
JOINT VENTURE AGREEMENT

BY AND BETWEEN

SIMBHAOLI SUGARS LIMITED

AND

SINDICATUM CAPTIVE ENERGY SINGAPORE PTE LIMITED

AND

SIMBHAOLI POWER LIMITED

Dated: December 6, 2011

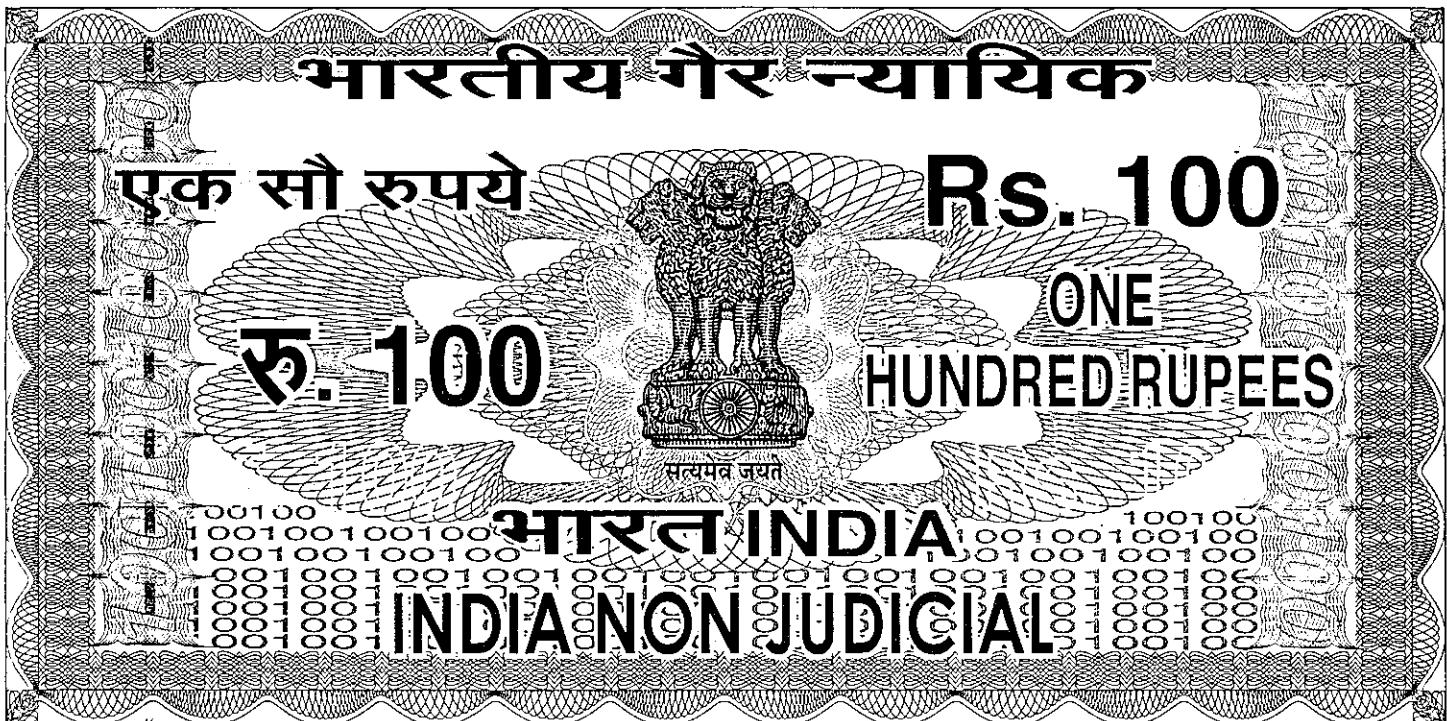


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THIS JOINT VENTURE AGREEMENT is made and entered at New Delhi on December 06, 2011,

BY AND BETWEEN:

SIMBHAOLI SUGARS LIMITED, a company registered under the Companies Act, 1913, and having its registered office at Simbhaoli 245 207, District Ghaziabad, Uttar Pradesh, India and corporate office at C-11, Connaught Place, New Delhi 110001, India (hereinafter referred to as "SSL", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

AND

SINDICATUM CAPTIVE ENERGY SINGAPORE PTE LIMITED, a private limited company registered under the laws of Singapore, and having its registered office at 391B Orchard Road, #15-02 Ngee Ann City Tower B, Singapore 238874 (hereinafter referred to as "SCES", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns)

AND

SIMBHAOLI POWER LIMITED, a company registered under the Companies Act, 1956, and having its registered office at Kothi No. 1, Power Division Compound, Simbhaoli-245 207, District

(Signature) ✓



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Ghaziabad, Uttar Pradesh, India (hereinafter referred to as the "Company", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns).

SSL, SCES and the Company are hereinafter referred to collectively as the "Parties" and singly as a "Party".

WHEREAS:

- (A) SSL is one of the largest integrated sugar refining companies in India, and owns and operates 3 (three) sugar complexes located at Simbhaoli, Chilwaria and Bijnathpur (collectively, the "Sugar Plants") in the state of Uttar Pradesh, India, with an aggregate sugarcane crushing capacity of 20,100 (twenty thousand and one hundred) tonnes of cane per day and alcohol production capacities of 210 (two hundred and ten) kilo litres per day.

✓
Gyan Singh



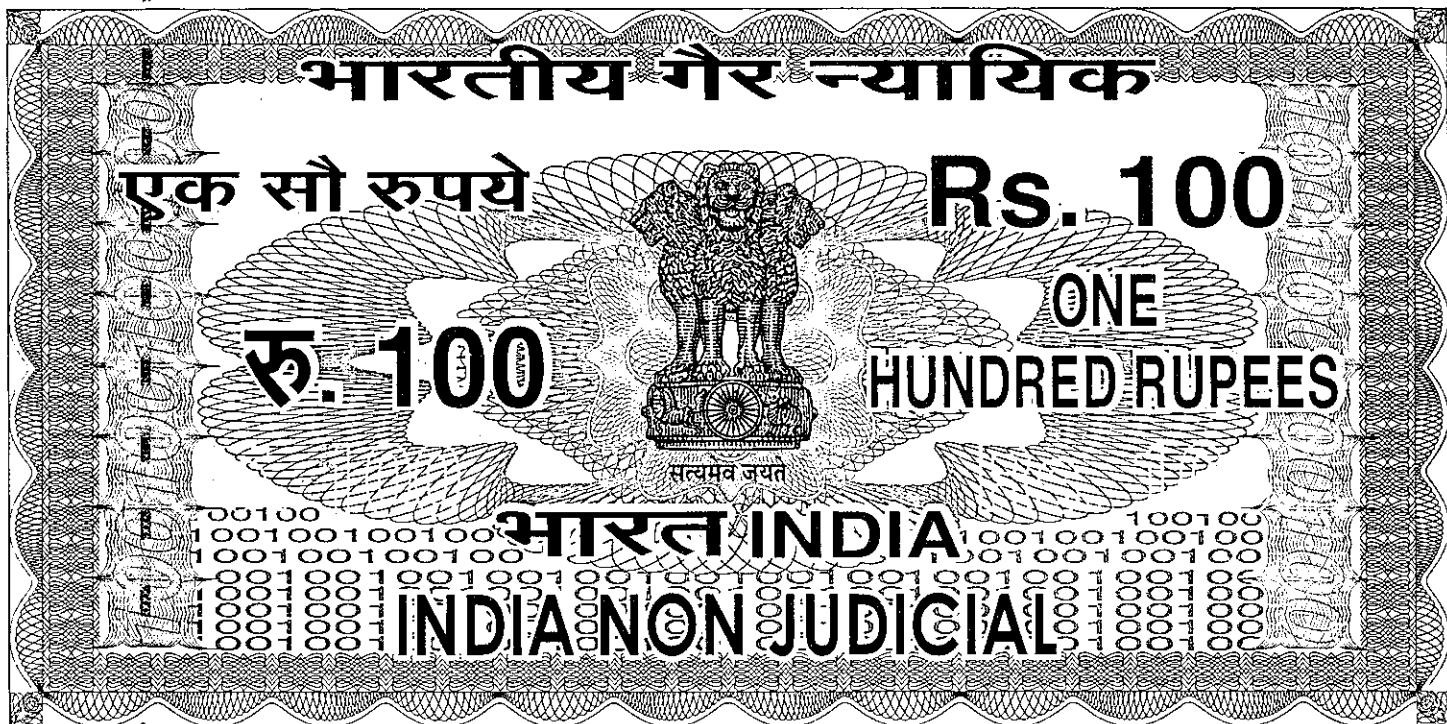
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- (B) SSL has a power plant at each of the three Sugar Plants ("Power Plants"), which produce power from bagasse generated as a by-product of SSL's sugarcane crushing operations at the Sugar Plants, and which together meet the entire power and steam requirement of the Sugar Plants, and also certain amount of surplus power generated at the Power Plants located at Simbhaoli and Chilwaria, which SSL sells to Uttar Pradesh Power Corporation Limited ("UPPCL").
- (C) SCES is promoted by Sindicatum Sustainable Resources, an investor in and operator of, clean energy projects, as a majority-owned subsidiary for the purposes of investing in such projects in India.
- (D) SSL and SCES wish to enter into a joint venture for the purposes of: (i) expanding the power generation capacities of the Power Plants to the extent stated in **Schedule I**; and (ii) for setting up a transmission line to connect the Brijnathpur Power Plant to the state electricity grid of Uttar Pradesh ((i) and (ii) shall hereinafter be collectively referred to as the "**Expansion Project**"), such that the Power Plants continue to meet the entire power and steam requirement of the Sugar Plants and also generate additional power which can be sold to third parties (shall collectively be referred to, together with the Expansion Project, as the "**Business**").
- (E) SSL and SCES wish to conduct the Business through the Company as the joint venture company, and in reliance thereof SSL has established the Company as a wholly-owned subsidiary into which it proposes to transfer its Power Undertakings (as defined hereinafter) and into which SCES wishes to invest in accordance with the terms of this Agreement.
- (F) The Parties intend to record the terms and conditions of their understanding in this Agreement under which the Parties agree to carry on the Business through the Company and their rights and obligations as its shareholders and joint venture partners and of the Company in connection therewith.

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R 729835

This stamp paper forms part of the 'Joint Venture Agreement' dated Dec 6 '2011, as executed between Simbrahi Sugars Limited, Indicatum Captive Energy Singapore Pte Limited and Simbrahi Power Limited at New Delhi

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R 729836

This stamp paper forms part of the 'Joint Venture Agreement' dated Dec 6 2011 as executed between Sindhuli Sugars Limited, Syndication Captive Energy Singapore Pte Ltd and Sindhuli Power Limited at New Delhi

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R 729837

This stamp paper forms part of the 'Joint Venture Agreement' dated Dec 6' 2011, as executed between Simlaoli Sugars Limited, Sindicatum Captive Energy Singapore Pte limited and Simlaoli Power Limited at New Delhi.

Gopal
✓



दिल्ली DELHI

R 729839

This stamp paper forms part of the
'Joint Venture Agreement' dated Dec 6, 2011,
executed between Simlihaoli Sugars
limited, Sindicatum Capture Energy
Singapore Pte limited and Simlihaoli
Power limited at New Delhi.

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NOW IN WITNESS WHEREOF, in consideration of the foregoing premises and the mutual covenants herein contained and the representations and warranties of the Parties as provided in this Agreement, the Parties hereto agree as follows:

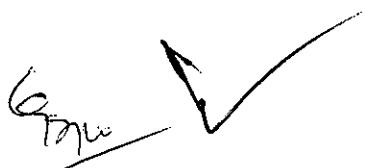
1. DEFINITIONS; RULES OF INTERPRETATION

- 1.1 **Definitions.** In this Agreement, the following words shall unless the context otherwise requires have the following meanings:

"Abandon"	means discontinuation of operations in the Sugar Season (as defined in the Fuel Supply Agreements) in excess of 60 days (other than on account of Force Majeure or reason beyond the control of SSL) with the express or implied intention on the part of SSL not to resume the operations;
"Affiliate(s)"	in relation to any Person means and includes any other Person which directly or indirectly controls or is controlled by or is under direct or indirect common control with the first mentioned Person, and where a Person is an individual, it includes his spouse and his lineal ascendants and descendants. For the purposes of this definition and with respect to any corporation or company, "control" includes (a) the ownership of more than 50% (Fifty percent) of the voting shares of the corporation or company including any shares which are voting only upon the occurrence of a contingency where such contingency has occurred and is continuing or, where that contingency is the exercise of an option or other right, where such option or other right, is presently exercisable; (b) the right to appoint or remove a majority of its board of directors; and (c) the ability, through any agreement, understanding or practice to exercise, whether alone or jointly with others, significant influence over such corporation or company. It is clarified that the Company shall not be regarded as an Affiliate of any Shareholder;
"Agreement"	means this Joint Venture Agreement entered into by the Parties, including the Annexures, Schedules or Exhibits hereto, and includes any written modification hereto mutually agreed by the Parties;
"Appraiser"	means an independent party who, unless otherwise agreed by the Shareholders, shall be the Affiliate in India of any of the following accounting firms in India, namely, Price Waterhouse Coopers, Ernst & Young, Deloitte Haskins & Sells, or KPMG, and the SEBI-registered investment banking / merchant banking divisions of Citibank, ICICI Bank, Morgan Stanley, Goldman Sachs, Merrill Lynch, UBS, and JP Morgan;
"Approvals"	means and includes any and all approvals, authorisations, consents, licences, permissions, waivers, releases, exemptions or other approvals required by or under any applicable Law or contract;
"Approved Auditor"	means the Affiliate in India of any of the following accounting firms: Price Waterhouse Coopers, Ernst & Young, Deloitte Haskins & Sells, or KPMG;

“Articles” / “Articles of Association”	means the articles of association of the Company as amended/ altered from time to time;
“Balance Shares”	has the meaning ascribed to it in Clause 11.1.7.3;
“Board”	means the board of directors of the Company as constituted from time to time;
“Bijnathpur BTA”	means the business transfer agreement to be entered into by SSL and the Company relating to the transfer of the Bijnathpur Power Undertaking by SSL to the Company, and proposed to be executed substantially in the form attached hereto as Part A of Schedule XI ;
“Bijnathpur O&M Costs”	means any and all costs of operating the Power Plant at Bijnathpur including (without limitation) fees due and payable by the Company to Casetech pursuant to the terms of the Operation and Maintenance Agreement entered into in respect of such Power Plant and the costs of any and all personnel, tax, insurance, consumables, fuel and electricity arising in connection with the operation of such Power Plant but (for the avoidance of doubt) excluding any costs arising from or in connection with the Expansion Project;
“Bijnathpur Power Undertaking”	means the power generation undertaking of (as at the date of this Agreement) SSL located at the Sugar Plant at Bijnathpur and to be transferred to the Company under the terms of the Bijnathpur BTA;
“Business”	has the meaning ascribed to the term in Recital D;
“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for normal business in Singapore and Delhi;
“Business Plan”	means the business plan(s) prepared by the management of the Company as per Clause 13 and approved and adopted by the Board, including any modifications thereto;
“Business Transfer Agreements”	means the Bijnathpur BTA, the Chilwaria BTA, and the Simbhaoli BTA;
“Buy Out Notice”	has the meaning ascribed to it in paragraph 3 of Schedule VII ;
“Buyer”	has the meaning ascribed to it in Clause 11.3.5.1;
“Casetech”	means Integrated Casetech Consultants Private Limited, a company incorporated under the Companies Act, 1956 and having its office at E-13/29, Harsha Bhawan, Middle Circle, Connaught Place, New Delhi-110001, and being an Affiliate of SSL;

