

अरुणाचल प्रदेश ARUNACHAL PRADESH

313048

**MEMORANDUM OF AGREEMENT (MOA)
BETWEEN
GOVERNMENT OF ARUNACHAL PRADESH
AND
M/s GEPONG**

**FOR EXECUTION OF RESSING HYDRO ELECTRIC PROJECT(6 MW)
ON BOOT BASIS**

MEMORANDUM OF AGREEMENT executed on the 12th Aug 2019 between

(a) The Governor of Arunachal Pradesh, represented by Commissioner (Power) (hereinafter referred as "GOAP" which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees) of the **FIRST PART**

AND

(b) M/s Gepong, a company incorporated under the Companies Act 1956 and having its Head office at "B" Sector, P.O.-Naharlagun-791 110, Dist- Papum Pare, Arunachal Pradesh(hereinafter referred to as 'Company' which expression shall, unless repugnant to the context or meaning thereof, include its successors, nominees and permitted assignees of the **SECOND PART**;

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"GOAP" and "M/s Gepong" shall be individually referred to as "Party" and collectively as "Parties"

WHEREAS THE PARTIES

- (I) The Government of India ("GoI") has launched the "50,000 MW Hydro-electric Initiative" with the objective of increasing the hydro power capacity in India (Country) out of which more than half the capacity has been identified in the State of Arunachal Pradesh ("State") itself.
- (II) GoAP has earmarked certain projects for allocation to private developers for the development of Hydro Power projects in the State, which will generate economic activity in the State leading to its growth and will also serve as an engine to achieve the objective of promoting all round development in the State and the Country ; and
- (III) M/s Gepong has expressed its interest in development of Hydro Power project with capacity to generate 6 MW power over Pare river in Papum Pare District, Arunachal Pradesh, known as Ressing Hydro-Electric Power project, hereinafter referred to as "Project", subject to establishment of feasibility at their own cost.
- (IV) GoAP, in its Cabinet decision dated 22th September 2017 vide No.CAB/M-13/2017/1100-1106 dtd.19th December 2017 has approved for allotment of Ressing HEP (6 MW) to M/S Gepong for development via MOA route with Government of Arunachal Pradesh in the line with provision of Hydro Power Policy on Build, Own, Operate and Transfer (BOOT) basis.
- (V) M/s Gepong has agreed to incorporate a Special Purpose Vehicle (SPV) for execution of Ressing Hydro Electric Project (6 MW), and the GOAP agrees to here in under covenant with M/s Gepong.

NOW THEREFORE, it is agreed by and between the Parties hereto as under:

Article I INTERPRETATIONS AND DEFINITIONS.

1. INTERPRETATIONS

- 1.1.1. The present Agreement is considered to be the Entire Agreement between the Parties and nothing written or oral prior to this Agreement shall form part of this Agreement;
- 1.1.2. The nomenclature of this Agreement, headings and paragraph numbers are



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only for the convenience of reference and should not be used for any interpretation;

- 1.1.3. Reference to any law, enactment, ordinance or regulation or any provision thereof shall include any amendment thereof or any replacement in whole or in part.
- 1.1.4. Reference to Recitals, Articles, Clauses or Sub-clauses shall be deemed to be a part of the Agreement.
- 1.1.5. The words importing singulars shall include plurals and vice-versa, as the case may be.
- 1.1.6. For avoidance of doubt, it is agreed that the terms beginning with capital letters (as used across the Agreement), terms defined in Clause 1.2 of this Agreement, and any terms not defined in this Agreement, shall have the same meaning ascribed thereto as has been approved in the Electricity Act, 2003("The Act");
- 1.1.7. Any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement, from or by any Party shall be valid and effectual only if it is in writing and under the hands of duly authorized representatives of such Party in this behalf and not otherwise.
- 1.1.8. Any reference to any period commencing 'from' a specified day or date and "till" or "until" a specified day or date shall include both such days / dates.
- 1.1.9. No failure or delay on the part of either Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies that the Parties would otherwise have.
- 1.1.10. No indulgence, leniency or extension of time that GoAP may grant or show to the Company in any way prejudice GoAP or preclude the GoAP from exercising any of its rights under this Agreement in future arising out of such indulgence, leniency or extension of time.
- 1.1.11. If any clause or term of this MOA should be invalid, unenforceable or illegal, then the remaining terms and provisions of this MOA shall be deemed to be severable there from and shall continue to be in full force and effect unless such invalidity, unenforceability or illegality goes to the root of this MOA.
- 1.1.12. This MOA does not create an employer-employee principal-agent, contractor & sub-contractor relationship between the Parties, nor that of any joint venture or partnership. Each Party shall have no authority to act for or to bind any of the other Parties in any way or to sign in the name of such other Party or to represent that such other Party is in any way responsible for the acts or omissions of each such Party.



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1.2. DEFINITIONS.

