the other Party in an attempt to employ or engage on any other basis or offer such employment or engagement without the other Party's prior agreement in writing.

14. TERMINATION

14.1 Termination

This Agreement shall terminate if at any time entire transfer of Shares is made in accordance with Clause 8 by any Party.

14.2 Mutual Termination

This Agreement shall terminate if mutually agreed between the Parties.

14.3 Winding up

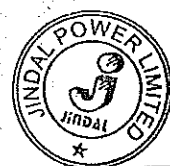
If a resolution is passed to wind up the JV Company or if a liquidator is otherwise appointed, this Agreement shall terminate on the dissolution of the JV Company pursuant to such resolution or appointment, as the case may be.

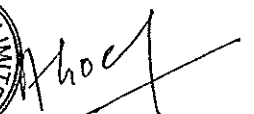


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14.4 Consequences of Termination

Upon termination of this Agreement, the Parties shall be relieved and discharged from all liabilities, obligations or claims under this Agreement, except for such rights, obligations and liabilities of the Parties which have accrued under this Agreement prior to termination.

15. REPRESENTATIONS OF THE PARTIES

15.1 Each Party represents, severally and not jointly, to the other Party hereto that:

- (a) it has the full power and authority to enter into, execute and deliver this Agreement and to perform the transaction contemplated hereby and that it is duly incorporated and existing under the laws of India and that the execution and delivery by it of this Agreement and the performance by it of the transactions contemplated hereby have been duly authorized by the board of directors of the Party;
- (b) this Agreement constitutes the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms; and,
- (c) the execution, delivery and performance of this Agreement by such Party and the consummation of the transactions contemplated hereby will not
 - (i) violate any provision of the organizational or governance documents of such Party;
 - (ii) conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any instrument, contract or other agreement to which such Party is a party or by which such Party is bound;
 - (iii) violate any order, judgement or decree against, or binding upon such Party.

16. MISCELLANEOUS

16.1 Severability

Each of the provisions contained in this Agreement shall be severable and the unenforceability of one shall not affect the enforceability of any other or the remainder of this Agreement.

16.2 Waiver

The failure of any Party to enforce any condition or part of this Agreement at any time shall not be construed as a waiver of that condition or part, nor shall it forfeit any rights to future enforcement thereof.

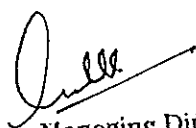
16.3 Governing Law and Jurisdiction

This Agreement shall be construed and enforced in accordance with and governed by the laws of India and the Courts at Itanagar shall have exclusive jurisdiction.

16.4 Dispute Resolution

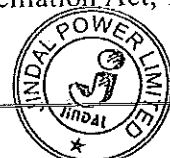
16.4.1 In the event of any difference / dispute arising between the Parties ("the Dispute") under this Agreement, the same shall be resolved in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time or replaced by any other statute, unless the same has not been resolved amicably by mutual consultations within 90(Ninety) days of the reference of Dispute by any Party. The venue of the arbitration shall be Itanagar. The language of arbitration shall be English. The cost of arbitration shall be shared equally.

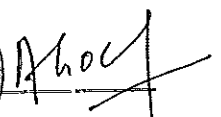
16.4.2 The Arbitration shall be conducted by a panel of three arbitrators, one each to be appointed by Hydro Corporation and by Jindal within 21 days from the date of arbitration notice by a Party and the third arbitrator to be appointed by two appointed arbitrators within 30 days of their appointment. In the event, arbitrators on the arbitration panel cannot be appointed as mentioned above, the arbitrators shall be appointed as per provisions of the Arbitration and Conciliation Act, 1996



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16.4.3 The arbitral tribunal will not have the jurisdiction to grant interest till the date of the award on any amount and in respect of any period.

16.5 Counterparts

More than one counterparts of this Agreement may be executed by the Parties and all such counterparts shall be deemed originals and shall be deemed to be a single Agreement.

16.6 Save and except as provided aforesaid, none of the Parties hereto shall assign their respective rights and obligations hereunder without prior consent in writing of the other Party hereto.

16.7 Violation of terms


The Parties agree that each of the Parties shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Party or from committing any violation or enforce the performance of the covenants, representations and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies that such Parties may have at law or in equity, including without limitation a right for damages.

16.8 Fees and Expenses

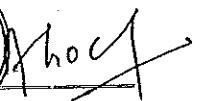
Each Party shall bear its own fees and expenses in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby and thereby, including, without limitation, all fees and expenses of agents, representatives, counsel and accountants.

16.9 Notices

All communications, notices and consents provided for herein shall be in writing and be given in person or by means of telex, telecopy or other wire transmission with request for assurance of receipt in a manner typical with respect to communications of that type or by registered or certified mail, returned receipt requested and shall become effective: (a) on delivery if given in


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person; (b) on the date of transmission if sent by telex, telecopy, or other wire transmission or (c) on receipt if sent by mail.

Notice shall be addressed as follows:-

To Jindal:

- 1) The Director
Jindal Power Ltd.
Jindal Centre, 12 Bhikaji Cama Place, New Delhi - 66
Phone - 011-26188340
Fax - 011-26180254

To Hydro Corporation:

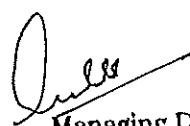
- 2) The Managing Director
Hydro Power Development Corporation of Arunachal Pradesh Limited
Tahung Tatak Building
Near APPSC
MLA Cottage Road
Itanagar.

16.10 Independent Rights

Each of the rights of the Parties hereto under this Agreement are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under this Agreement or otherwise.

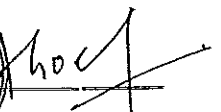
16.11 Force Majeure

Neither Party shall be responsible in any manner for the time delays and/or losses arising out of the Force Majeure situation such as war, earthquake, flood, fire, explosion, epidemic, cyclone, external invasion, civil commotion, riots, terrorism, Governmental acts/ embargoes etc., which are beyond the reasonable control of the affected Party. However, the Party so affected, upon serving notice thereof to the other Party setting out therein particulars thereof shall be excused from performance of its obligations to the extent prevented, delayed or interfered with for the period Force Majeure conditions



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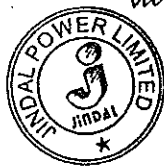


persist. The Party so affected shall make its best efforts to remove such cause of Force Majeure as expeditiously as possible and shall continue performance hereunder with due dispatch whenever such cause(s) is removed

IN WITNESS WHEREOF this Agreement has been entered into the date and year first before written.

SIGNED for and on behalf of

Jindal Power Limited:



Anand Goel

Anand Goel
Director

Hydro Power Development
Corporation of Arunachal
Pradesh Limited:

P. Deb

P. Deb
Managing Director

WITNESSES:

Mantri
Kapil Mantri
S/o Mr. S. S. Mantri
D281, Ground Floor
Sarvodaya Enclave
New Delhi

TARU SIGA
Hydro Power Development
Corporation of Arunachal
Pradesh
TAHUNG TATAK BUILDING
ITANAGAR-791111
(ARUNACHAL PRADESH)

[Signature]

Managing Director

Hydro Power Development

Corporation of Arunachal Pradesh Limited