“Change in Control”	means: (a) with regard to SCES any of the following events: a. Sindicatum Sustainable Resources Group Limited ceasing to own and control the general partner of the International Sindicatum Climate Change Limited Partnership; or b. The ISCCP Investment Platform Limited and its Affiliates ceasing collectively to be the single largest shareholder of SCES during the 36 (Thirty six) months period following the Final Commissioning Date; and (b) with regard to SSL any of the following events: a. Mr. Gurmit Singh Mann and Mr. Gurpal Singh along with their Relatives and Affiliates including their successors and assigns; collectively cease to be the single largest shareholder of SSL; or b. SSL ceases to own the Sugar Plants.
“Chilwaria BTA”	means the business transfer agreement to be entered into by SSL and the Company relating to the transfer of the Chilwaria Power Undertaking by SSL to the Company, and proposed to be executed substantially in the form attached hereto as Part A of Schedule XI;
“Chilwaria Power Undertaking”	means the power generation undertaking of (as at the date of this Agreement) SSL located at the Sugar Plant located at Chilwaria and to be transferred to the Company under the terms of the Chilwaria BTA;
“Commissioning”	means, in respect of a Power Plant, delivery by the Company of a Commissioning Certificate to SSL and Casetech certifying that it is satisfied that (a) the installation of the New Power Generating Set for that Power Plant has been tested and completed for commercial production; (b) synchronisation of the New Power Generating Set with the UPPCL grid has occurred; and (c) power from the New Power Generating Set has been injected to the UPPCL grid for commercial purpose and specifying the date upon which the applicable Commissioning Date has occurred;
“Commissioning Certificate”	means, in respect of a Power Plant, the certificate issued by the Company to (a) SSL under the terms of the Fuel Supply Agreement and (b) Casetech under the terms of the applicable Operation and Maintenance Agreement, certifying that Commissioning of the applicable New Power Generating Set occurred on the Commissioning Date specified in such certificate;
“Commissioning Date”	means, in respect of a Power Plant, the date specified as such in the applicable Commissioning Certificate;
“Companies Act”	means the (Indian) Companies Act, 1956 with the rules and regulations framed there under from time to time, and any subsequent amendment or re-enactment thereof for the time being in force;
“Company Bank Accounts”	has the meaning ascribed to in Clause 12.7;
“Companies Rules and Forms”	means the Companies (Central Government’s) General Rules and Forms, 1956;



“Company Disclosure Letter”	means a letter dated as of the Effective Date, and as the same may be revised as of the First Closing Date in terms of Clause 5.1.8, together with the attachments thereto addressed by the Company to SSL and SCES declaring exceptions to the Company’s Representations and Warranties as of the Effective Date and as of the First Closing Date in the form as reflected in Part A of Schedule X ;
“Company’s Representations and Warranties”	has the meaning ascribed to it in Clause 10.2;
“Competitor”	means any Person (other than a Person being a Party to this Agreement) who is engaged in, or is an Affiliate of any Person engaged in, the procurement of Other Biomass within a radius of 50 (Fifty) kilometres of any of the Power Plants;
“Commercial Terms”	means the commercial terms of each Project Agreement as finalised between the Parties on the Effective Date in the form as reflected in Schedule XIX and shall be incorporated into each of the Project Agreements executed upon First Closing unless agreed otherwise in writing by both Parties;
“Conditions Precedent to First Closing”	has the meaning ascribed to it in Clause 5;
“Conditions Precedent to Second Closing”	has the meaning ascribed to it in Clause 6;
“Confidential Information”	has the meaning ascribed to it in Clause 21.1;
“Covenantor”	has the meaning ascribed to it in Clause 20.1;
“De Minimus Loss”	has the meaning ascribed to it in Clause 25.2.1;
“Deadlock”	has the meaning ascribed to it in Clause 17;
“Deadlock Notice”	has the meaning ascribed to it in paragraph 2 of Schedule VII ;
“Director(s)”	means the director(s) on the Board from time to time;
“Disclosing Party”	has the meaning ascribed to it in Clause 21.1;
“Dispute”	has the meaning ascribed to it in Clause 26.1.1;
“Disputing Party” or “Disputing Parties”	has the meaning ascribed to it in Clause 26.1.1;
“Effective Date”	means the date when this Agreement is executed by the Parties or the last of them;
“Encumbrance”	means (i) any charge (whether fixed or floating), pledge, lien, hypothecation, assignment, mortgage, security interest or other encumbrance of any kind, (ii) any adverse claim as to ownership, title, possession or use, or (iii) any other agreement or arrangement having similar effect;
“Expansion Project”	has the meaning ascribed to it in Recital D;

“Facilities Agreement”	means the facilities agreement to be entered into by SSL and the Company pursuant to which SSL shall provide certain services and facilities to the Company and proposed to be executed substantially in the form attached hereto as Part B of Schedule XI ;
“FMV” or “Fair Market Value”	has the meaning ascribed to it in Clause 22.3.7;
“Final Commissioning Date”	means the date upon which (a) Commissioning at all three Power Plants has been achieved; and (b) each New Power Generating Set at each Power Plant has individually achieved operation at the relevant Project Rated Power for a period of 7 (seven) continuous days as determined by the Company and notified in writing to SSL and SCES;
“Financial Controller”	has the meaning ascribed to it in Clause 12.5;
“Financial Year”	has the meaning ascribed to it in Clause 12.3;
“First Closing”	means the completion of each of the transactions and actions by each of the Parties concerned, as contemplated in Clause 7;
“First Closing Date”	means the date on which the First Closing occurs;
“First Closing Independent Share Valuation”	means the independent share valuation obtained by the Parties from any one of the Appraisers, as approved by SCES, for the purposes of the First Closing in accordance with the prevailing RBI guidelines applicable to an investment by a foreign investor;
“First Party”	has the meaning ascribed to it in Clause 11.1.5;
“Fuel Supply Agreements”	means the fuel supply agreements to be entered into by SSL and the Company in respect of the supply of bagasse to, and production of steam and power by, each Power Plant and executed substantially in the form attached hereto as Part C of Schedule XI and “Fuel Supply Agreement” means each and any one of them;
“Further Funding”	has the meaning ascribed to it in Clause 11.1.2;
“Government”	means any national, state, city and other local government and includes the President of India, the Government of India, the Governor and the government of any State or Union Territory in India, any ministry or department of the same, any local or other authority exercising powers conferred by Law; and shall include, without limitation any governmental agency, state, province, local body, or other political subdivision thereof, and any governmental, semi-governmental, quasi-governmental, executive, legislative, judicial, statutory or regulatory entity or authority, department, instrumentality, commission, board or statutory corporation of, or any corporation or other entity (including a trust), owned or controlled directly or indirectly by, any of the foregoing or similar body including, without limitation, any self-regulatory organisation established under any Law;
“HSE Standards”	has the meaning ascribed to it in Clause 19.14
“INR” or “Rs.” Or “Rupees”	means the lawful currency of India from time to time;
“Insolvency	in relation to any Person means the occurrence of any of the following

“Event”	<p>events:</p> <ul style="list-style-type: none"> (a) such Person enters into any arrangement or composition for the benefit of such Person’s creditors; (b) the appointment of an administrator, liquidator, receiver, trustee, custodian or other similar official to manage the business affairs, business or substantial part of the property of such Person in an involuntary winding up petition, where such petition is not dismissed within a period of sixty (60) days of such appointment; (c) an adjudication that such Person is bankrupt or insolvent, or the grant of protection against creditors under any applicable Law; (d) the commencement by such Person of a voluntary case seeking liquidation, winding-up, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar Law now or hereafter in effect or seeking protection against its creditors, the appointment of a trustee, receiver, liquidator, custodian or other similar official of it on any substantial part of its assets or property, or consent to any such relief or to the appointment of or taking of possession by any such official in an involuntary case or other proceeding commenced against it; or (e) a government expropriation, nationalization or condemnation of all or substantially all of the assets or capital stock of such Person;
“Exercise Notice”	has the meaning ascribed to it in Clause 11.1.7.2;
“Intellectual Property”	means the legal rights, including intellectual property rights, moral rights or like rights or forms of protection, subsisting in patents, copyrights, trade secrets and trademarks, trade dress, service marks, designs, logos and other intellectual property rights under the Laws of India or any other jurisdiction and all registrations, applications for registration, renewals, extensions, continuators, dividends, re-examinations or reissues or equivalent of any of the foregoing.
“Insurance Program”	means the program of insurance to be effected and maintained by the Company and appended hereto as Schedule XVII , as may be amended from time to time in accordance with Clause 16.1(z);
“Issuance Price”	has the meaning ascribed to it in Clause 11.1.7.1;
“Issuance Shares”	has the meaning ascribed to it in Clause 11.1.7.1;
“Law”	means and includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, circulars, press notes, directives and orders of any court, Government, statutory authority, board (in each such case whether preliminary or final), stock exchange and, if applicable, international treaties and regulations and all amendments thereto from time to time;

“Lease Deeds”	means the Lease Deeds to be entered into by the Company and SSL in respect of each Power Plant Site in substantially the form attached hereto in Part D of Schedule XI and “Lease Deed” means each and any one of them;
“Lender Directors”	has the meaning ascribed to it in Clause 14.2.6;
“Liquidation Event”	means and includes: (i) appointment of the liquidator; (ii) a liquidation, winding-up or dissolution of the Company; (iii) a consolidation or reorganization or any other transaction (including, without limitation, an acquisition of securities of the Company) of the Company upon the conclusion of which the Shareholders do not retain a majority of the voting power in the surviving entity; or (iv) a sale and/or license of all or substantially all of the Company’s assets;
“Lock-in Period”	has the meaning ascribed to it in Clause 11.3.3.1;
“Losses”	has the meaning ascribed to it in Clause 25.1.
“Key Employee Terms”	means the key terms of employment of (i) Company and the MD; and (ii) Company and the Financial Controller as set out in Schedule XIII ;
“Key Management Team”	means Mr. A P Singh, Mr. Anshul Jain and Mr. Kamal Samtani;
“Management Accounts”	means the unaudited financial statements of the Company comprising the monthly balance sheets, profit and loss accounts and cash-flow statements prepared substantially in the form set out in Schedule XVI ;
“Management Committee”	has the meaning ascribed to it in Clause 14.3.2;
“Management Service Agreements”	means and includes (a) the Sindicatum Management Services Agreement and (b) the SSL Management Services Agreement;
“MD”	has the meaning ascribed to it in Clause 14.2.3;
“Material Adverse Effect”	means any occurrence of any event, condition, fact or change that, is, or may reasonably be, materially adverse to the valuation, business, operations, financial condition, assets (including intangible assets) or liabilities of the Company, save and except for any adverse change, event, development or effect arising from or relating to or in connection with: (a) general business or economic conditions, (b) national or international political, economical or social conditions, (c) Indian or global financial, banking or securities markets, (d) Indian accounting standards and/or (e) changes in any applicable Law;
“Mediating Committee”	has the meaning ascribed to it in Clause 26.1.1;
“Memorandum”/ “Memorandum of Association”	means the memorandum of association of the Company as amended/ altered from time to time;
“New Power Generating Set”	means, in respect of each Power Plant, the new power generating set to be installed at such Power Plant as part of the Expansion Project;

“Non-Transferring Shareholder”	has the meaning ascribed to it in Clause 11.3.4(a);
“Notice”	has the meaning ascribed to it in Clause 27.1;
“Offer Acceptance Notice”	has the meaning ascribed to it in Clause 11.3.4(b);
“Offer Period”	has the meaning ascribed to it in Clause 11.3.4(a);
“Offer Refusal Notice”	has the meaning ascribed to it in Clause 11.3.4(d);
“Operation and Maintenance Agreements”	means the operation and maintenance agreements between Casetech and the Company relating to the operation and maintenance services to be provided by Casetech to the Company in respect of each Power Plant and to be executed substantially in the form attached hereto as Part E of Schedule XI and “ Operation and Maintenance Agreement ” means each and any one of them;
“Other Biomass”	means (i) any bagasse procured from parties other than SSL for the purposes of supplementing the bagasse supplied by SSL under the Fuel Supply Agreements and (ii) biomass other than bagasse procured as fuel for generation of steam and power by the Power Plant(s);
“Person”	means and includes an individual, an association, a corporation, a partnership, a limited liability partnership, a joint venture, a venture capital fund, a trust, a co-operative society, an unincorporated organization or association, a joint stock company or other entity association or organization statutory or otherwise, including a Government or political subdivision, or an agency or instrumentality thereof and/or any other legal, statutory or other entity;
“Plant Usage Agreement”	means the plant usage agreement to be entered into by the Company and SSL in respect of the provision by SSL to the Company of certain equipment on a usage basis and to be executed substantially in the form attached hereto as Part F of Schedule XI ;
“Power Plants”	has the meaning ascribed to it in Recital B;
“Power Plant Site”	means, in respect of each Power Plant, the land leased to the Company by SSL under the terms of the applicable Lease Deed and at which such Power Plant is located as marked in Annexure 2 of the applicable Lease Deed;
“Power Undertakings”	means the Bijnathpur Power Undertaking, the Chilwaria Power Undertaking and the Simbhaoli Power Undertaking;
“Power Undertaking Transfer”	has the meaning ascribed to it in Clause 4.1.1;
“Pre-Emptive Notice”	has the meaning ascribed to it in Clause 11.1.7.1;
“Pre-Emptive Offer Period”	has the meaning ascribed to it in Clause 11.1.7.2;
“Pre-Emptive Right”	has the meaning ascribed to it in Clause 11.1.7;

“Project Agreements”	means collectively together with all their respective schedules (a) Business Transfer Agreements, (b) the Facilities Agreement, (c) the Fuel Supply Agreements, (d) the Land Usage Agreements, (e) the Operation and Maintenance Agreements, (f) Plant Usage Agreement and (g) the Project Implementation Agreements;
“Project Implementation Agreements”	means the project implementation agreements to be entered into by Casetech and the Company relating to certain project implementation services to be provided by Casetech to the Company in respect of each Power Plant and to be executed substantially in the form attached hereto as Part G of Schedule XI and “Project Implementation Agreement” means each and any one of them;
“Pro Rata Share”	has the meaning ascribed to it in Clause 11.1.7.2;
“Project Rated Power”	means, for each Power Undertaking, the power generating capacity set out under “Project Rated Power” column in the table included in Schedule I;
“Qualified IPO”	means the successful completion of an initial public offering of the equity shares of the Company at such a price per share as acceptable to SCES, by a reputable investment banking firm, approved by SCES on such recognised stock exchange(s) acceptable to SCES;
“RBI”	means the Reserve Bank of India;
“Receiving Party”	has the meaning ascribed to it in Clause 21.1;
“Registrar of Companies”	means the Registrar of Companies, Uttar Pradesh and Uttarakhand and/or any other Registrar of Companies under whose jurisdiction the Company’s registered office is situated;
“Relatives”	Has the meaning ascribed to it in the Companies Act;
“Request”	has the meaning ascribed to it in Clause 26.1.1;
“Reserved Matter” and “Reserved Matters”	have the meaning ascribed to them in Clause 16.1;
“Resolution Period”	has the meaning ascribed to it in paragraph 2 of Schedule VII;
“Right of First Refusal”	has the meaning ascribed to it in Clause 11.3.4(b);
“Sale Notice”	has the meaning ascribed to it in paragraph 4 of Schedule VII;
“Sale Price”	has the meaning ascribed to it in Clause 11.3.4(a);
“Sale Shares”	has the meaning ascribed to it in Clause 11.3.4(a);
“SCES Additional Subscription Consideration”	has the meaning ascribed to it in Clause 4.2.2;
“SCES Additional Subscription Shares”	has the meaning ascribed to it in Clause 4.2.2;
“SCES Directors”	has the meaning ascribed to it in Clause 14.2.1;
“SCES Indemnified Persons”	has the meaning ascribed to it in Clause 25.1;