In this Agreement the following words and expressions shall have the meanings hereinafter respectively assigned to them:

- 1.2.1 **"Agent"** means the authorized representative or such other Authority as may be appointed by the State Government for the purpose of this Agreement.
- 1.2.2 **"Agreement"** means this agreement together with any amendments made thereto in accordance with the provisions herein contained;
- 1.2.3 **"Agreement period"** shall have the meaning as specified in Article 3;
- 1.2.4 **"Central Government"** means the Government of India;
- 1.2.5 **"CEA"** means the Central Electricity Authority constituted under Section 3 of the Electricity (Supply) Act 1948 and which has been defined to be Central Electricity Authority under section 70 (2) of Electricity Act, 2003 or its successors, administrators or assignees ;
- 1.2.6 **"Commercial Operation"** means the state of Unit/Project when Unit/Project is capable of delivering Active power and Reactive Power on a regular basis after having successfully completed the commissioning tests as per Prudent Utility Practices.
- 1.2.7 **"Commercial Operation Date (COD)"** means the date on which the commercial operation of Unit (s)/Project as the case may be, is achieved by the Company.
- 1.2.8 **"Company"** will mean M/s Gepong, a company incorporated under the companies Act, 1956 and having its Head office at "B" Sector, P.O.-Naharlagun-791 110, Dist. Papum Pare, Arunachal Pradesh.
- 1.2.9 **"Detailed Project Report (DPR)"** means the Detailed Project Report pertaining to the Project under this Agreement to be submitted by the Company and to be approved by the competent authority of the State Government;
- 1.2.10 **"Dispute"** shall have the meaning as specified in Article 13;
- 1.2.11 **"Evacuation System"** means the network of power transmission lines and sub-stations for transmitting the electrical output from the Interconnection Point up to main load centre(s);
- 1.2.12 **"Financial closure"** means the date on which the Financing Agreements have been duly executed and the Company has access to such funding under the Financing Agreements;




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- 1.2.13 **"Financing Agreement"** means the loan agreements, notes, indentures, security agreements, letters of credit equity arrangements and other documents relating to the financing(including refinancing) of the Project and the capital cost or any part thereof, as amended, supplemented or modified from time to time and approved by the competent authority;
- 1.2.14 **"Force Majeure"** shall have the meaning as ascribed thereto in article 11;
- 1.2.15 **"GOI"** means the Government of India;
- 1.2.16 **"Interconnection Facilities"** means all the facilities which shall include without limitation, switching equipment communication, protection, control and metering devices etc. at the Interconnection Point(s) in the switchyard of the generating stations to be installed and maintained at the cost of the Company to enable evacuation of Power output from the Project in accordance with this Agreement;
- 1.2.17 **"Law"** means any act, rule, regulation, notification, order or instruction having the force of Law enacted or issued by any competent legislature. Government or statutory authority in India and pronouncement of judicial / Quasi judicial authorities;
- 1.2.18 **"Month"** means the English Calendar month;
- 1.2.19 **"Parties"** mean the State Government and the Company collectively;
- 1.2.20 **"Party"** means the State Government and / or the Company individually;
- 1.2.21 **"Power Purchase Agreement (PPA)"** means a contractual agreement to be signed by the Company with an electricity consumer, trader or any other parties permitted under the statute to purchase the power generated from the Project;
- 1.2.22 **"Persons"** means and includes natural persons, bodies, corporate, joint ventures, statutory and other authorities and entities;
- 1.2.23 **"PFR"** means the pre-feasibility report pertaining to the Project under this Agreement;
- 1.2.24 **"Project"** means the Rassing Hydro Electric Project (6 MW) proposed to be established on Pare river located at the Longitude 93°20'31" E and Latitude 27°15'55" N in the Papum Pare District of Arunachal Pradesh between elevation EL1350 m (FRL) and EL1195.90 m (TWL)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, stores, guest houses, security office and other connected facilities including the Interconnection Facilities. The levels are indicative of outer boundary only;

Project is recommended based on E-flows prescribed in standard ToR for River Valley and Hydroelectric Projects i.e. environmental flow release should be 20% of the average of the 4 lean months of 90% dependable year during the lean season and 30% of Monsoon flow during monsoon season. For remaining months, the flow shall be decided by the Committee based on the hydrology and available discharge.

1.2.25 **"Prudent Utility Practices"** means those practices, methods, techniques and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring safe, efficient and economic design, engineering, construction, commissioning, testing, operation and maintenance of various component of the Project of the type specified in this agreement and which practices, methods and standards shall be adjusted as necessary to take account of,

- I. Installation, operation and maintenance guidelines recommended by the manufacturers of the plant and equipments to be incorporated in the Project.
- II. The requirement of Indian Law.
- III. Physical conditions at the site.
- IV. Practices, methods, techniques and standards as changed from time to time that are generally accepted internationally for use in electric utility and for power generation in India.

1.2.26 **"Site"** means the site of the Project appurtenances, generating plant including land, waterways, roads and rights attached thereto, acquired or to be acquired by the Company for the purposes of the Project.

1.2.27 **"State"** means the State of Arunachal Pradesh.

1.2.28 **"State Government"** means the Government of Arunachal Pradesh;

1.2.29 **"SPV"**(Special Purpose Vehicle) means a company / corporate proposed to be established by the Company for implementation of the Project while performing the obligations and duties under this agreement;

1.2.30 **"Unit"** means one /more hydro generator (s) including ancillary equipment and facilities thereto forming the part of the Project;



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- 1.2.31 "**Year**" means the English Calendar year comprising of 365 days in a non-leap year and 366 days in a leap year.
- 1.2.32 "**Degree Holder**" means having a bachelor degree in respective discipline.
- 1.2.33 "**Diploma Holder**" means having diploma in respective discipline.
- 1.2.34 "**Open Access**" means transmission corridor and shall have the meaning assigned to it under the Electricity Act 2003.
- 1.2.35 "**SERC**" means State Electricity Regulatory Commission and shall have the meaning assigned to it under the Electricity Act 2003..
- 1.2.36 "**STU**" means State Transmission Utility or its agency assigned with transmission system in the State and shall have the meaning assigned to it under the Electricity Act 2003..
- 1.2.37 "**ITI Certificate**" means having required certificate from a recognized Industrial Technical Institute.
- 1.2.38 "**LCT**" means letter of comfort on transmission.

Article 2

GENERAL TERMS AND CONDITIONS OF THE AGREEMENT.

- 2.1. The State Government hereby grants permission to the Company to undertake preliminary investigation for preparation of the Pre- feasibility Report, detailed investigation for DPR preparation, financing and subsequent development, commissioning, implementation, operation and maintenance of **Ressing Hydro Electric Project (6 MW)** in **Papum Pare District**, Arunachal Pradesh.
- 2.2. The Project shall be implemented by the Company on BOOT (Build, Own, Operate and Transfer) basis for a lease period of **50(fifty)** years from the Commercial Operation Date (COD). The Project shall be reverted to the State Government on expiry of above lease period, free of cost, in good working condition.
- 2.3. The entire cost of investigation, DPR preparation, Project implementation and subsequent operation and maintenance of the Project will be borne by the Company.
- 2.4. The Project shall be developed as run-of-the-river (ROR) Scheme in tune with the State Government policy in the most environment, eco, and people friendly manner.
- 2.5. The DPR of the Project shall not be unreasonably withheld by the Company and be submitted to the State Government for its consent prior to commencement of implementation of the Project.

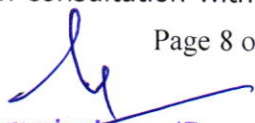
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- 2.6. All clearances required from the Central Government in connection with the Project implementation shall be arranged by the Company itself. The State Government shall accord necessary clearances under its purview within a reasonable period. The State Government shall extend all need based assistance in obtaining such clearances including licenses, approvals, sanctions, permits etc. as may be required for the Project.
- 2.7. The Company shall make available information regarding water discharge regularly to the State Government
- 2.8. The State Government or its agents or a person authorized by the State Government in that behalf shall be free to investigate survey and implement other Projects of any nature either upstream or downstream of the Project, provided that it shall not have any adverse impact on implementation, operation and maintenance of the Project.
- 2.9. The Company shall allow the State Government, its officers/staffs of authorized agents to use the roads and facility such as Post Office, School and Dispensary etc. that may be provided by the company as a part of the Project. The State Government and its authorized agent shall be allowed to inspect the Project and its site(s) upon advance notice.
- 2.10. The Company shall not incur any kind of financial liabilities in the name of the State Government, in the execution and subsequent operation and maintenance of the Project.
- 2.11. The Company will not be allowed to sell and transfer the power plant to any other party/parties without the prior permission of the State Government. However, the Company shall be allowed to mortgage the power plant to the Lenders for availing financial assistance to meet the cost of the Project with prior consent of the State Government. Further, the Company shall not be permitted to transfer the Project under this agreement to any third party (other than SPV formed by the Company for development of the Project as permitted under this agreement) for development without prior concurrence of the State Government.
- 2.12. The Company shall make available to the State Government, for its use free of cost, an additional bay of suitable rating or other mutually acceptable arrangement.
- 2.13. The Company shall ensure that the execution, operation and maintenance of the Project is in conformity with Prudent Utility Practices and the manufacturer's specifications.
- 2.14. The Company shall ensure proper quality control and safety measures during implementation of the Project including any geological study, construction and testing at sites. The State Government shall have the right to institute an appropriate mechanism to ensure the compliance by the Company in this regard.
- 2.15. The Company shall make suitable financial provision in the Project cost, if required, for the catchments area treatment plans in consultation with the




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State Forest & Environment and Wild Life Management Department as approved by the Ministry of Environment & Forests, Government of India. The cost involved on this account shall be paid by the Company to the concerned authorities of the Government

- 2.16. The Company shall carry out Environmental Impact Assessment (EIA) in association with the State Environment & Forest Department and Wildlife Department as required under the Environment (Protection) Act, 1986 through consultant(s) drawn from a reputed organization and obtain the consent of State Pollution Control Board.
- 2.17. The Company shall be responsible for maintaining the ecological balance by preventing deforestation, water pollution and defacement of natural landscape in the vicinity of works. The Company shall take all reasonable measures to prevent any unnecessary destruction, scarring or defacement of the natural surroundings in the vicinity of the works.
- 2.18. The Company shall ensure such minimum flow of water immediately downstream of the dam/barrage for downstream requirements as shall be specified in the environmental clearance. The Company shall take appropriate steps as may be required for the protection of fish culture as per environmental requirement.
- 2.19. The Company shall ensure that the water requirement for the construction of the Project including potable drinking water shall be generally arranged and harnessed by them from the river source. The local sources of water supply may be utilized by the Company only to the extent it does not adversely affect the local people.
- 2.20. The Company shall ensure that the materials excavated from the site shall be dumped in the area duly approved by the State Pollution Control Board.
- 2.21. The Company shall ensure that the land is used only for the Project and activities ancillary to the Project.
- 2.22. The Company shall ensure that the taxes as per law are deducted at source from the payments made to the contractors and deposit the same to State Government /other statutory authorities.
- 2.23. The Company shall be permitted to create a Special Purpose Vehicle (SPV) for implementation of this Project under this agreement. The State Government agrees to transfer / issue all such permission / approvals relating to the Project as may be required in the name of such Special Purpose Vehicle.
- 2.24. The Survey & Investigation activities should be started immediately and not later than 6(six) months from the date of signing of the MoA, failing which the MoA signed will be cancelled / withdrawn.
- 2.25. In the event of failure to implement the Project for any reason by the Company, no other Project will be allotted to the Company in lieu of the Projects under consideration.