“SCES Investment”	means the sum of SCES Subscription Consideration, SCES Additional Subscription Consideration and any other investment made by SCES into the Company either by way of further subscription to Shares or by way of loan;
“SCES Shares”	means the SCES Subscription Shares, the SCES Additional Subscription Shares and any other Shares and/or Securities acquired by SCES;
“SCES Subscription Consideration”	has the meaning ascribed to it in Clause 4.2.1;
“SCES Subscription Shares”	has the meaning ascribed to it in Clause 4.2.1;
“Second Closing”	means the completion of each of the transactions and actions by each of the Parties concerned, as contemplated in Clause 8;
“Second Closing Date”	means the date on which the Second Closing occurs;
“Second Closing Independent Share Valuation”	means the independent share valuation obtained from an Appraiser in accordance with the prevailing RBI guidelines applicable to an investment by a foreign investor;
“Senior Loan”	has the meaning ascribed to it in Clause 5.1.14;
“Senior Lender”	means any lender under the Senior Loan.
“Securities”	has the meaning ascribed to it in Clause 11.1.7;
“Share”	means an equity share of the Company having the face value of INR 10 (Rupees Ten Only);
“Shareholders”	means SSL and SCES and any other holder for the time being of Shares and Securities of the Company and “Shareholder” means any of them;
“Simbhaoli BTA”	means the business transfer agreement to be entered into by SSL and the Company relating to the transfer of the Simbhaoli Power Undertaking by SSL to the Company, and proposed to be executed substantially in the form attached hereto as Part A of Schedule XI;
“Simbhaoli Power Undertaking”	means the power generation undertaking of (as at the date of this Agreement) SSL located at the Sugar Plant located at Simbhaoli and to be transferred to the Company under the terms of the Simbhaoli BTA;
“Sindicatum’s Anti-Corruption Principles”	means the Sindicatum Sustainable Resources group’s anti-corruption principles as set out in Schedule XIV or as notified by SCES to the other Shareholder(s) and the Company from time to time;
“Sindicatum Management Services Agreement”	means the services agreement to be entered into by Sindicatum Carbon Capital India Pvt Limited and the Company pursuant to which Sindicatum Carbon Capital India Pvt Limited shall provide certain services to the Company in consideration of the payment of a management fee by the Company and to be executed substantially in the form attached hereto as Part A of Schedule XII;
“SSL Additional Subscription Shares”	has the meaning ascribed to it in Clause 4.1.4;

“SSL BTA Subscription Shares”	has the meaning ascribed to it in Clause 4.1.2;
“SSL BTA Preference Shares”	has the meaning ascribed to it in Clause 4.1.3;
“SSL Directors”	has the meaning ascribed to it in Clause 14.2.1;
“SSL Disclosure Letter”	means a letter dated as of the Effective Date, and as the same may be revised as of the First Closing Date in terms of Clause 5.1.8, together with the attachments thereto addressed by SSL to SCES declaring exceptions to SSL’s Representations and Warranties as of the Effective Date and the First Closing Date, in the form as reflected in Part B of Schedule X ;
“SSL Indemnified Persons”	has the meaning ascribed to it in Clause 25.13;
“SSL Management Services Agreement”	means the services agreement to be entered into by SSL and the Company pursuant to which SSL shall provide certain services to the Company in consideration of the payment of a management fee by the Company and to be executed substantially in the form attached hereto as Part B of Schedule XII ;
“SSL’s Representations and Warranties”	has the meaning ascribed to it in Clause 10.6;
“Sugar Plants”	has the meaning ascribed to it in Recital A;
“Tag Along Right”	has the meaning ascribed to it in Clause 11.3.5.1;
“Tag Along Shares”	has the meaning ascribed to it in Clause 11.3.5.1;
“Total Project Cost”	means the total cost incurred by the Company for the Expansion Project, including (a) the consideration to be paid by the Company to SSL for the transfer of the Power Undertakings under the Business Transfer Agreements, (b) the cost of formation of the Company, (c) initial working capital and (d) other expenses incidental to the Expansion Project.
“Third Party Buyer”	has the meaning ascribed to it in Clause 11.3.4;
“Third Party Claim”	has the meaning ascribed to it in Clause 25.2.4;
“Transaction”	means the subscription to the SSL BTA Subscription Shares, SSL BTA Preference Shares, SSL Additional Subscription Shares, SCES Subscription Shares and SCES Additional Subscription Shares, by SCES and SSL at the First Closing and Second Closing in accordance with the terms of this Agreement;
“Transaction Documents”	means collectively together with all their respective schedules, annexures and exhibits (a) this Agreement, (b) the Management Services Agreements and (c) the Project Agreements;

“Transfer”	has the meaning ascribed to it in Clause 11.3.3.1;
“Transfer Notice”	has the meaning ascribed to it in Clause 11.3.4(a);
“Transferring Shareholder”	has the meaning ascribed to it in Clause 11.3.4;
“Transition Period”	means the period commencing on the First Closing Date and ending on the date that all power assets under the Business Transfer Agreements are transferred to the Company in accordance with their terms;
“Unanimous Consent Matter” and “Unanimous Consent Matters”	have the meaning ascribed to them in Clause 16.2; and
“UPPCL”	has the meaning ascribed to it in Recital B;

1.2 Rules of Interpretation.

In this Agreement:

- 1.2.1 References to statutory provisions shall be construed as references to the statutory provisions of India, unless otherwise specified, and in any event to those provisions as respectively amended, superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the Effective Date) from time to time.
- 1.2.2 Any reference in this Agreement to par or face value in relation to any Security shall mean the value expressed on the face of the certificate representing the Security, at the relevant point of time, irrespective of the actual price paid for that share by its holder.
- 1.2.3 References to ‘Clauses’, ‘Annexures’, ‘Exhibits’ and ‘Schedules’ are to ‘Clauses’ of or the ‘Annexures’, ‘Exhibits’ and ‘Schedules’ to this Agreement, and references to ‘sub-clauses’ are to ‘sub-clauses’ of the Clause in which the reference appears.
- 1.2.4 Any reference to “writing” includes printing, typing, lithography, email, facsimile and other means of reproducing words in permanent visible form.
- 1.2.5 Any reference to “day(s)” is to calendar days and not Business Days.
- 1.2.6 All references to documents in agreed form shall mean a document in a form agreed by the Parties and initialled by each of them for the purpose of identification.
- 1.2.7 The terms “include” and “including” shall mean “include without limitation”.
- 1.2.8 The headings, sub-headings, titles, sub-titles to sections, sub-sections and paragraphs are for information only, shall not form part of the operative provisions of this Agreement or the Annexures, Exhibits and Schedules, and shall be ignored in construing the same.
- 1.2.9 The singular includes the plural and vice versa.
- 1.2.10 The words importing a gender include every gender, and references to any person(s) include bodies corporate and unincorporated bodies.

- 1.2.11 In the event of any ambiguity, question of intent or interpretation, this Agreement shall be construed as if drafted collectively by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provision of this Agreement.
- 1.2.12 Defined terms used in this Agreement but not defined in Clause 1 but elsewhere, shall be deemed to be included in Clause 1.

2. FORMATION OF THE COMPANY

- 2.1 The Company has been incorporated in the name of 'Simbhaoli Power Limited', as a public limited company under the Companies Act having a Corporate Identity Number of U40300UP2011PLC045360 *vide* its certificate of incorporation dated June 21, 2011 issued by Registrar of Companies.
- 2.2 SSL covenants with SCES to procure that, during the period from the Effective Date until the completion of the Transition Period:
 - 2.2.1 the business and activities of the Company and the Power Undertakings of SSL shall be conducted in the ordinary course consistent with past practices, and the Company shall not do any act which would result in, or would reasonably be likely to result in, a breach of Company's and/or SSL's Representations and Warranties; and
 - 2.2.2 the Company shall not, without the prior written consent of SCES, undertake any action which would require approval under Clause 16.1 or Clause 16.2 unless as agreed between the Parties or as is required to give effect to any actions required to be undertaken to comply with the Conditions Precedent to the First Closing.
- 2.3 SSL further covenants with SCES that during the period from the signing of this Agreement until the Transition Period, SSL shall take all reasonable steps to preserve and protect the Power Undertakings, and shall promptly inform SCES in writing of any Material Adverse Effect to the Power Undertakings.
- 2.4 During the period from the signing of this Agreement until the First Closing Date and the Transition Period, SSL shall procure that the Company shall:
 - 2.4.1 maintain in full force and effect all insurance policies now in effect and not to default under any provision thereof, and duly give notice and present and maintain any claim under such insurance policies;
 - 2.4.2 file any report required to be filed with any Government authority and otherwise comply with all Laws relating to the business operation or any of the assets of the Company;
 - 2.4.3 comply with all loan agreements, leases and other contracts or instruments to which it is a party or to which any of its assets are bound; and
 - 2.4.4 continue to defend and not settle or compromise any litigation, claim or proceedings to which it is a party.

3. INITIAL CAPITALIZATION OF THE COMPANY

- 3.1 As on the Effective Date, the authorised, subscribed and paid up share capital of the Company is INR 500,000 (Rupees Five Hundred Thousand only) divided into 50,000 (Fifty Thousand) Shares, all of which are held by SSL and its nominees.

4. SHARE SUBSCRIPTION

4.1 Share Subscription by SSL

- 4.1.1 Subject to the terms and conditions of this Agreement, SSL shall, on the First Closing Date, transfer each of its Power Undertakings to the Company by way of a slump sale on an as-is-where-is going concern basis for an aggregate consideration of Rs. 1,959,000,000 (Rupees one billion nine hundred and fifty nine million) in terms of each of the Business Transfer Agreements ("Power Undertakings Transfer").

- 4.1.2 As a part consideration for the Power Undertakings Transfer and subject to the terms and conditions set forth in this Agreement, the Company shall, on the First Closing Date, issue and allot to SSL 8,796,939 (Eight million seven hundred ninety six thousand nine hundred thirty nine only) Shares ("SSL BTA Subscription Shares") of Rs. 10 (Rupees ten) each at a premium of Rs. 90 (Rupees ninety) per Share.

- 4.1.3 As a part consideration for the Power Undertakings Transfer and subject to the terms and conditions set forth in this Agreement, the Company shall, on the First Closing Date, issue and allot to SSL 1,000,000 (One million) preference shares ("SSL BTA Preference Shares") of Rs. 100 (Rupees hundred) each on such terms as set out in the Schedule XVIII of the Agreement. For avoidance of doubt, the preference shares shall mean the shares, which shall carry preferential rights on dividend and in case of winding up the preferential rights on the repayment of capital and shall not have any voting rights.

- 4.1.4 As a part consideration for the Power Undertakings Transfer and subject to the terms and conditions set forth in this Agreement, on the Second Closing Date, the Company shall issue and allot to SSL such number of Shares ("SSL Additional Subscription Shares") of Rs. 10 (Rupees ten) each at a mutually agreed price having an agreed value of INR 72,857,100 (Rupees Seventy two million eight hundred fifty seven thousand and one hundred only).

- 4.1.5 The Parties acknowledge and agree that under the terms of the Business Transfer Agreements, the balance amount of consideration of Rs. 56,449,000 (Rupees Fifty six million four hundred forty nine thousand only) against the Power Undertakings Transfer, shall stand as a loan in the books of the Company, payable to SSL in cash within 15 months of First Closing along with an interest at the rate of SBI Base Rate+475 basis points per annum (payable monthly) calculated upto the date of payment.

4.2 Share Subscription by SCES

- 4.2.1 Subject to the terms and conditions of this Agreement, SCES shall, on the First Closing Date, subscribe to 8,500,000 (Eight million five hundred thousand) Shares ("SCES Subscription Shares") of Rs. 10 (Rupees ten) each at a premium of Rs. 90 (Rupees ninety) per Share for the aggregate consideration of an amount equal to INR 850,000,000 (Rupees Eight hundred and fifty million only) ("SCES Subscription Consideration").

[Signature]

4.2.2 Subject to the terms and conditions set forth in this Agreement, SCES shall, on the Second Closing Date, subscribe to such number of Shares ("SCES Additional Subscription Shares") of Rs. 10 (Rupees ten) each at a price calculated as per the applicable Laws for the aggregate consideration of an amount equal to the INR 70,000,000 (Rupees Seventy million only) ("SCES Additional Subscription Consideration").

4.3 The Parties agree that it is intended that:

4.3.1 immediately upon First Closing, SSL (and its nominees) and SCES will hold the percentage equity in the Company as set out against their names in **Part A** to **Schedule II**; and

4.3.2 immediately upon Second Closing, SSL and SCES will hold the percentage equity in the Company as set out against their names in **Part B** to **Schedule II**,

and further agree that if the First Closing Independent Share Valuation or Second Closing Independent Share Valuation differ from the valuations assumed under this Clause 4, the Parties shall make such amendments to this Clause 4 as are required to give effect to the shareholding proportions set out in **Schedule II** provided that such amendments shall not require any increase to the SCES Subscription Consideration or SCES Additional Subscription Consideration.

4.3.3 For the purposes of calculation of shareholding proportion of each Shareholder, only the Shares issued to each Shareholder shall be considered.