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- 2.26. The DPR of the Project submitted by the Company for System Co-ordination & Techno-Economic Clearance (SC & TEC) shall be scrutinized by the Standing Committee, appointed by the State Government on its own or through its consultant. The Standing Committee shall look into all facets of the Project viz. (a) Coordinated system planning of the Project, (b) Technical soundness of the Project and (c) Economy of the Project for the purpose of accord of System Co-ordination & Techno Economic Clearance (SC & TEC).
- 2.27. Construction of roads to the Projects sites and laying infrastructure necessary for execution of the Project will be the sole responsibility of the company and the Government will not have any bearing on that.
- 2.28. As the capacity as well as the reach of the river mentioned in this agreement is tentative, it will be optimized while preparing Pre Feasibility Report / Detailed Project report. Based on techno-economic consideration, if it is considered to be more economical & more viable to optimize the power potential in the river, for such optimization of the capacity, formal approval of the State Government if required, shall be obtained prior to implementation.

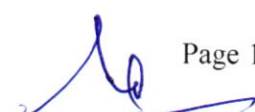
Article 3

LAND ACQUISITION AND PERIOD OF AGREEMENT / LEASE

- 3.1 The Site required for the construction, operation and maintenance of the Project and for the associated works will be assessed by the Company, shall be transferred by the State Government to the Company on lease basis against payment of land revenue as per approved rate of State Government. The period of lease will cease with the Project getting reverted to the State Government. The Company shall be entitled to mortgage the land to the lenders/financers of the Project with prior consent of the State Government subject to the condition that such period of mortgage shall not exceed the lease period. The State Government shall acquire for the Company under the right to fair compensation, transparency in land acquisition, Rehabilitation and Resettlement Act, 2013 as in force and as per Bengal Eastern Frontier Regulation, 1873 (5 of 1873) at the expense of the Company such private lands within the State of Arunachal Pradesh, as may be required from time to time by the Company for the construction, operation and maintenance of the Project.
- 3.2 This agreement shall automatically expire on completion of the Lease Period as defined in Clause 2.2



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Article 4

ADHERENCE TO REGULATIONS OF THE CENTRAL & STATE GOVERNMENT

- 4.1 The Company shall strictly comply with the statutory regulations of the Central Government and the State Government while implementing the Project.
- 4.2 The Company shall strictly comply with the provision of the Forest (Conservation) Act, 1980. The Company shall also pay the cost of raising the Compensatory Afforestation including payment of the Net Present Value (NPV) of the forest land being diverted for non-forest purpose under the Forest (Conservation) Act, 1980. The Company shall also pay the royalty on the forest produces such as timber, ballies, and all river bed materials etc as per prescribed rates of the State Government in force from time to time. If any precious and semi-precious minerals/stone etc is found from the river beds and/or from the land acquired for and transferred to or leased out to the Company for the purpose of construction and maintenance of the Project or in case any object of archeological importance is found by the Company or any of its employees / contractors / sub-contractors during the course of construction/operation of the Project, the Company shall hand over the same to the Government of Arunachal Pradesh.
- 4.3. The provision relating to labour welfare existing as in force under the labour Laws/Acts shall be strictly adhered to by the Company during the implementation/operation and maintenance of the Project.
- 4.4 The provisions of the Electricity Act, 2003 will be diligently adhered to during implementation and subsequent operation and maintenance of Hydro-electric station.
- 4.5 The fishing, recreational and navigational rights, tourism prospects in the river, water channel, reservoir, lake, etc. shall remain vested in the Government of Arunachal Pradesh subject only to such restrictions as may be necessary for the operational requirements and safety and security of the Project and the general guidelines of the Government of Arunachal Pradesh.
- 4.6 The Project is being, and all times has been, developed, constructed and permitted in compliance with all applicable Laws, Permits and prudent Industry Practice. As constructed, the Project shall conform to and comply with all zoning, environmental, wildlife, land use and other applicable Laws.




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- 4.7 The Company shall comply with the Hydro Electric Power Policy of the State Government as would be in force at the relevant point of time, during the course of implementation and subsequent operation and maintenance of the Hydel station.

Article 5

FREE POWER TO THE STATE, EVACUATION & TRADING OF POWER

- 5.1 The Company shall be allowed a moratorium period of 2 (two) years which shall be counted from the schedule Commercial Operation Date (COD) as per MOA, after which, the State Government shall be given free power @ 2.5% in lieu of the distress caused as per Small Hydro Power Policy 2007 of the State. The period of moratorium shall get reduce to the extent of the period of delay with respect to the schedule COD as per MOA. The free power shall be calculated at the bus bar and all taxes, duties, levies and costs in respect of the free power and towards its evacuation shall be borne by the State Government.
- 5.2 Over and above the free power, the State Government will have the first right to purchase the power generated from the Project at a tariff 10 paisa lower than the tariff as determined by the CERC/SERC or the State Government as the case may be. The State Government shall exercise its aforesaid right within 90 days of the receipt of such offer from the Company after the DPR is approved from all angles and accord of Techno Economic Clearance (TEC). A separate PPA will be entered into for such purchase of power between the State Government and the Company. In case the State Government decides not to exercise the aforesaid right, then the Company shall be entitled to sell the power from the Project to any other party at its discretion.
- 5.3 The Company shall be responsible for developing evacuation system for the Project and liaise with the appropriate authorities for the evacuation of the power from the generating point. However, in the event of utilizing the infra-structure of the State Government, necessary charges as mutually agreed shall be paid to the State Government. The entire cost of grid interfacing, if so required, including cost of maintenance of the evacuation system will be the responsibility of the Company.
- 5.4 The Company shall allow the State Government to use its evacuation system and other infrastructures to the extent feasible, after accounting for the Company requirement for evacuation of power generated from the Project, if required by the State Government on payment of necessary charges by the State Government Such charges shall be decided by the CERC/SERC/State Government as the case may be.