4.4 All the Shares shall have voting rights and shall rank *pari-passu* in all respects.

5. CONDITIONS PRECEDENT TO FIRST CLOSING

5.1 The obligation of SSL to complete the Power Undertakings Transfer and the obligation of SCES to subscribe to the SCES Subscription Shares in terms of Clause 4.2.1 above, is subject to the fulfilment of the following conditions precedent ("Conditions Precedent to First Closing"):

5.1.1 SCES shall have completed (to its satisfaction and in its sole discretion) legal, technological and accounting due diligence on the Company, the Power Undertakings and the Expansion Project, and SSL and the Company shall have resolved and implemented, to the satisfaction of SCES, all issues arising from the due diligence and recommendations made pursuant thereto;

5.1.2 each of the Parties shall have obtained necessary corporate and regulatory Approvals for the execution and delivery of the Agreement and performance of the acts contemplated herein, including for the subscription of the Shares and taken all relevant action under applicable Law;

5.1.3 the Company's Board shall have passed resolutions convening an extraordinary general meeting of the Company to: (a) approve the amendment of the Memorandum to reflect the increase in the authorized share capital of the Company in order to issue the SSL BTA Subscription Shares, SSL BTA Preference Shares, SSL Additional Subscription Shares, SCES Subscription Shares and SCES Additional Subscription Shares; and (b) approve the issuance



of the SSL BTA Subscription Shares and SSL BTA Preference Shares, to SSL and SCES Subscription Shares to SCES and (c) approve the draft of Articles, in the form which has been mutually agreed to by the Parties, in accordance with the terms of this Agreement. Further, the Board shall have delivered an extract of the minutes of the relevant Board meeting with respect to the matters in (a) to (c) above, certified by any of the Directors, to each of the Shareholders;

- 5.1.4 the Company shall have held an extraordinary general meeting and passed special resolutions for: (a) the amendment of the Memorandum to reflect the increase in authorized share capital of the Company in order to issue the SSL BTA Subscription Shares, SSL BTA Preference Shares, SSL Additional Subscription Shares, SCES Subscription Shares and SCES Additional Subscription Shares; and (b) the issuance of the SSL BTA Subscription Shares and SSL BTA Preference Shares, to SSL and SCES Subscription Shares to SCES. Further, the Company shall have delivered an extract of the minutes of the said Shareholders' meeting with respect to the matters in (a) and (b) above, certified by any of the Directors;
- 5.1.5 the Company and SSL shall have duly applied for and obtained written consent from its lenders, if any, for the Transaction and approving all actions contemplated in the Transaction Documents. Further, SSL and Company shall have delivered a copy of each of the said consents, certified by any of their Directors, to the Shareholders;
- 5.1.6 each of the representations and warranties made by the Parties shall continue to be true and correct as on the First Closing Date. The Directors of the Company and the directors of SSL shall each provide a certificate to this effect in the form as attached in **Schedule VIII** hereto. It is clarified that changes to the status of the Company in the ordinary course of business or as a result of it taking steps to comply with its obligations hereunder shall not be considered to be a breach of the representations and warranties;
- 5.1.7 SCES shall have obtained (in a form satisfactory to SCES in its sole discretion) a legal opinion in relation to Indian law in respect of the enforceability of this Agreement and the Project Agreements;
- 5.1.8 neither SSL nor the Company shall have made, save and except with the prior approval of SCES, any revisions to the SSL Disclosure Letter or Company Disclosure Letter (as the case may be) submitted on the Effective Date;
- 5.1.9 SSL and SCES shall have agreed to the Business Plan for the Company for the period from the First Closing Date to March 31, 2013;
- 5.1.10 SSL and the Company shall have executed the Business Transfer Agreements;
- 5.1.11 all of the conditions precedent under the Business Transfer Agreements, including, but not limited to, the respective Valuation Reports (as defined under each Business Transfer Agreement), consents to the leasing of any land and other assets, grant of all Approvals including (without limitation) the approval of the shareholders of SSL under Section 293(1)(a) of the Companies Act shall have been obtained;
- 5.1.12 SSL shall provide to SCES a letter confirming that based on legal advice received, it confirms that this Agreement is in conformity with applicable Law and is therefore valid and binding;



- 5.1.13 the Company shall have obtained irrevocable sanction letters from third party lenders for securing loans/facilities for the purpose of funding the Expansion Project to the extent of at least Rs. 3,067.5 million (Rupees Three thousand sixty seven million fifty thousand only) (“Senior Loan”) and all conditions precedent under the Senior Loan (other than those relating to subscription for Shares in the Company by SCES and SSL) shall have been satisfied (or waived in writing);
- 5.1.14 the Company shall have obtained the First Closing Independent Share Valuation; and
- 5.1.15 the Company and SSL shall each have executed and delivered a ‘No Objection Certificate’ in favour of SCES in the form attached hereto as **Schedule IX**.
- 5.2 Each of the Parties shall use all reasonable endeavours to procure (so far as it lies within their respective powers to do so) that all the aforesaid Conditions Precedent to First Closing are duly fulfilled on or before the expiry of 180 days Business Days from the Effective Date or such extended period as agreed to by the Parties.

6. CONDITIONS PRECEDENT TO THE SECOND CLOSING

- 6.1 The obligation of SCES to subscribe to SCES Additional Subscription Shares in terms of Clause 4.2.2 above, is subject to the fulfilment of the following conditions precedent (“Conditions Precedent to Second Closing”):
- 6.1.1 each of the conditions subsequent to the First Closing Date as set out in Clause 9.1 (below) shall have been satisfied (or waived by the Parties in writing other than the Party who is required to satisfy the relevant condition);
- 6.1.2 no action or proceeding shall have been instituted or threatened which seeks to enjoin, restrain or prohibit, in respect of the Transaction Documents or consummation of the Transaction or any other transactions contemplated by the Transaction Documents and no law or regulation shall be in effect and no court order shall have been entered in any action or proceeding instituted by any party which enjoins, restrains or prohibits this Agreement or the complete consummation of the Transaction or any other transactions contemplated by the Transaction Documents;
- 6.1.3 the Board shall have passed resolutions convening an extraordinary general meeting of the Company to approve the issuance of the SSL Additional Subscription Shares to SSL and SCES Additional Subscription Shares to SCES in accordance with the terms of this Agreement. Further, the Board shall have delivered an extract of the minutes of the relevant Board meeting, certified by any of the Directors, to each of the Shareholders;
- 6.1.4 the Company shall have held an extraordinary general meeting and passed special resolutions for the issuance of the SSL Additional Subscription Shares to SSL and SCES Additional Subscription Shares to SCES in accordance with the terms of this Agreement. Further, the Company shall have delivered: (a) an extract of the minutes of the said Shareholders’ meeting, and (b) a copy of the relevant Form 23 of the Companies Rules and Forms filed with the Registrar of Companies along with the relevant receipt/challan, certified by any of the Directors, to each of the Shareholders;

- 6.1.5 the Company shall have (to the extent required under the sanction letters) duly applied for and obtained written consent from its lenders, if any, for the further issuance of Shares and approving all actions contemplated in the Transaction Documents with respect to the Second Closing. Further, the Board shall have delivered a copy of each of the said consents, certified by any of the Directors, to each of the Shareholders; and
 - 6.1.6 the Company shall have obtained the Second Closing Independent Share Valuation.
- 6.2 Each of the Parties shall use all reasonable endeavours to procure (so far as it lies within their respective powers to do so) that all the aforesaid Conditions Precedent to Second Closing are duly fulfilled on or before the expiry of 12 (Twelve) Months from the date of First Closing or such extended period as agreed to by the Parties in writing.

7. FIRST CLOSING

- 7.1 First Closing shall occur at the registered office of the Company on the date mutually agreed by SSL and SCES, which shall not be more than 7 (seven) Business days after the date on which the last of the Conditions Precedent to First Closing has been satisfied (except those which have been waived in writing by the Parties other than the Party who is required to satisfy such condition, or such of those that such Parties agree to treat as a condition subsequent to First Closing), and at First Closing, the Parties shall take the following actions in the following order but more or less simultaneously:
 - 7.1.1 SSL and the Company shall take all actions for closing under each of the Business Transfer Agreements;
 - 7.1.2 SCES shall pay to the Company the SCES Subscription Consideration in readily available funds;
 - 7.1.3 the Company shall hold a meeting of the Board, in the manner required under the Companies Act, 1956 to:
 - (a) adopt the Business Plan for the period from the Closing Date to 31st March 2013;
 - (b) appoint A.P. Singh as the first MD of the Company, substantially in accordance with the terms of employment attached hereto as **Part A of Schedule XIII**;
 - (c) appoint Deloitte Haskins & Sells as the auditors of the Company;
 - (d) adopt the bank account protocols set out under Clause 12.7 (below);
 - (e) adopt an anti-corruption policy and health and safety policy in accordance with Clauses 19.13 and 19.14 respectively;
 - (f) constitute a Management Committee in accordance with Clause 14.3.2 (below);
 - (g) adopt the amended Articles giving effect to the terms of this Agreement, in the form which has been mutually agreed upon by the Parties and has approved in the earlier Board Meeting;

- (h) issue and allot the SSL BTA Subscription Shares and SSL BTA Preference Shares, to SSL and SCES Subscription Shares to SCES; and
- (i) to the extent that they are not already Directors, appoint the SSL Directors and SCES Directors to the Board and seek resignation from all other Directors.

and shall deliver, immediately after the said meeting, to each of the Shareholders: (i) an extract of the minutes of the relevant Board meeting, certified by any one of the Directors, (ii) an extract of the updated register of directors reflecting the appointment of SCES Directors and SSL Directors on the Board and resignation of all other Directors, (iii) an extract of the updated register of members and register of allotment showing SSL and SCES as the legal and beneficial owner of the SSL BTA Subscription Shares, SSL BTA Preference Shares and SCES Subscription Shares, respectively, certified by any one of the Directors. Further, the Company shall deliver to each of SSL and SCES duly stamped, original Share certificates representing the SSL BTA Subscription Shares, SSL BTA Preference Shares, and the SCES Subscription Shares. All stamp duty payable on the SSL BTA Subscription Shares, SSL BTA Preference Shares and the SCES Subscription Shares shall be borne by the Company. Alternatively, the Shareholders may require the Company to deposit dematerialised SSL BTA Subscription Shares, SSL BTA Preference Shares, and the SCES Subscription Shares into the Dematerialised Account of the SSL and SCES. For avoidance of doubt, in the event, any of the Shareholder requires their Shares in dematerialised form; they shall intimate the Company 45 (Forty five) Business Days prior to the First Closing Date;

7.1.4 SSL shall procure that (a) all Directors whose resignation is sought by the Company pursuant to Clause 7.1.3(i) (above) shall resign from the Board; and (b) that each such Director shall pursuant to his resignation, deliver to the Company a letter acknowledging that such Director has no claim outstanding for Director's fees or compensation for unfair or wrongful dismissal or any other claims or entitlement to any payment for redundancy or in respect of any other moneys or benefits due to him from the Company arising out of such resignation;

7.1.5 the Company shall hold a meeting of the Shareholders to approve, in the manner required under the Act and to the satisfaction of the Shareholders: (a) the appointment of the SSL Directors and SCES Directors on the Board (to the extent that they are not already Directors); (b) approve the amendment of the giving effect to the terms of this Agreement, in the form which has been mutually agreed upon by the Parties, in accordance with the terms of this Agreement and (c) all other matters specified under Clause 7.1.3 that require Shareholder approval under the applicable Law and shall deliver after the meeting to SCES:

- (i) an extract of the minutes of the relevant Shareholder meeting, certified by any of the Directors;
- (ii) a copy of the relevant Form 5 and Form 23 of the Companies Rules and Forms filed with the Registrar of Companies along with the relevant receipt/challan, certified by any of the Directors, to each of the Shareholders;
- (iii) an extract of the updated register of Directors, reflecting the appointment of Directors as provided in this Clause 7.1.5 and resignation of Directors as provided in Clause 7.1.4 above, certified by any of the Directors;

- 7.1.6 Sindicatum Carbon Capital India Pvt Limited and the Company shall execute the Sindicatum Management Services Agreement;
 - 7.1.7 the Company and Mr. A.P. Singh shall execute an employment agreement substantially on the terms attached hereto as **Part A of Schedule XIII**; and
 - 7.1.8 SSL and the Company shall execute the SSL Management Services Agreement, the Fuel Supply Agreements, the Facilities Agreement, the Land Usage Agreements and the Plant Usage Agreement in a form which is substantially in the forms attached in **Schedule XI** of this Agreement each of which shall include the relevant Commercial Terms.
- 7.2 First Closing shall not be deemed to have been completed unless and until all of the actions referred to in Clause 7.1 have been completed.

8. SECOND CLOSING

- 8.1 Second Closing shall occur, at the registered office of the Company on the date mutually agreed by SSL and SCES, which shall not (unless otherwise agreed by SSL and SCES) be more than 7 (Seven) Business Days after the later of: (a) 12 (Twelve) months from the date of First Closing Date; and (b) the date on which the last of the Conditions Precedent to Second Closing has been satisfied (except those which have been waived in writing by the Parties other than the Party who is required to satisfy such condition, or such of those that such Parties agree to treat as a condition subsequent to Second Closing), and at Second Closing, the Parties shall take the following actions in the following order but more or less simultaneously:SCES shall pay to the Company the SCES Additional Subscription Consideration in readily available funds;
 - 8.1.2 the Company shall hold a meeting of the Board, in the manner required under the Companies Act to issue and allot the SSL Additional Subscription Shares to SSL and SCES Additional Subscription Shares to SCES; and shall deliver, immediately after the said meeting, to both the Shareholders: (a) an extract of the minutes of the relevant Board meeting, certified by any one of the Directors, (b) an extract of the updated register of allotment and register of members showing SSL and SCES as the legal and beneficial owner of the SSL Additional Subscription Shares and SCES Additional Subscription Shares, respectively, certified by any one of the Directors;
 - 8.1.3 the Company shall deliver to each of SSL and SCES duly stamped, original Share certificates representing the SSL Additional Subscription Shares and the SCES Additional Subscription Shares. All stamp duty payable on the SSL Additional Subscription Shares and the SCES Additional Subscription Shares shall be borne by the Company. Alternatively, the Shareholders may require the Company to deposit dematerialised SSL Additional Subscription Shares and the SCES Additional Subscription into the dematerialised account of the SSL and SCES. For avoidance of doubt, in the event, any of the Shareholder requires their Shares in dematerialised form; they shall intimate the Company, 45 (Forty five) Business Days prior to the First Closing Date;
- 8.2 Second Closing shall not be deemed to have been completed unless and until all of the actions referred to in Clause 8.1 have been completed.

A handwritten signature in black ink, appearing to read "GMC". It is positioned in the bottom right corner of the page.

9. CONDITIONS SUBSEQUENT TO CLOSINGS

9.1 Conditions Subsequent to First Closing

As soon as possible after the First Closing Date, but not later than the respective date set out below, each Party shall cause the Company to perform each of the following obligations:

- 9.1.1 within 5 (Five) days of the First Closing Date, the Company shall deliver to each of the Shareholders copies of the following forms filed with the Registrar of Companies, along with the relevant receipts/challans: (a) a certified copy of Form No. 2 of the Companies Rules and Forms for the return on allotment of SSL BTA Subscription Shares, SSL BTA Preference Shares and SCES Subscription Shares to SSL and SCES, respectively; (b) a copy of the relevant Form 23 of the Companies Rules and Forms; (c) a certified copy of Form 32, for both the appointment of SSL Directors, SCES Directors and the MD and the resignation of the existing directors of the Company; (d) a certified copy of Form 25C of the Companies Rules and Forms, for the return on terms of appointment of the MD; and (e) a copy of the relevant Form 8 of the Companies Rules and Forms filed with the Registrar of Companies along with the relevant receipt/challan, and an extract of its Register of Loans and Charges certified by its Director, reflecting the Senior Loan;
- 9.1.2 within 7 (Seven) Business Days from the First Closing Date, the Company shall have obtained those insurances required to be effected by it by such date under the Insurance Program;
- 9.1.3 within 7 (Seven) days of the First Closing Date, the Company shall comply with all reporting requirements of RBI for receiving the foreign direct investment and deliver to SCES a copy of the report filed with the office of the RBI, certified by any Director;
- 9.1.4 Within 7 (seven) Business Days of the First Closing Date, SSL and the Company shall deliver to SCES (in a form satisfactory to SCES in its sole discretion) a legal opinion in relation to Indian law in respect of the validity and enforceability of the registered Lease Deeds, from the lawyer responsible for registering the Lease Deeds in Uttar Pradesh along with a copy of each of the registered Lease Deed;
- 9.1.5 within 7 (Seven) Business Days from the First Closing Date, the Board shall have passed resolutions convening an extraordinary general meeting of the Shareholders to approve: (a) conversion of the Company from a public limited company to a private limited company; and (b) adopt the Articles substantially in the form as has been mutually agreed to, by the Parties, in accordance with the terms of this Agreement. Further, the Board shall have delivered an extract of the minutes of the relevant Board meeting, certified by any of the Directors, to each of the Shareholders;
- 9.1.6 Within 30 (thirty) Business Days from the First Closing Date, Company shall deliver an extract of its Fixed Assets register, certified by the Managing Director, reflecting the transfer of the Power Undertakings;
- 9.1.7 within 30 (Thirty) Business Days of the First Closing Date, the Company shall comply with all reporting requirements of the RBI under the extant foreign exchange regulations, including but not limited to, filing of Form FC-GPR for issue and allotment of the SCES Subscription



A handwritten signature, appearing to read "Gopal", is written over a diagonal line.

- Shares to SCES and deliver to SCES certified copies of such report and the Form FC-GPR filed with the authorised dealer;
- 9.1.8 within 30 (Thirty) days of the First Closing Date, the Company shall procure and, throughout the duration of the Transaction Documents, maintain, in each case on terms and with coverage satisfactory to the Shareholders, adequate directors & officers liability insurance cover for an amount approved by the Board of Directors for the MD;
 - 9.1.9 within 30 (Thirty) days of the First Closing Date, the Company shall have held an extraordinary general meeting of the Shareholders and passed special resolutions for: (a) the conversion of the Company from a public limited company to a private limited company; and (b) adoption of the Articles of Association in the form as mutually agreed upon by the Parties. Further, the Company shall have delivered to each of the Shareholders: (a) an extract of the minutes of the said Shareholders' meeting, and (b) a certified copy of the relevant Form 23 of the Companies Rules and Forms filed with the Registrar of Companies along with the relevant receipt/challan;
 - 9.1.10 within 30 (Thirty) days of the First Closing Date, the Company shall take all relevant steps as required by Law, for the conversion of the Company from public limited to a private limited company;
 - 9.1.11 within 30 (Thirty) Business Days from the First Closing Date, the Company shall have delivered to each of the Shareholders: (a) fresh certificate of incorporation subsequent to change of name from "Simshaoli Power Limited" to "Simshaoli Power Private Limited", certified by any of the Directors; and (b) copy of the amended Memorandum and Articles in the form as mutually agreed upon, by the Parties, certified by any of the Directors;
 - 9.1.12 within 90 (Ninety) days from the First Closing Date or any other period acceptable to the Board, the Company shall have entered into new power purchase agreements with UPPCL in respect of the Chilwaria Power Undertaking and Simshaoli Power Undertaking;
 - 9.1.13 within 90 (Ninety) days from the First Closing Date or any other period acceptable to the Board, the Company shall have obtained all Approvals required to carry out the Business and to own and/or operate the assets of the Company,
 - 9.1.14 within 90 (Ninety) days from the First Closing Date or any other period acceptable to the Board, the Company shall make all requisite applications and filings and take all other action required under applicable Law in respect of the transfer of any employees to the Company under the terms of the Business Transfer Agreements;
 - 9.1.15 within 60 (Sixty) Business Days from the First Closing Date, the Company shall have appointed the Financial Controller in accordance with Clause 12.5;
 - 9.1.16 within 15 (Fifteen) Business Days from the First Closing Date, the Company shall execute the Project Implementation Agreements and the Operation and Maintenance Agreements with Casetech in a form which is substantially in the forms attached in **Schedule XI** of this Agreement; and

each Party shall take such other actions or steps that need to be performed by such Party to



fulfil a Condition Precedent to the First Closing that has been waived in writing as a condition precedent and stipulated as a condition subsequent under Clause 7.1 above.

9.2 Conditions Subsequent to Second Closing

As soon as possible after the Second Closing Date, but not later than the respective dates set out below, each Party shall cause the Company to perform each of the following obligations:

- 9.2.1 within 5 (Five) days of the Second Closing Date, the Company shall deliver to each of the Shareholders a certified copy of Form No. 2 of the Companies Rules and Forms duly filed with the Registrar of Companies along with the relevant receipt/challan, certified by any of the Directors, for the return of allotment of SSL Additional Subscription Shares and SCES Additional Subscription Shares to SSL and SCES, respectively;
- 9.2.2 within 5 (Five) days of the Second Closing Date, the Company shall deliver to each of the Shareholders an extract of updated Register for Related Party Transactions, certified by the Managing Director, reflecting the change in loan given by SSL;
- 9.2.3 within 7 (Seven) days of the Second Closing Date, the Company shall comply with all reporting requirements of RBI for receiving the foreign direct investment and deliver to SCES a copy of the report filed with the office of the RBI, certified by any one Director;
- 9.2.4 within 30 (Thirty) days of the Second Closing Date, the Company shall, file Form FC-GPR with the RBI for issue and allotment of the SCES Additional Subscription Shares to SCES and deliver to SCES certified copies of such report and the Form FC-GPR filed with the authorised dealer in connection with the issue and allotment of SCES Additional Subscription Shares, certified by any Director; and

each Party shall take such other actions or steps that need to be performed by such Party to fulfil a Condition Precedent to the Second Closing that has been waived in writing as a condition precedent and stipulated as a condition subsequent under Clause 6 above.

10. REPRESENTATIONS AND WARRANTIES

- 10.1 Each of the Parties hereby represents and warrants in respect of itself to the others that the following statements are true and correct as of each of the Effective Date and the First Closing Date:

10.1.1 Authority

It is a company/corporation duly incorporated, validly existing and in good standing under the relevant Laws under which it is incorporated. It has all the requisite power and authority to enter into this Agreement and the other Transaction Documents to which it is a party, to perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms.

10.1.2 No Conflicts



The execution and delivery of this Agreement and the other Transaction Documents to which it is a party does not, and the performance of this Agreement and the other Transaction Documents to which it is a party will not, conflict with or result in any violation or breach of or default (with or without notice or lapse of time or both) under any provision of (a) any material contract (including any contract that may impose any non-compete or non-solicitation obligation(s)) or by which any of its assets and properties are bound (b) its articles of association, memorandum of association, status, by-laws or other constitutional documents or (c) any Law, Approval or order applicable to it or its assets and properties.

10.1.3 Actions and Proceedings

There are no (a) outstanding judgments, orders, injunctions or decrees of any court, tribunal, Government authority, arbitration tribunal or other judicial or quasi-judicial authority against it; (b) lawsuits, claim, demand, actions or proceedings pending or threatened or reasonably likely to be initiated against it; or (c) investigations by any Government or other authority which are either pending or threatened or reasonably likely to be initiated against it; and which in respect of each of the foregoing, would affect its ability to consummate the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party.

10.1.4 Approvals and Filings

All consents, Approvals, licenses, permits, orders or authorization of, or registration, declaration or filing with, any Government authority or Person as are required to be obtained or made by it in connection with the execution, delivery and performance of this Agreement, at the time of giving of this representation and warranty, have been so obtained and no other approvals besides the ones obtained are required to be obtained.

10.1.5 Anti-Corruption Warranty

Neither it nor its Affiliates have made and will not make any offer, promise to pay or authorization of the payment of any money, gift or any other inducement to any official, political party, employee of Government or any other person, in contravention with applicable Laws in connection with the execution of the Transaction Documents and performance of its obligations thereunder.

10.2 **Company's Representations and Warranties.**

With the knowledge and understanding that SCES has agreed to enter into this Agreement, relying on representations and warranties in **Schedule III**, as qualified by the Company Disclosure Letter, (“**Company's Representations and Warranties**”) the Company and SSL hereby jointly and severally represent and warrant to SCES that:

- 10.2.1 each statement contained in the Company's Representations and Warranties is true, correct and complete in all material respects and shall continue to be so at the time of First Closing, and such representations and warranties by the Company are deemed to be repeated on each day up to and including the First Closing Date and any reference made to the date of this Agreement (whether express or implied) in relation to any representation or warranty hereunder shall be construed, in relation to any such repetition, as a reference to each such



day;

- 10.2.2 each of the Company's Representations and Warranties is separate and independent and unless expressly provided, is not limited by reference to any other warranty or provision of this Agreement;
- 10.2.3 other than the disclosure in the Company Disclosure Letter, no information about the Company of which SCES has knowledge and no investigation by or on behalf of SCES shall prejudice any claim made by it under the Company's Representations and Warranties.
- 10.3 SSL shall ensure that the Company does not do or omit to do anything which would, at any time before or at First Closing, be inconsistent with any of the representations or warranties, breach any representation or warranty or make any representation or warranty untrue or misleading.
- 10.4 SSL shall immediately disclose (prior to First Closing) to SCES, in writing so that SCES may be able to make an accurate assessment of the situation, any matter, thing or circumstance which arises before the First Closing (including any omission to act) which in SSL's reasonable opinion: (a) is a breach of any of its obligations or is inconsistent with any of the Company's Representations and Warranties or SSL's Representations and Warranties; or (b) has or is likely to have a Material Adverse Effect on the Company or on the Power Undertakings to be transferred to the Company under Clause 4.1.1. If requested by SCES, SSL shall use its best endeavours to prevent or remedy the notified occurrence.
- 10.5 If at any time before or at First Closing it becomes apparent that a representation or warranty, whether given by SSL or the Company, has been breached, is untrue or misleading, or that SSL or the Company has breached any other term of this Agreement that in either case is material to the Transaction, SCES may (without prejudice to any other rights it may have in relation to the breach):
 - (a) rescind this Agreement by notice to SSL; or
 - (b) proceed to First Closing;

provided however that in the event, SCES proceeds to First Closing with knowledge of the matters referred to in Clause 10.4 and 10.5, and if such matters have been disclosed in writing by Company or SSL, as the case maybe in the revised SSL Disclosure Letter or the Company Disclosure Letter, respectively, SCES will have no claims against SSL or the Company in respect of such matters.

10.6 SSL's Representations and Warranties.

SSL represents and warrants to SCES, with the knowledge and understanding that SCES has agreed to enter into this Agreement, relying on representations and warranties in **Schedule IV**, as qualified by SSL Disclosure Letter ("SSL's Representations and Warranties") as follows:

- 10.6.1 each statement contained in SSL's Representations and Warranties is true, accurate and not misleading in all material respects and shall continue to be so at the time of First Closing and such representations and warranties by SSL are deemed to be repeated on each day up to and



including the First Closing Date and any reference made to the date of this Agreement (whether express or implied) in relation to any representation or warranty hereunder shall be construed, in relation to any such repetition, as a reference to each such day;

- 10.6.2 each of SSL's Representations and Warranties is separate and independent and unless expressly provided, is not limited by reference to any other warranty or provision of this Agreement;
- 10.6.3 SSL's Representations and Warranties shall be deemed to have been repeated by SSL immediately prior to First Closing by reference to the facts and circumstances then subsisting; and
- 10.6.4 other than the disclosure in the SSL Disclosure Letter, no information about the Company of which SCES has knowledge and no investigation by or on behalf of SCES shall prejudice any claim made by them under SSL's Representations and Warranties.

11. SHAREHOLDERS' RIGHTS

11.1 Further Funding and Anti-dilution Rights

- 11.1.1 The Parties agree that, save and except for any change in shareholding pattern of SSL and SCES in accordance with Clauses 4.1.4, 11.1.7, 11.3.4, 11.3.5, 17 or 22.3, the shareholding of SSL and SCES (including their respective nominees and Affiliates) in the Company shall always be in the ratio 51:49.
- 11.1.2 As on the Effective Date, the Parties estimate the Total Project Cost to be as detailed in **Schedule I**. If the Company requires, at any time prior to the Final Commissioning Date, funding beyond the SCES Subscription Consideration and the Senior Loan to enable the Commissioning of each Power Plant to take place ("Further Funding"), then the Company shall take all reasonable steps to meet such requirement through additional third party debt, failing which, SSL shall be bound and obliged to provide such Further Funding on such terms agreed to by SCES and SSL and acceptable to the Senior Lenders.
- 11.1.3 SSL undertakes that any Bijnathpur O&M Costs incurred prior to the Commissioning of the Power Plant located at Bijnathpur, shall be paid by SSL on the Company's behalf, on or prior to the due date for such payment.
- 11.1.4 All funding requirements of the Company following the Final Commissioning Date shall be met in accordance with the Business Plan or (unless otherwise agreed by SSL and SCES) shall, in so far as practicable, be procured from third party financing sources on terms to be agreed by SSL and SCES.
- 11.1.5 If after the Final Commissioning Date, the Board resolves that the Company requires additional funding and the Company is unable to raise such funding in accordance with the Business Plan or from third party financing sources as contemplated in Clause 11.1.4 above, then subject to the approval of the Board also to issue new Securities (as defined herein below), such additional funding shall be raised through a rights issue of Shares to the Shareholders. If any of the Shareholders do not subscribe to such rights issue, then the Shareholding of the Shareholder not subscribing to such rights issue shall stand diluted



and such Shareholder shall have no right to object to such dilution. If however, a Shareholder ("First Party") does not subscribe to such rights issue but is willing to bring its proportionate share of funding in the form of convertible securities or in some other manner, then subject to the other Shareholder agreeing to the terms and manner of such funding, the Company agrees to accept the money of the First Party and issue the First Party such paper/securities or execute such agreement with the First Party as may mutually be agreed by and between the First Party, the Company and the other Party. If any convertible paper issued as part of such agreement or debt advanced there under is agreed to be converted into equity at a later date then, unless specifically agreed otherwise by the other Party, the conversion shall happen at a price per share equal to the price per share paid by other Party pursuant to the rights issue. Pending such conversion the First Party shall not object to it being diluted. If the additional funding is provided in the form of debt, the First Party shall be entitled to interest equal to the proportionate extra dividend on a fully diluted basis received by the other Party every year. It is agreed between the Parties that, if the additional funding is provided as debt by a Party, then such debt shall be automatically converted into equity in the event of liquidation of the Company.

- 11.1.6 In addition to any Further Funding that SSL is required to provide under the terms of Clause 11.1.2, SSL agrees to provide a shareholder loan of a sum not exceeding Rs. 50,000,000 (Rupees fifty million only) to the Company on the terms set out in the draft agreement as per **Schedule XV**, provided that, the Company shall repay such shareholder loan to SSL immediately upon the Company obtaining the necessary funds from the proceeds of the Senior Loan.
- 11.1.7 The Parties may agree mutually for the issue of additional Shares or any other security which is convertible into or exchangeable with Shares or which confer a right to subscribe to Shares at a later date proposed to be issued ("Securities") by the Company to any third party(s), at any time, provided that in such event the Shareholders shall have the pre-emptive right to subscribe to such Securities of the Company at par or as per applicable Law in proportion to their respective holdings in the Company on the basis of their then existing shareholding, on a fully diluted basis so that their shareholding percentage in the Company on a fully diluted basis is not reduced ("Pre-Emptive Right").
- 11.1.7.1 The Pre-emptive Right shall be offered by the Company by issuing a written notice to each Shareholder ("Pre-Emptive Notice"), setting forth in detail the terms of the proposed issuance price ("Issuance Price"), the date of closing of the proposed issuance, which shall not be less than 30 (Thirty) Business Days from the date of receipt of Pre-Emptive Notice, and the number of Securities proposed to be issued ("Issuance Shares").
- 11.1.7.2 If any Shareholder wishes to exercise its Pre-emptive Right, within 15 (Fifteen) Business Days from the date of receipt of Pre-Emptive Notice (the "Pre-Emptive Offer Period"), it shall give a written notice to the Company setting forth the maximum number of Issuance Shares to which it wishes to subscribe (including the number of Issuance Shares (if any) that such Shareholder would subscribe to if the other Shareholders do not elect to subscribe to their respective Pro Rata Shares) at the Issuance Price and on the terms and conditions set out in the Pre-Emptive Notice (an "Exercise Notice"). A Shareholder's "Pro Rata Share" shall mean the number of Shares held by such Shareholder divided by

the total number of Shares then outstanding (in each case, assuming full conversion and/or exercise, as applicable, of all convertible securities). It is clarified that all Shareholders shall subscribe to Issuance Shares at the same price unless otherwise expressly agreed.