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- 5.5 It shall be the responsibility of the Company for the trading and sale of the power generated from the Project during the lease period. The State Government will not be in any manner responsible for the sale and trading of the power on behalf of the Company.
- 5.6 The Company shall not be allowed to sale and transfer the power plant to any other party / parties without the prior permission of the State Government.
- 5.7 The State Transmission Utility (STU) and the Company shall enter into a proper understanding / Agreement about Power Evacuation System and open excess facility / availability before the Company takes final investment decision. In this connection, a Letter of Comfort on Transmission (LCT) has to be obtained from the STU within one month from the date of signing the MOA. The extent of Transmission System which may be necessarily a part of the Project shall be specified in the LCT, the cost of which shall be borne by the company. In other words, the company shall take the responsibility of constructing / extending the required transmission network from the Project up to the point of sale specified in the LCT.
- 5.8 The existing transmission or the systems built for the purpose and other allied facilities will be made available to all developers for Open Access and wheeling of power subject to availability of required system. The developers shall have to enter into agreement with the STU on payment at a wheeling rate as may be determined by the SERC/State Government as the case may be.
- 5.9 Banking of power shall not be allowed without prior permission of the State Government.

Article 6

SELF IDENTIFICATION OF PROJECT

- 6.1 The Project is a self-identified by the Company on its own. As such, the State Government shall not be responsible in any manner if the power potential gets reduced after the DPR is done.

Article 7

RECRUITMENT OF PROJECT PERSONNEL / AWARD OF WORK

- 7.1 The Company shall engage at least the following technical personnel, either as permanent employees or partners in the organization.
- | | | |
|-------------------------------------|---|-------|
| Civil Engineer (Degree holder) | - | 1 No. |
| Electrical Engineer (Degree holder) | - | 1 No. |
| Civil Engineer (Diploma holder) | - | 1 No. |

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7.2 The Company shall reserve the following categories of posts against the Project to be filled up by the local tribal people, subject to the incumbents fulfilling the job requirements and considered suitable by the Company as per the criteria given below.

(a) Managerial/Professional post	...	25%
(b) Ministerial/Clerical post.	...	50%
(c) Skilled jobs.	...	25%
(d) Unskilled jobs.	...	75%

7.3 The Company shall give preference to the local contractors fulfilling the eligibility criteria in the award of the work except for the specialized jobs.

7.4 The Project affected eligible candidates shall be given preference over others against the above mentioned reservation in various categories of posts/jobs.

7.5 Subject to the job requirements and fulfillment of job criteria, willing technical and non-technical personnel of the State Government shall be taken on deputation by the Company on recommendations of the State Government.

Article 8

REHABILITATION & RESETTLEMENT OF PROJECT AFFECTED FAMILIES

8.1 The Company shall earmark a reasonable amount for the social works in accordance with the National Policy on Rehabilitation & Resettlement - 2007 (NPRR - 2007). The company shall also adhere/conform to the local laws of the State.

8.2 Rehabilitation & Resettlement plan if any, of the oustees from the Project/Project affected families shall be executed by the State Government as per the approved rehabilitation and re-settlement plan at the cost of the Company, keeping in view the latest guidelines issued by Government of India on the subject. The R&R plan shall in any case be not inferior to the National Policy on Rehabilitation & Resettlement-2007 of the Central Government

8.3 It will also be mandatory for the Company to follow the provisions of the Rehabilitation and Resettlement Policy, 2008 (Amended) of Government of Arunachal Pradesh scrupulously.

Article 9

LAW & ORDER

9.1 The State Government would make arrangement to maintain general law

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and order in and around Project area for security and safety of personnel and properties of the Project, during execution, commissioning and subsequent operation and maintenance. However, if any special security arrangement is required by the Company within the Project premises, such arrangements may be made by the State Government at the cost of the Company.

- 9.2 The Company shall comply with all applicable Laws and shall cause each sub-contractor, if any, to comply with all applicable Laws with respect to the work performed. The Company shall be responsible for ascertaining the nature and extent of any applicable Law, which may affect the Work and Facility or the operation of the Facility prior to Substantial Completion, or the Site as a result of the performance by Company of its obligations under this Agreement. The Company shall ensure that all of the Work complies with applicable Laws, Prudent Industry Practice.
- 9.3 Subject to the preceding paragraph, the Company shall be responsible for fines and penalties may arise as a result of Company's non-compliance with applicable Law or inability to operate the Project in compliance with applicable Law, or breach by Company of any of its obligations under this Agreement.