- 11.1.7.3 If the aggregate number of Issuance Shares applied for by the Shareholder(s) under Clause 11.1.7.2 above is less than the total number of Issuance Shares offered under Clause 11.1.7.1 above or none of the Shareholders exercise their Pre-emptive Right within the Pre-Emptive Offer Period, then the Company may issue and allot any Issuance Shares not subscribed for by any of the Shareholders under Clause 11.1.7.2 above (the "Balance Shares") to a third party subscriber at the Issuance Price and on the terms and conditions as mentioned in the Pre-Emptive Notice, *provided however*, that in such event, the Company shall issue the Balance Shares to such third party within a period of 3 (Three) months from the expiry of the Pre-Emptive Offer Period, and any issuances of Shares by the Company after such 3 (Three) months period shall be made only after issuing a fresh Pre-Emptive Notice to the Shareholders and following the procedure set out in this Clause 11.1.7.
- 11.1.7.4 Notwithstanding anything contained in this Clause 11.1.7 to the contrary, no Shareholder shall have any Pre-emptive Right with respect to: (i) Securities issued as a result of any bonus, stock split, stock dividend, reclassification or reorganization or similar event with respect to the Shares; (ii) Shares issued upon conversion of any convertible Security; (iii) Shares issued under any employee stock option scheme and (iv) any securities issued upon a Qualified IPO.

11.2 Bonus Issue

Any bonus issue of Shares shall, without exception, be offered or issued by the Company to all Shareholders, on a fully diluted basis, pro-rata to their respective shareholdings and otherwise on identical terms.

11.3 Transfer of Shares

11.3.1 Transfers to Affiliates

A Shareholder may transfer any of its Securities at any time to any of its Affiliates or may get an Affiliate to subscribe for any Securities that it is entitled to subscribe to, provided the following conditions are met:

- (a) such Affiliate is not a Competitor;
- (b) if at any time after the subscription or the transfer, such Affiliate ceases to be an Affiliate of the concerned Shareholder, then such Shareholder shall procure that such Affiliate shall, prior to it ceasing to be an Affiliate, forthwith transfer back to itself and/or to any other Affiliate, as it may choose at its sole option, all the Securities previously subscribed by or transferred to it;

- (c) the Shareholder will be deemed to be the shareholder in respect of such Securities for all purposes under the Agreement except for receiving dividends, which shall be paid to the registered holder of the Shares;
- (d) the Shareholder shall remain liable for the Affiliate complying with the terms of this Agreement; and
- (e) the Affiliate shall execute a deed of adherence prior to the subscription or the transfer in the form as annexed in **Schedule V** and shall undertake to be bound by all the terms and conditions stated in this Agreement in respect of the Securities so subscribed or transferred to by it, as if it were a party hereto.

11.3.2 Transfer by SCES to SSL

In the event of a Change of Control of SCES, SSL may require SCES to sell to SSL, at a price per Share equal to the FMV, such number of Securities held by SCES as would, increase the shareholding of SSL in the Company to more than 75% (Seventy-five percent)] of its paid up share capital.

11.3.3 Limitations on Transfer

- 11.3.3.1 No Shareholder shall, without the prior written consent of the other Shareholder, sell, transfer, assign, gift, part with or otherwise dispose of any interest in or create any Encumbrance (“**Transfer**”) over any of its Securities, directly or indirectly, for a period from the date such Shareholder acquires or subscribes for such Securities to the date falling 36 (Thirty-six) months after the Final Commissioning Date (“**Lock-in Period**”).
- 11.3.3.2 After the expiry of the Lock-in Period, no Shareholder shall Transfer, directly or indirectly, any of its Securities without the prior written consent of the other Shareholder except by way of a sale of the entire legal and beneficial interest in all (but not less than all) its Securities in accordance with Clause 11.3.4 (*Right of First Refusal*) or Clause 11.3.5 (*Tag Along Right*).
- 11.3.3.3 For the avoidance of doubt, the restrictions of Clause 11.3.3.1 and 11.3.3.2 shall not be applicable to a transfer of Securities by a Shareholder to its Affiliate in compliance with the terms of Clause 11.3.1 (*Transfer to Affiliates*).

11.3.4 Right of First Refusal

Subject to the provisions of Clause 11.3.3 (*Limitation on Transfer*) above, a Shareholder (“**Transferring Shareholder**”) may Transfer all (but not less than all) of its Securities to a third party (“**Third Party Buyer**”), after complying with the following conditions:

- (a) the Transferring Shareholder shall give an irrevocable written notice (“**Transfer Notice**”) to the other Shareholder (“**Non-Transferring Shareholder**”), setting forth the details of the proposed Transfer, including: (i) the number of Securities (“**Sale Shares**”), (ii) the price at which the Sale Shares are being proposed to be sold (“**Sale Price**”) to the Third Party Buyer, (iii) the identity of the Third Party Buyer, (iv) the proposed mode and terms of payment between the Transferring Shareholder and the Third Party Buyer, (v) the proposed closing date for such Transfer (which shall not be



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less than 90 (Ninety) days from the notice (“**Offer Period**”), and (vi) all other material terms and conditions of the Transfer;

- (b) the Non-Transferring Shareholder shall have the right (“**Right of First Refusal**”), exercisable at its sole discretion, to purchase, whether by itself or through any nominee, the Sale Shares at the Sale Price by serving upon the Transferring Shareholder a written notice in that regard within 30 (Thirty) days from receipt of the Transfer Notice (“**Offer Acceptance Notice**”);
- (c) in the event the Non-Transferring Shareholder exercises its Right of First Refusal, it must pay the Sale Price, and the Parties must consummate the sale and purchase of the Sale Shares, within 30 (Thirty) days of the Offer Acceptance Notice;
- (d) subject to Clause 11.3.5(*Tag Along Right*), if however the Non-Transferring Shareholder does not exercise its Right of First Refusal or it states in writing that it does not wish to purchase the Sale Shares (“**Offer Refusal Notice**”), then the Transferring Shareholder may, not later than 30 (Thirty) days of the expiry of the Offer Period, Transfer to the Third Party Buyer all but not less than all of the Sale Shares provided that, the Transfer shall be at a price not less than the Sale Price and on the terms mentioned in the Transfer Notice;
- (e) any Transfer to the Third Party Buyer not completed within the time period stated in paragraph (d) above shall again be subject to a Right of First Refusal and the Transferring Shareholder will have to comply with the procedure set forth in Clause 11.3.4 (*Right of First Refusal*).

11.3.5 Tag Along Right

- 11.3.5.1 If SSL delivers a Transfer Notice to SCES pursuant to Clause 11.3.4 (*Right of First Refusal*) above, SCES shall have the right (“**Tag Along Right**”), exercisable in its sole discretion, to elect (as an alternative to the exercise of its Right of First Refusal under Clause 11.3.4) to Transfer all of its Securities (“**Tag Along Shares**”), to the Third Party Buyer to whom the sale is proposed to be made (“**Buyer**”) at the Sale Price and on the terms mentioned in the Transfer Notice by serving upon SSL a written notice in that regard within 30 (Thirty) days of receipt of the Transfer Notice. SSL shall make reasonable efforts to ensure that the rights of SCES under this Clause 11.3.5 (*Tag Along Rights*) are given effect to.
- 11.3.5.2 If SCES elects to exercise its Tag Along Right, then SSL shall ensure that the Third Party Buyer purchases the Tag Along Shares along with the Sale Shares mentioned in the Transfer Notice (a) at the Sale Price and on the terms mentioned in the Transfer Notice and (b) with no requirement for SCES to grant any representations, covenants or indemnities to or in favour of the Third Party Buyer other than representations as to the ownership of such Tag Along Shares and the authority of SCES to enter into such transaction. Subject to the foregoing, if SCES elects to exercise its Tag Along Right, SCES shall take all steps required for the transfer of Tag Along Shares to the Third Party Buyer.

- 11.3.5.3 SSL shall ensure that the Third Party Buyer completes the purchase of the Tag Along Shares at the same time as completion of purchase of the Sale Shares and, if the Third Party Buyer does not so purchase SCES Shares, SSL shall either (a) purchase the Tag Along Shares from SCES at the Sale Price; or (b) be precluded from selling its Sale Shares to the Third Party Buyer.
- 11.3.5.4 If SCES does not exercise its Tag Along Right or does not serve a written notice upon SSL within the time period specified in Clause 11.3.5.1 above, then SSL may, subject to SCES not exercising its Right of First Refusal set out in Clause 11.3.4 (*Right of First Refusal*), sell the Sale Shares to the Third Party Buyer at the Sale Price and on the terms mentioned in the Transfer Notice, provided however, that such sale shall be consummated not later than 30 (Thirty) days of the expiry of the Offer Period mentioned in the applicable Transfer Notice, and Transfer by SSL after such period shall be made only after issuing a fresh Transfer Notice to SCES and following the procedure set out in this Agreement.

11.3.6 General Terms & Conditions applicable to all Transfer of Shares

- 11.3.6.1 No Transfer of Securities (other than transfers to Affiliates in accordance with Clause 11.3.1 and transfer from SCES to SSL in accordance with Clause 11.3.2) shall be registered unless the Person to whom such Shares are Transferred has executed and delivered to the other Parties, a deed of Novation and Release annexed as **Schedule VI** to this Agreement, agreeing to be bound by the terms of this Agreement as if it were a party to it.
- 11.3.6.2 The Parties shall co-operate and shall do and execute all other acts, deeds and things necessary to give effect to the provisions of this Agreement and the Articles concerning Transfers of Securities and the Parties shall (so far as it is within their capacity so to do) procure that a meeting of the Board is duly convened to approve and register each Transfer of Shares permitted or required by any provision of this Agreement or the Articles (subject to the same being duly stamped and duly executed).
- 11.3.6.3 A Party shall not Transfer any of its Securities to a Competitor.

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11.3.7 Invalid Transfers

- 11.3.7.1 Any attempted Transfer made by any Shareholder in violation of this Agreement shall be null and *void ab initio*. Neither the Board nor the Shareholders shall approve or ratify any Transfer made in contravention of the obligations contained in Clause 11.3 (*Transfer of Shares*) or elsewhere in the Agreement and subject to applicable Law, the Company shall refuse to register any Transfer or other disposition of Securities purported to be made by any Shareholder in breach of any of the provisions herein contained. The Shareholders shall cause their nominees on the Board to cast their votes in such a manner as to ensure that the Company registers only Transfers made in accordance with this Clause 11.3 (*Transfer of Shares*).
- 11.3.7.2 Any breach of Clause 11.3 (*Transfer of Shares*) shall be deemed to be a material breach of this Agreement, and the aggrieved Party shall be entitled to claim reliefs provided for under this Agreement.

11.3.8 Legend on Share Certificates

All share certificates of the Company, if issued in physical form to any of the Shareholders, shall bear the following legend, as well as any other legends required under any applicable Laws or regulations:

"THESE SHARES ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE JOINT VENTURE AGREEMENT DATED _____ BETWEEN THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY NAMED THEREIN. A COPY OF SUCH JOINT VENTURE AGREEMENT IS ON FILE AT THE REGISTERED OFFICE OF THE COMPANY. THE SALE, TRANSFER OR OTHER DISPOSITION OF THESE SHARES IS SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING CERTAIN RESTRICTIONS ON TRANSFERABILITY) OF THE JOINT VENTURE AGREEMENT AND SUCH SHARES ARE TRANSFERABLE ONLY UPON PROOF OF COMPLIANCE THEREWITH. ANY ATTEMPT TO SELL, TRANSFER OR OTHERWISE DISPOSE OF THESE SHARES OTHER THAN IN COMPLIANCE WITH THE JOINT VENTURE AGREEMENT SHALL NOT BE VALID AND THE PARTY AGGRIEVED SHALL BE ENTITLED TO SEEK ALL AVAILABLE LEGAL REMEDIES. THE SHARES ARE LOCKED-IN UNTIL A PERIOD OF 36 (THIRTY SIX) MONTHS FROM THE DATE OF FINAL COMMISSIONING DATE (AS DEFINED IN THE JOINT VENTURE AGREEMENT)."

12. ACCOUNTS, RECORDS AND INFORMATION

- 12.1 The auditors of the Company shall be the Person appointed pursuant to Clause 7.2.3(c) or any other Approved Auditor selected in accordance with Clause 16.1(g).
- 12.2 The Shareholders shall cause the Company to, and the Company shall maintain, complete, true and fair financial and accounting records as per the Indian accounting standards.



- 12.3 The financial year of the Company shall be the period commencing April 1 of every year to March 31 of the subsequent year or such other period as the Board may decide from time to time ("Financial Year").
- 12.4 The Company shall prepare and provide to the Shareholders monthly Management Accounts (together with such other financial and operational information as the Shareholders may reasonably require), within 14 (Fourteen) days after the end of each month.
- 12.5 The Company shall appoint a financial controller ("Financial Controller") in accordance with Clause 9.1.15, and execute an employment agreement with the Financial Controller, which shall incorporate the key employment terms set out in **Part B of Schedule XIII**. The Financial Controller shall be appointed by the Board on the recommendation of SCES.
- 12.6 The Shareholders and their authorized representatives shall be provided with unrestricted access during normal business hours to all books and records of the Company or any other information which the Shareholders may specially ask for regarding the Company, subject to the authorized representative being bound by the confidentiality obligations as per Clause 21 (*Confidentiality*) and provided that, such Shareholder and/or its authorized representatives have delivered prior written notice to the Company at least 24 (Twenty Four) hours prior to accessing such information and the normal functioning of the Company is not disrupted thereby.
- 12.7 The following specific protocols will apply to any transactions (including payments, transfers etc) undertaken on any bank accounts open and held by the Company (the "**Company Bank Accounts**"):
- 12.7.1 At least dual authorisations shall be required for all transactions from the Company Bank Accounts. The payment mechanism will be based on the following class of signatories:

Class A: SSL Directors;

Class B: SCES Directors (SCES directors may nominate alternates in New Delhi such that Class B signatories shall include total 3 individuals resident in or near New Delhi)

Managing Director

General Manager Finance

Class D: Respective Power Plant head and plant accounts head of the Company

Payment amounts	Signing Authorities
Payments up to Rs. 500,000 at each Power Undertaking	Two signatories from Class D
Transactions up to Rs 5,000,000	Two Signatories: General Manager Finance with Either Class A or MD

Transactions equal to or greater than Rs. Rs 5,000,000	Three Signatories: One Class A and one Class B and <i>either</i> MD <i>or</i> General Manager Finance
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- 12.7.2 Maximum daily cash withdrawal limit of Rs. 200,000.
- 12.7.3 Within 30 days of the closing, the Company will issue for approval by the Board a manual of delegated authorities including the authorisations for approving the liabilities orders for purchases and services and employee expenses within its Accounts System at that time the above

13. BUSINESS PLAN

13.1 The Company shall conduct its business in accordance with a Business Plan. The first Business Plan of the Company shall be for the period from the First Closing Date to 31st March 2013. Thereafter, the MD shall, for each Financial Year, prepare a Business Plan, which shall be presented for Board's consideration and approval at least 2 (Two) months prior to the commencement of that Financial Year. In the event that the Business Plan is not approved prior to the commencement of the Financial Year for which it has been prepared, the Company shall be operated in accordance with the previous Financial Year's Business Plan, until a new Business Plan is approved. The Business Plan as approved shall be quarterly reviewed and may, with mutual consent, be modified/updated during the year keeping in view the changes in, *inter alia*, market scenario as well as conditions prevailing at that time. To the extent that any matter contained in, or proposed to be contained in, any such budget or business plan relates to a course of action which would, if implemented, be a Reserved Matter or a Unanimous Consent Matter, the provisions of Clause 16.1 or Clause 16.2 (as the case may be) shall apply. In case the approved business plan contain any action which differs from any specific approval given by the Board on the same subject, the approval given on a later date shall prevail.