Article 10 INDEMNITY

- 10.1 The Company shall be fully responsible for any damage or loss arising out of the construction, operation or maintenance of the Project to any property or person and the Company also undertakes to indemnify the Government of Arunachal Pradesh on such account.
- 10.2 The widening, strengthening and construction of the National Highways, State Highways and Bridges and other roads, if required by the Company, shall be executed by the appropriate State Government or Central Government agency on payment of cost and departmental charges in advance by the Company as per the estimate to be prepared by the executing State / Central Government agency. However, if the Company so desires to do the above activities at its own cost and if permissible under rule, the Company shall be permitted to do so. If any damage to the road and other Government and/or public property is done for which only the Company is responsible, it shall be get repaired by the Company at its own cost.
- 10.3 The Company shall be liable and responsible for all its acts, neglects, omissions and commissions and for the neglects, omissions and commissions of its contractors and employees.




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Article 11 FORCE MAJEURE

- 11.1. The Force Majeure situation such as earth quake, flood, fire, explosion, epidemic, cyclone, external invasion, civil commotion, riots, landslide etc., which are beyond the reasonable control of the Company shall excuse the Company from performance of its obligations to the extent prevented, delayed or interfered with for the period the Force Majeure conditions persist. The Company shall make its best efforts to remove such cause of Force Majeure as expeditiously as possible and shall continue performance hereunder with due diligence whenever such cause(s) is removed. The State Government shall not be responsible in any manner for any losses arising out of the force majeure situation such as earthquake, flood, fire, external invasion, civil commotion, landslide etc. and no claim on such accounts by the Companys shall be entertained by the State Government.
- 11.2. If either party considers that any event of Force Majeure has occurred which may affect performance of its obligations under this Agreement, it shall promptly notify the other party thereof stating full particulars, including the obligations that are affected thereby, the estimated period during which performance may be delayed or prevented, and the particulars of the program to be implemented to resume normal performance hereunder. If a force majeure under any of the Project Documents occurs with respect to Contractor or any Subcontractor, then Company shall promptly provide notice thereof to GoAP describing: (i) the obligations of Contractor or Subcontractor that are affected; (ii) the estimated period during which performance may be delayed or prevented; and (iii) the particulars of the program to be implemented by Contractor or Subcontractor in order to resume normal performance there under, provided that in no event shall Company be relieved any of its obligations under this Agreement as a result thereof unless such force majeure qualifies as an event of Force Majeure under this Agreement.
- 11.3. Upon the occurrence of any event of Force Majeure, the affected Party shall use reasonable efforts to mitigate the effects if Force Majeure, resume normal performance of this Agreement insofar as they are not affected by the Force Majeure.
- 11.4. If an event of Force Majeure continues for a period of forty five (45) days in the aggregate that materially affects the ability of Company to perform the work, and as a result thereof there is a corresponding delay in the schedule for performance of the Work and the Completion date of at least forty-five (45) days, then, notwithstanding that Company may by reason




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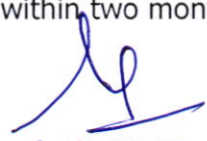
thereof have been granted an extension of the schedule for performance of the Work and the Completion Date, GoAP shall be entitled to terminate the agreement upon (30) thirty days advance written notice to Company. If at the expiration of such thirty (30) day period such Force Majeure shall still continue, this Agreement shall automatically terminate without any further action on the part of either Party.

Article 12

TERMINATION OF AGREEMENT AND TAKING OVER OF THE PROJECT

- 12.1. The Company shall achieve the financial closure within a period of 12 (twelve) months from the date of receipt of the Techno-economic Clearance (TEC), if required, from the Central Electricity Authority (CEA), approvals from Ministry of Environment and Forest (MoEF) and other statutory clearances. In the event that it is confirmed as impossible or impractical to achieve Financial Closure or if the Financial Closure is not achieved on or before the expiry of twelve months from the aforesaid date, for the reasons other than those attributable to the Government of Arunachal Pradesh, the Government of Arunachal Pradesh reserves the right to terminate the agreement
- 12.2. In the event of stoppage of the construction works of the Project by the Company, within 12(Twelve) months for reasons not covered under Force Majeure and for reasons attributable to the Company and/or abandonment of the Project by the Company, the State Government shall, after giving due opportunity to the Company to resume the work, have the right to terminate the agreement.
- 12.3. Within 3 (three) years from the date of signing of the MoA, the Company shall complete all post allotment obligations including preparation of DPR, possession of the Project site and obtaining all statutory clearance of the State Government including System Co-ordination and Techno Economic Clearance (SC & TEC)/ the MoE&F, Government of India, as the case may be so that the work at site can be started within 3 (three) years. The Company shall be required to submitted the Detailed Project Report (DPR) to the State Government for examination and accord of System Co-ordination & Techno Economic Clearance (SC & TEC).
- 12.4. In case either party commits a breach of any of the terms, conditions and stipulations herein contained and to be observed and performed on its part, then the other party shall be at liberty to give a notice in writing to the defaulting party to set right or rectify such breach and in case of non-compliance on the part of the defaulting party within two months on receipt




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of such notice, this Agreement may at the option of the other party be terminated.

- 12.5. In the event of termination of the agreement under this clause, the Government of Arunachal Pradesh shall have the right to take over the Project on "**As is where is**" basis and no claim of the Company shall be entertained. The Government of Arunachal Pradesh shall also have the exclusive right to re-allot such Project to any other Company.

Upon failure of the Company to commence work at the Project site within 3 (three) years from the date of signing of the MoA, the agreement shall be terminated. The Upfront payment shall be forfeited because of the time lost upon the State Government and blockage of the site. The Company shall not be entitled to any claim whatsoever upon the State Government.

- 12.6. In the event of failure to obtain statutory clearance by the Company within 3 (Three) years period in spite of its best effort and for the reasons not attributable to the Company, then the Company may apply in writing for further extension of time to the Government of Arunachal Pradesh for the consequent delay in the commencement of work at site. The Government of Arunachal Pradesh may consider granting extension of time on merit for a considerable period to cover up the works left behind.

- 12.7. The Company shall be liable for all defects, deficiencies and failures on the Project that constitutes a violation of the specification in the Techno-economic clearance (TEC), if required, from the Central Electricity Authority (CEA), approvals from Ministry of Environment and Forest (MOEF) and other statutory clearances from the date of issuance of the Certificate of Completion until the end of the relevant Lease Period, except for those defects, deficiencies and failures occasioned by a Force Majeure Event and those caused by third parties.

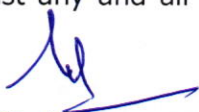
- 12.8. Since the Project is self identified Project and if the Project does not come up due to any reason including failure to obtain MoEF clearance, the State Government shall not be bound to refund the processing fee/upfront premium to the Company.

Article 13

LIABILITY AND RELATIONSHIP BETWEEN THE PARTIES

- 13.1. Any Party that commits a breach of this MOA shall, promptly on demand by the non-defaulting Party reimburse and otherwise indemnify and hold the non-defaulting Party harmless from and against any and all loss, damage,




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cost, expense or other liability whichever and whatsoever incurred by that non-defaulting Party arising as a result of such breach by the defaulting party. The foregoing shall be without prejudice to any other rights or remedies that any non-defaulting Party may have against the defaulting Party.

- 13.2. No Party shall be liable to any other Party for (i) special, consequential, exemplary or punitive damages; or (ii) indirect costs or expenses or (iii) direct or indirect loss of anticipated revenue or profit, loss of contract, loss of business opportunity, in each case except to the extent expressly provided in this MOA or as a result of fraud.

Article 14

RESOLUTION OF DISPUTES & ARBITRATION THEREOF

- 14.1 In the event of any difference / dispute arising between the Parties, the same shall be resolved in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (as amended till date), unless the same has been resolved amicably by mutual consultations within 90(Ninety) days of the reference of dispute by either Party. The venue of the arbitration shall be Itanagar. The language of arbitration shall be English. The cost of arbitration shall be shared equally. In case of any litigation, the Gauhati High Court, Itanagar Permanent Bench shall have the sole jurisdiction.

Article 15

ARBITRATION AWARD

- 15.1. Subject to the provision of the Arbitration and Conciliation Act, 1996 (as amended till date), the award rendered in any arbitration commenced under this agreement, shall be final and binding on the parties. The award shall be a reasoned award.
- 15.2. Notwithstanding the existence or the reference of a dispute to the Tribunal or the pendency of arbitration proceedings before the Tribunal, each party shall be obliged to perform its obligations under this MOA.

Article 16

CONFIDENTIALITY

- 16.1 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.




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Article 17

PROCESSING AND UPFRONT FEES

- 17.1 The Company has deposited the prescribed sum of Rs.35,000/- (Rupees Thirty five Thousand) only per Project as the processing fee and Rs.90,000/- (Rupees Ninety thousand) only @ Rs.15,000/- (Rupees Fifteen Thousand) per MW as non-refundable upfront payment of the proposed installed capacity of 6 MW vide Demand Draft No. 458764 dtd.21/05/2019 for Rs.1,25,000/- (Rupees One Lakh and twenty five thousand) only, drawn at State Bank of India, payable at Itanagar towards non-refundable upfront premium including processing fee in favour of Commissioner (Power), Government of Arunachal Pradesh at the time of the signing of Memorandum of Agreement the receipt of which sum, the State Government hereby acknowledges.
- 17.2 In the event of reduction in the capacity of the Project, the State Government shall not be liable to refund the proportionate reduction in the amount of the upfront premium including the processing fee. However, in the event of capacity addition in the installed capacity of the Project, the Company shall obtain approval of the State Government for the increased capacity and upon approval of State Government shall pay the upfront premium for the increased capacity of the Project as prescribed by the State Government as per the relevant Hydro Power Policy in force.
- 17.3 The upfront premium paid shall not form part of the Project cost as the loading of the Project will have a direct bearing on the cost of generation.
- 17.4 The company shall pay an amount worked out at the rate of 1(one) paise per unit of power sold during every financial year to the State Government for raising local area development fund affected by the Project.
- 17.5 The Company shall deposit 0.1% subject to ceiling limit of Rs.10.00 crores of the Project Cost as Project Monitoring, Evaluation and Coordination (both technical and financial) fee by Demand Draft in favour of the Secretary (Power), Government of Arunachal Pradesh, Itanagar within one month of the finalization of the Detailed Project Report by the CEA/State Government as the case may be.

Article 18.

PENALTY.

- 18.1 The Company shall commission the Project within a period of **5 (five)** years from the date of receipt of all statutory clearances from State/Central

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Government agencies/authorities, achieving of Financial Closure and availability of land required for the Project. In the event of failure on the part of the Company to commission the Project within the targeted period, the Company shall be liable to pay penalty @ **Rs. 10,000/- (Rupees Ten Thousand) per MW** per month to the Government of Arunachal Pradesh for the extended period of commissioning, except when such delay is caused by Force Majeure events.