- 13.2 The Business Plan shall include, amongst others, the following items:
- (a) the goals of the Company for the period to which the Business Plan relates;
 - (b) the strategies to be employed to achieve those goals;
 - (c) the areas and types of activities to be conducted and emphasized in achieving those goals;
 - (d) an estimate of the financial results of the previous Financial Year, if available;
 - (e) the operating budget of the Company, including cash flow and working capital;
 - (f) the capital expenditure budget of the Company;
 - (g) the estimated quantities of Specification Bagasse (as defined in the Fuel Supply Agreements) to be supplied by SSL to the Company pursuant to the Fuel Supply Agreements;



- (h) the estimated steam and power requirements of the Sugar Plants;
- (i) forecasted quantities of Raw Materials (as defined in the Fuel Supply Agreements) required to be supplied to the Company by SSL pursuant to the Fuel Supply Agreements;
- (j) estimated requirements for Fuel (as defined under the Operation and Maintenance Agreements) to be purchased by the Company from third parties other than SSL;
- (k) estimated exported electricity;
- (l) the preventative maintenance schedule for the Power Plants and any planned outages, shutdowns, capital upgrades, teardowns or overhauls of equipment;
- (m) any new/replacement Approvals required for the operation of the Power Plants and/or the Expansion Project;
- (n) financial forecast for the entire year as well as for the next one year period commencing with the date of the plan, provided that for each then current year during such one year period, the financial forecast for the subsequent year(s) may be revised if appropriate and necessary based on the immediately preceding year's financial results;
- (o) any proposed distribution, reinvestment or other use of the Company's profits; and
- (p) the opportunities, risks and contingencies confronting the Company and the possible impact of and respective plan for such contingencies on the Company's strategies, proposed activities and budget.

14. BOARD OF DIRECTORS

14.1 Management of the Company

The Company shall be managed by the Board in accordance with the terms of this Agreement, the Articles and specifically in accordance with the provisions of this Clause 14.

14.2 Board Composition; Appointment & Removal of Directors

14.2.1 The Board shall comprise of a minimum of 3 (Three) Directors and a maximum of 12 (twelve) Directors. SSL shall be entitled to nominate for appointment 3 (three) Directors ("SSL Directors") and SCES shall be entitled to nominate 3 (three) Directors ("SCES Directors").

14.2.2 The Shareholders' right to appoint directors pursuant to clause 14.2.1 shall be amended according to their respective shareholding in the Company as follows:

14.2.2.1 Any shareholder holding more than 20% but less than 30% shall be entitled to appoint 1 (one) director;

- 14.2.2.2 Any shareholder holding more than 30% but less than 40% shall be entitled to appoint 2 (two) Directors;
- 14.2.2.3 Any shareholder holding more than 40% but less than 60% of the Company shall be entitled to appoint 3 (three) Directors;
- 14.2.2.4 Any shareholder holding 60% or more but less than 70% shall be entitled to appoint 4 (four) Directors;
- 14.2.2.5 Any shareholder holding 70% or more but less than 80% shall be entitled to appoint 5 (five) Director;
- 14.2.2.6 Any shareholder holding 80% or more shall be entitled to appoint 6 (six) Directors.
- 14.2.3 The Company shall have a Managing Director ("MD") in addition to the SSL Directors and the SCES Directors. The MD shall be a power sector technical or managerial professional appointed by the Board on the nomination of SSL. Subject to Clause 16.1(w), the Board shall appoint the MD for such term and at such remuneration (whether by way of salary or commission or participation in profits or otherwise or partly in one way or partly in another) in accordance with the provisions of the Companies Act. SSL shall have the right to replace the MD at any time with any other person as the MD provided that such person is a power sector technical or managerial professional with appropriate experience for the role. Notwithstanding anything above, the appointment and removal of the MD will be in consultation with SCES. The MD shall have full operational powers to manage the business and affairs of the Company subject to (a) the terms of this Agreement including, without limitation, the terms of Clause 16 (*Reserved Matters*) and the Articles; (b) the oversight of the Board and any committee constituted by the Board in accordance with the terms of this Agreement; and (c) the terms of the MD's employment agreement. The MD shall not have the right to vote on any matter concerning his appointment, removal or terms of employment.
- 14.2.4 All SSL Directors and SCES Directors shall be subject to retirement by rotation. The MD will not be subject to retirement by rotation.
- 14.2.5 A Shareholder may, by written notice to the Company, require the removal of any of its nominee Directors at any time and shall be entitled, by the same or a subsequent written notice, to nominate another nominee as a Director in place of the Director so removed.
- 14.2.6 It is acknowledged by the Parties that lenders to the Company may require representatives on the Board ("Lender Directors"), and if so the Parties agree to take such steps as may be required to appoint the Lender Directors on the Board.
- 14.2.7 In the event of the resignation, retirement or otherwise vacature of office of a Director nominated by any Shareholder, such Shareholder shall be entitled to re-appoint such Director or nominate another person as Director in place of such Director and the other Shareholder shall exercise its voting rights in such manner so as to cause the appointment of the representative nominated as aforesaid. If any Director, who is elected by a Party pursuant to this Clause 14.2 (*Board Composition; Appointment & Removal of Directors*), for any reason refuses to exercise his discretion in accordance with the terms of this Agreement, such Party shall forthwith take all action within its power or control to remove such Director. The

appointment, removal or replacement of a Director will be the first item of business at the Board meeting or the general meeting, as the case may be, immediately following the receipt by the Board of a notice of nomination/removal.

- 14.2.8 The Shareholders shall exercise their respective voting rights at any general meeting of the Company in such manner so as to cause the appointment or removal, as the case maybe, of the nominees of the other as Directors in the manner set out in this Agreement.
- 14.2.9 Any Shareholder removing a director nominated by it (other than the MD) shall be responsible for and shall indemnify the other Shareholders and the Company against any claim by such director for unfair or wrongful dismissal or any other claims arising out of such removal.
- 14.2.10 Subject to (a) applicable Law, (b) Clauses 19.10 and 19.11 and (c) in the case of the MD, Clause 14.2.3 above, the Directors may vote on any matter in which they are directly or indirectly interested provided they have first disclosed the nature of that interest. Subject to this obligation, a Director appointed by a particular Shareholder may have regard to, and act in the interests of, his appointing Shareholder.

14.3 Committees of the Board

- 14.3.1 The Board may constitute committees under the supervision and control of the Board for various purposes as may be required from time to time, provided that such committee shall comprise of at least the MD, the Financial Controller, (as a non-voting member), 1 (One) SCES Director and 1 (One) SSL Director. Further, 1 (One) of the members shall be appointed by the Board as chairman of every such committee. Such committees shall draw up rules and procedures for their functioning. The committees may carry on their business and conduct meetings through tele-conferencing and video-conferencing in accordance with applicable Law. The provisions of Clause 14 (*Board of Directors*) (including without limitation, representation, notice and quorum requirements) shall apply, *mutatis mutandis*, to such committees as well.
- 14.3.2 The Parties agree that upon the First Closing, the Board shall constitute a management committee (the “Management Committee”) in accordance with the terms of Clause 14.3.1 above. Such Management Committee shall comprise of one SSL Director, one SCES Director and the MD. The Financial Controller shall be permanent invitee to the Management Committee (save that the Financial Controller shall have no voting power on the Management Committee). The Management Committee shall meet at least once in a month unless the Board decides otherwise. The Management Committee shall review and, where appropriate, decide (subject to the terms of this Agreement, including without limitation to, Clause 16 (*Reserved Matters*) on the following matters:
 - (a) procurement of fuel materials and other major inputs;
 - (b) monthly operating plan comprising expected generation, supplies to the Sugar Plants, captive consumption and exported power to UPPCL;
 - (c) major Power Plant related activities to be carried out;

- (d) monthly budget and assessment of working capital requirement; and
- (e) any other matter as directed by the Board from time to time.

The presence of one SSL Director and one SCES Director shall be necessary to constitute a quorum for any meeting of the Management Committee and all decisions of the Management Committee shall require the approval of both the attending SSL Director and the attending SCES Director.

14.4 No Qualification Shares, Fees of Directors

- 14.4.1 A Director need not hold any qualification Shares.
- 14.4.2 No director's sitting fees shall be payable to the SSL Directors and the SCES Directors for attending any meetings of the Board or its committees. All Directors, except the Lender Directors and the MD, attending meetings shall make their own arrangements and bear all accommodation, subsistence and travel expenses of attending meetings and the Company shall bear no such expense.

14.5 Vacation of Office by a Director

- 14.5.1 In addition to the grounds under Section 283 of the Companies Act, the office of a Director shall be vacated if:
 - (a) such Director becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (b) such Director becomes prohibited or disqualified from being a Director by reason of any order made under Section 274 or any other provisions of the Companies Act or applicable Law;
 - (c) such Director resigns from his office by notice in writing to the Company;
 - (d) such Director is removed by the Party nominating such Director;
 - (e) in accordance with Clause 14.2.2 in the event that a Shareholder's shareholding in the Company falls below the relevant thresholds set out in that clause, provided that for the avoidance of doubt the nominating Shareholder shall have the right to determine which of its representative Directors shall be the resigning Director in such case; or
 - (f) in the case of the MD, if he is removed by the Board or is in material breach of the terms of his employment contract with the Company.

14.6 Proceedings of the Board

14.6.1 Number of Board Meetings and Venue

The Board shall meet at least 4 (Four) times in every calendar year and at least once in every calendar quarter. Meetings of the Board shall be held at such place as the Board may decide. Subject to applicable Laws and Clause 14.4.2, no expenses or costs incurred

for such meetings by the Board shall be borne by the Company and shall instead be borne by the relevant appointing Shareholder (save for any costs of the Lender Directors and the MD).

14.6.2 Convening Meetings of the Board

Any Director may, and the Company Secretary or any authorized officer, if so appointed, shall on the requisition of a Director, convene a meeting of the Board, in accordance with the notice and other requirements set out in Clauses 14.6.3 (*Notices for Board Meetings*) and 14.6.4 (*Quorum for Board Meetings*) below.

14.6.3 Notices for Board Meetings

At least 7 (seven) days prior written notice shall be given to each of the Directors of any meeting of the Board, either by way of a fax, e-mail, courier or registered post along with copy of an agenda setting out matters to be transacted at the meeting. Any notice or other information sent by facsimile or e-mail transmission shall be deemed to have been duly sent on the date of transmission. No business shall be transacted at any Board meeting which has not been explicitly mentioned in the agenda convening the meeting unless at least 1 (One) SSL Director and 1 (One) SCES Director resolve to the contrary.

A meeting of the Board may be held at shorter notice if agreed to in writing by at least 1 (One) SSL Director and 1 (One) SCES Director. As far as possible and practicable, 4 (Four) Board meeting dates for the year shall be agreed by the Parties at the beginning of each calendar year.

14.6.4 Quorum for the Board Meetings

- 14.6.4.1** The quorum for a Board meeting shall be 2 (Two) Directors comprising of at least 1 (One) SSL Director and 1 (One) SCES Director.
- 14.6.4.2** A meeting of the Board shall not be held or continued without the presence, at all times, of the quorum unless the Directors necessary to constitute quorum have expressly waived in writing the requirement for their presence. In accordance with applicable Law, a Director may participate in a Board meeting by means of tele-conferencing or video-conferencing without the need for such Director to be in the physical presence of the other Directors and participation in a Board meeting pursuant to this Clause shall constitute presence in person at such meeting for the purposes of quorum. Any Director participating through tele-conferencing or video-conferencing shall be entitled to give consent in respect of the Reserved Matters and Unanimous Consent Matters and such consent shall be deemed to be good consent for the purposes of Clauses 16.1 (*Reserved Matters*) and 16.2 (*Unanimous Consent Matters*).
- 14.6.4.3** If a quorum is not present within 30 (Thirty) minutes of the scheduled time for any meeting of the Board or ceases to exist at any time during the meeting, then the meeting shall be adjourned till the same day in the next week, at the same time and place. At such an adjourned meeting, at least 2 (two) Directors present shall constitute a valid quorum for the holding of a valid meeting without the requirement of the presence of at least 1(One) SSL Director and 1 (One) SCES Director, provided that none of the Reserved



Matters or Unanimous Consent Matters, shall be considered, discussed or transacted at such adjourned meeting unless the quorum as stated in Clause 14.6.4.1 is satisfied.

14.6.5 Circular Resolutions

The Board may act by written circular resolution or in any other legally permissible manner, on any matter, except for matters, which by Law may only be acted upon at a meeting. Subject to any restrictions imposed by Law, no written circular resolution shall be deemed to have been duly adopted by the Board, unless such circular resolution shall have been approved by a requisite majority of Directors being not less than that are sufficient to form a quorum in accordance with the provisions of this Agreement and, in the case of any Reserved Matter or Unanimous Consent Matter, than are sufficient to comply with the requirements of Clause 16.1 (*Reserved Matter*) or 16.2 (*Unanimous Consent Matter*) (as the case may be). A Director may convey his acceptance of the circular resolution by signing the resolution and returning the same to the company secretary or the Director who proposed the resolution or by sending any other written communication by registered post / courier / fax / e-mail transmission. If a Director does not convey his acceptance or rejection of the proposed resolution within 5 (Five) Business Days from the date of receipt of the requisite documentation including explanatory statements and supporting documents, he shall be deemed to have rejected the resolution.

14.6.6 Decisions of the Board

Unless expressly stated otherwise in this Agreement or the Articles, all decisions of the Board shall be made by a simple majority of votes. Subject to Clause 14.2.10, each Director shall have one vote on the Board and, subject to the quorum requirements (as mentioned in Clause 14.6.4 (*Quorum for the Board Meetings*) above) and the Articles, all decisions of the Board shall (unless expressly stated otherwise in this Agreement or the Articles) be taken on the basis of a simple majority of those Directors present or deemed to be present at that meeting. Subject to applicable Law, any Director appointed as an alternate Director on behalf of one or more of the Directors shall have as many votes as the number of Directors he is representing at that meeting (including himself).