Article 19

PROJECT MONITORING COMMITTEE


- 19.1 The Government of Arunachal Pradesh shall have the right to monitor physical and financial progress of the Projects on monthly/quarterly/half yearly basis as felt necessary from time to time through a Technical Committee Comprising of the Chief Engineer, Department of Hydro Power Development (Monitoring), the Chief Engineer, Department of Power (DOP), the Director, APEDA and a member from the District Administration of the concerned area and it will be headed by the Secretary (Power and NCER), Government of Arunachal Pradesh. The State Government may monitor the Project directly or through its sub-ordinate officers.
- 19.2 Progress meeting will be held as deemed necessary by GoAP. Progress meetings will be utilized to review the progress of the Work and its compliance with the Project Schedule and discuss any delays, unusual conditions or critical items, which have affected or could affect the progress of the Work.

Article 20

GENERAL CONDITIONS

- 20.1 The Company shall be generally liable to pay all the statutory levies viz. royalty on forest products, river bed materials, duties and taxes unless specifically exempted under the incentives provided in this agreement.
- 20.2 Allotment of a Project to a Company shall not automatically confer him any territorial rights on both upstream and downstream sides of the Project area.
- 20.3 The Company shall facilitate using of tail race water for agriculture / horticulture purpose wherever it is found feasible and necessary.




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20.4 The state Government shall have the right to use the tail race water for any other purpose including the development of hydro Projects on its own or allot to some other party.

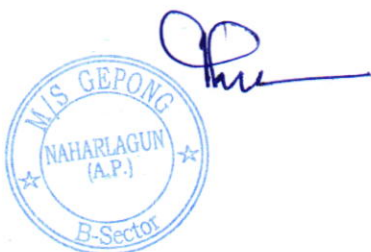
20.5 The Company shall make all necessary protective arrangements on upstream, downstream and tail race areas of the Project site to avoid soil erosion and damage to properties.

Article 21

OBLIGATIONS OF THE STATE GOVERNMENT

The Government of Arunachal Pradesh hereto recognizes that :

- 21.1 **Ressing Hydro Electric Project (6 MW)** being a run-of-the- river Project shall utilize the flowing water of the river to generate electricity. Such right to utilize water available upstream of the Project are granted by the Government of Arunachal Pradesh for non-consumptive use only without charging any royalty, duty, cess or levy of any kind of such use of water.
- 21.2 The tariff/or the energy generated at the Project during pre-commissioning stage shall be fixed as per the specific guidelines of Government of India for such energy for Hydro-Electric Projects.
- 21.3 The State Government shall provide assistance, wherever required, to the Company to obtain, in accordance with the prevailing Law and regulations, necessary permits to install and use suitable radio communication systems including satellite communication equipment and walkie-talkies. Any system connecting with the national telecommunication system or any international telecommunication system will be subject to approval / license from the relevant authorities for the issuance of which the State Government shall assist.
- 21.4 The State Government shall provide assistance, wherever required, to the Company under the Law and regulations, to obtain permission to procure, store and use such explosives which are required for the Project; provided that the responsibility of obtaining such a clearance and making the necessary arrangements shall rest with the Company.
- 21.5 The State Government shall provide assistance, wherever required, to the Company in obtaining all necessary import licenses for the Project from the relevant Central Government authorities to the extent permissible by Law. The Company shall submit a list of such equipments required to be imported for the Project to the State Government The State Government shall provide



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necessary need based assistance in obtaining the concessions and incentives given by the Central Government for setting up of Projects in North Eastern States.

Article 22
OTHER CONDITIONS


- 22.1 The State Government can impose an environment cess, according to the Law, which shall not be more than one paisa per unit of electricity sold and shall be collected at the source by the Company and deposited with the State Government. No other taxes/duties/cess will be levied on the sale of electricity by the Company within the State or outside the State.
- 22.2 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.
- 22.3 The Company shall be governed and bound by the guidelines as may be notified by the Government of India or the State Government under the relevant Acts from time to time.
- 22.4 In case the installed capacity increases beyond 25 MW, the company has to deposit upfront premium for the entire capacity as per Hydro Power Policy 2008. All other conditions of Hydro Power Policy 2008 will also be applicable for the Projects above 25 MW capacities.
- 22.5 In the event to transfer of Intellectual Properties related to the Project design, data, DPRs etc. the cost of such properties shall be payable to the owner of such properties by the party (parties) to whom it would be transferred.
- 22.6 The Company hereby covenants that on demand from the Government of Arunachal Pradesh, it shall pay the amounts, if any, payable under the Agreement to the Government of Arunachal Pradesh failing which the Government of Arunachal Pradesh may recover the same from the Company in any legal manner or as arrears of land revenue.
- 22.7 The Company shall bear the stamp duty on the execution of this agreement.




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IN WITNESS WHEREOF THE PARTIES THROUGH THEIR AUTHORISED REPRESENTATIVES HAVE SIGNED THOSE PRESENTS ON THE DAY MONTH AND YEAR MENTIONED ABOVE.

FOR AND ON BEHALF OF THE
GOVERNOR OF ARUNACHAL PRADESH



(G.S. Meena), IAS
Commissioner (Power)
Government of Arunachal Pradesh
Itanagar.

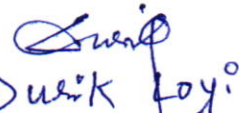
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Govt. of Arunachal Pradesh
Itanagar

FOR AND ON BEHALF OF
M/S GEPONG


(Nabam Tagi)
Proprietor
M/s Gepong




Signature with Seal
Witness
Chief Engineer (Monitoring),
Dept. of Hydro Power Development
Govt. of A.P., Itanagar


Durek Loya
Signature with Seal
Witness