14.7 **Alternate Directors**

The Board, at the request of any Director, may appoint an alternate Director nominated by such Shareholder which had nominated the original Director, to act in such Director's absence, in terms of the Companies Act. The alternate Director shall be entitled to receive notice of a meeting of the Board or committee thereof, along with all relevant papers in connection and to attend and vote thereat in place of the original Director and generally to perform all functions of the original Director in his absence, as stated hereinabove.

14.8 **Chairman**

One of the SSL Directors shall be appointed as the chairman of the Board. Mr. Gurmit Singh Mann shall be the first chairman of the Board. The Chairman shall not have a casting vote. The Chairman of the Board shall also preside over the Shareholders meetings.

15. **SHAREHOLDERS MEETINGS**



15.1 General Meetings

- 15.1.1 The annual general meeting of the Shareholders shall be held within such period so that not more than 15 (Fifteen) months shall elapse between the date of 1 (One) annual general meeting and of the next as provided under the Companies Act. Subject to the foregoing, the Board may convene an extraordinary general meeting of the Shareholders, whenever it deems appropriate. The general meeting may be conducted through tele-conferencing/video-conferencing in accordance with applicable Law.

15.2 Notices for General Meetings

- 15.2.1 Subject to applicable law, at least 10 (Ten) days' prior written notice of every general meeting of Shareholders shall be given to all Shareholders whose names appear on the register of members of the Company. A meeting of the Shareholders may be called by giving shorter notice with the written consent of the minimum number of Shareholders as provided by the Companies Act.

15.3 Contents of Notice

- 15.3.1 The notice to Shareholders shall specify the place, date and time of the general meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail of the business to be transacted thereat, and no business shall be transacted at such meeting if the same has not been stated in the notice convening the meeting unless at least 1 (One) representative each of SSL and SCES resolve otherwise.

15.4 Proxies

- 15.4.1 Any Shareholder may appoint another Person as his proxy (and in case of a corporate shareholder, an authorized representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy or representative must be in writing. A proxy may demand a poll and vote on a poll, in terms of the provisions of the Companies Act. A proxy shall have no right to speak at the meeting. Any Person possessing the requisite authorization in terms of the Companies Act, with respect to any Shares shall be able to speak and to exercise voting rights on such Shares as if such Person were a Shareholder.

15.5 Quorum for General Meetings

- 15.5.1 At least 2 (Two) Shareholders or such other minimum number as per applicable Law (provided that it is not less than 2 (two)), at least one of whom shall be SSL and one SCES each represented through its authorised representative and/or by proxy, shall be necessary to form a quorum for a valid general meeting. If, however, such quorum shall not be present or represented at any meeting within 30 (Thirty) minutes of the time scheduled for the meeting, the meeting shall be deemed to be automatically adjourned to the same day in the next week, at the same time and place or at such other time and place as the Board may determine. At such adjourned meeting, if a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If within an hour from the time appointed for holding such adjourned meeting, the quorum is not present, the members present shall be the quorum, provided that none of the Reserved Matters or

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Unanimous Consent Matters, shall be considered, discussed or transacted at such adjourned meeting unless the quorum as stated in this Clause 15.5.1 is satisfied.

16 RESERVED MATTERS

- 16.1 Notwithstanding any other provision of this Agreement, the Parties agree that no resolution concerning any matter listed in this Clause 16.1 (each a “**Reserved Matter**” and together the “**Reserved Matters**”) can be validly passed at a Board and/or shareholders meeting or by a resolution passed by circulation, and no action shall be taken by the Company with respect to any such matter, unless the concerned matter has been approved by an affirmative vote of: (a) Shareholders holding not less than 75% (Seventy five per cent) of the Shares, if the matter is dealt with by the Shareholders, or (b) at least 1 (One) Director nominated by each Shareholder who together hold not less than 75% (seventy five per cent) of the Shares, if the matter is dealt with by the Board. Such affirmative vote shall be exercised by a vote, approving the Reserved Matter at the meeting at which the resolution for approving such matter is considered or by way of prior written consent in favour of such Reserved Matter, or by way of a circular resolution approving such Reserved Matter. The Reserved Matters are as follows:
- (a) any change, amendment or variation in the rights of any Securities or any class thereof issued by the Company, including a recapitalization or reclassification of any of the outstanding Securities;
 - (b) any issue, consolidation, division or sub-division, conversion or cancellation of all or any of the share capital of the Company or any increase in the share capital of the Company, other than in accordance with the terms of this Agreement;
 - (c) the amount and terms of any Further Funding;
 - (d) any approval of the terms of any stock option plan for the employees or Directors of the Company;
 - (e) effecting an acquisition of another entity or the sale, merger, consolidation or reconstitution of the Company or taking any decision to dissolve, liquidate, dispose of, sell, license, assign or transfer all or substantially all of or any material part of the assets or any intellectual property rights of the Company, including a sale or license to a third party and whether by a single transaction or by a series of transactions;
 - (f) approving or varying (beyond the limits provided in the Business Plan) the Business Plan;
 - (g) any incurrence or discharge of indebtedness by the Company in excess (excluding accounts payable and repayments of liabilities owed to the Company’s lenders) of INR 5,000,000 (Rupees Five Million Only) in one or more transactions if such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) in one or more transactions if such action is not in accordance with the Business Plan;
 - (h) the giving of any guarantee or comfort letter by the Company to or becoming a surety for any Person exceeding in aggregate INR 5,000,000 (Rupees Five Million Only) if

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such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) if such action is not in accordance with the Business Plan;

- (i) any change in the scope of Business, entry into a new line of business, suspension or cessation of Business or transfer of all or material portion of the Business, in each case if such action is not in accordance with the Business Plan;
- (j) related party transactions or any agreement or arrangement between the Company and/or any Shareholder, Director and/or their Affiliates other than transactions contemplated by this Agreement or any other matter specifically agreed by and between the Parties;
- (k) the creation of any security interest over any of the Company's assets involving an amount in excess of INR 5,000,000 (Rupees Five Million Only) if such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) if such action is not in accordance with the Business Plan, other than in normal course of business in favour of the Company's bankers or other lenders;
- (l) creation or acknowledgement of Encumbrance by a Party on its Securities, other than as provided elsewhere in the Agreement;
- (m) the establishment or change of the dividend policy of the Company, the declaration of or setting aside of amounts for any dividend;
- (n) the acquisition or lease of items of tangible or intangible property involving estimated expenditure in excess of INR 5,000,000 (Rupees Five Million Only) if such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) if such action is not in accordance with the Business Plan;
- (o) subject to Clauses 19.10 and 19.11, any decision in relation to the conduct or defense of any material litigation or arbitration, otherwise than litigation or arbitration arising in the ordinary course of business;
- (p) factoring or assignment of any of Company's book debts other than in accordance with the Business Plan or in favour of the Senior Lenders;
- (q) change of the Company's auditors or Financial Year;
- (r) any material change in the accounting policies and principles adopted by the Company in the preparation of its audited and management accounts except for changes incorporated as per the applicable Law;
- (s) grant of any loan (otherwise than by way of deposit with a bank or other institution, the normal business of which includes the acceptance of deposits) or any credit (other than in the normal course of business) or any guarantee, bond, suretyship or indemnity (i) in excess of INR 5,000,000 (Rupees Five Million Only) if such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) if such action is not in accordance with the Business Plan or (ii) if such action is not in accordance with the Business Plan and would result in aggregate liabilities greater than INR 3,000,000 (Rupees Three Million) for the current Financial Year or

securing of the liabilities or obligations of any person or assumption of the obligations of any person;

- (t) entry into, amendment or termination of any Project Agreement or arrangement, contract or transaction (i) outside the normal course of its business or otherwise than on arm's length terms, (ii) involving liabilities for the Company in excess of INR 5,000,000 (Rupees Five Million Only) if such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) if such action is not in accordance with the Business Plan or (iii) for a term greater than 2 (Two) years;
 - (u) any capital expenditure (including finance leases but excluding operating leases) involving a liability:
 - (i) during that Financial Year, in excess of INR 5,000,000 (Rupees Five Million Only) if such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) if such action is not in accordance with the Business Plan, for a single item of capital expenditure, and/or
 - (ii) during that Financial Year, in excess of INR 5,000,000 (Rupees Five Million Only) if such action is in accordance with the Business Plan or INR 1,000,000 (Rupees One Million Only) if such action is not in accordance with the Business Plan, in aggregate;
 - (v) buy-back of the Shares and/or other Securities of the Company;
 - (w) entry into or termination of any arrangement or agreement with or the making of any amendment to any of the terms of any agreement or arrangement of any Person who or is to become, an officer, employee, consultant or secondee of the Company at an annual remuneration in excess of Rs. 1,200,000 (Rupees One million and two hundred thousand) (or its equivalent in another currency) unless otherwise approved in the Business Plan;
 - (x) grant to any person any option or right to call for the issue of any Shares or Securities;
 - (y) any application for the admission of any part of the share capital or securities of the Company to a recognised stock exchange; and
 - (z) any amendment to the Insurance Program, including the effecting of any new insurance or any amendment to or any cancellation of any insurance maintained by the Company other than as contemplated by the Insurance Program.
- 16.2 To the maximum extent permitted under applicable Law and notwithstanding any other provision of this Agreement, the Parties agree that no resolution concerning any matter listed in this Clause 16.2 (each a "**Unanimous Consent Matter**" and together the "**Unanimous Consent Matters**") can be validly passed at a Board and/or shareholders meeting or by a resolution passed by circulation, and no action shall be taken by the Company with respect to any such matter, unless the concerned matter has been approved by an affirmative vote of: (a) Shareholders holding not less than 100% (one hundred per cent) of the Shares, if the matter is dealt with by the Shareholders, or (b) at least 1 (One) Director nominated by each

Shareholder who together hold not less than 100% (one hundred per cent) of the Shares, if the matter is dealt with by the Board. Such affirmative vote shall be exercised by a vote, approving the Unanimous Consent Matter at the meeting at which the resolution for approving such matter is considered or by way of prior written consent in favour of such Unanimous Consent Matter, or by way of a circular resolution approving such Unanimous Consent Matter. The Unanimous Consent Matters are as follows:

- (a) any alteration to the rights of the Securities;
- (b) authorization, creation or issuance of any new class of shares or other securities;
- (c) acquisition of shares or other instruments whatsoever in, or assets of, another corporation, partnership or venture;
- (d) any public offering of the Company's securities;
- (e) restructuring, reorganizing or taking any other action that would cause the Company to become a partnership for tax purposes or become a pass-through entity for tax purposes;
- (f) any joint venture or partnership with any person or merger or amalgamation with any person to carry on the Business;
- (g) any amendments to the Memorandum or Articles, except when the Agreement is terminated; and
- (h) any resolution for the winding up of the Company or any petition for its administration.

17 DEADLOCK MECHANISM

For the purposes of this Agreement, a deadlock ("Deadlock") shall be deemed to have occurred, if the Board or the Shareholders are unable to, at any 2 (Two) consecutive meetings of the Board or Shareholders, as the case may be, reach a decision on any Reserved Matter or Unanimous Consent Matter either because of the absence of the requisite consent or lack of quorum as described in Clauses 14.6.4 and 15.5. In the event of a Deadlock situation, the same shall be resolved in accordance with the mechanism stated in **Schedule VII**.

18 DIVIDENDS POLICY

- 18.1 Subject to Clause 16.1(m) and the limitations imposed by the applicable Law, the Shareholders shall procure that the Company distributes to the Shareholders by way of dividend in respect of any Financial Year, such percentage of the consolidated total distributable profits (excluding any unrealized gains) of the Company in respect of that year in accordance with the dividend payout ratio adopted by the Board from time to time. The Shareholders agree that the dividend payout ratio shall initially be 90% (Ninety per cent.) of the profits after tax of the Company, subject to any covenants imposed by the Senior Lenders or any other third party lenders and final Board approval (in accordance with Clause 16.1(m)) of the same.

18.2 Subject to Clause 16.1(m), the dividend payout ratio may be varied by the Shareholders.

19 OBLIGATIONS AND UNDERSTANDING BETWEEN PARTIES WITH RESPECT TO THE BUSINESS

19.1 SSL and SCES are entering into this joint venture principally for the purposes of conducting the Business. Therefore, save and except as the Parties may otherwise agree in writing or save as otherwise herein provided or contemplated, the Company shall pursue solely the Business. Subject to the terms of this Agreement, the Business may be expanded or limited by mutual agreement between the Parties.

19.2 The Parties shall exercise their powers in relation to the Company so as to ensure that the Company carries on and conducts its Business and affairs in a proper and efficient manner.

19.3 Each Party covenants with the other to use all reasonable endeavours to promote and develop the Business to the best advantage in accordance with good business practice and the highest ethical standards.

19.4 All financial and commercial transactions between the Company on the one hand and any of the Shareholders on the other hand shall be at arm's length and shall be in conformity with the transfer pricing rules laid down under Indian tax Laws.

19.5 The Parties agree that all sums of moneys invested by any Shareholder towards the subscription of Securities under Clause 4 (*Share Subscription*) of this Agreement shall be expended wholly for meeting the Total Project Cost and for no other purpose.

19.6 The Company shall also employ its own personnel, whose sole responsibilities shall be to work towards the completion of the Expansion Project and to conduct the Business, and subject to Clause 11.1.3, the Company shall cover all its operating expenses, including the salaries, travel and other expenses of such personnel. Any cost of expatriate employees appointed at the request of a Party, in excess of the local salary of the equivalent position, whether as employee or in the capacity of a Director or otherwise shall be borne solely by the nominating Party. The Company shall bear the local salary of the equivalent position as well as the reimbursement of all expenses, including accommodation, subsistence and travel expenses, incurred in the ordinary and proper course of pursuit of the business of the Company in accordance with its travel policy with regard to expatriate employees. The Company undertakes to comply with all labour and employment Laws, including making requisite applications and filings under applicable Law, upon the transfer and/or appointment of employees pursuant to the Power Undertaking Transfer.

19.7 The Company hereby undertakes to comply with all applicable Laws, make all requisite filings and adhere to all reporting requirements under any applicable Law in timely manner, and maintain records and details and as prescribed under applicable Law, during the term of this Agreement.

19.8 The Company shall take all reasonable steps promptly to protect its Intellectual Property.

19.9 Project Agreements

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- 19.9.1 In respect of those Project Agreements to which SSL is a party, SSL agrees to (i) act reasonably and in good faith towards the Company in the exercise of its rights and in the discharge of its obligations thereunder; and (ii) use its best endeavours to promptly remedy any breach by it of the terms of such Project Agreements.
- 19.9.2 In respect of those Project Agreements to which Casetech is a party, SSL agrees to procure, so far as it is able subject to all applicable Law, that Casetech shall (i) act reasonably and in good faith towards the Company in the exercise of its rights and in the discharge of its obligations thereunder; and (ii) use its best endeavours to promptly remedy any breach by it of the terms of such Project Agreements.
- 19.9.3 Each Party shall take all reasonable steps to procure that the Company fulfils its obligations under the Project Agreements.
- 19.10 SCES and any Lender Directors shall have the sole rights to determine the enforcement of the Company's rights or claims made in connection with or under any of the Project Agreements. If SCES determines such rights under the above named agreements are to be enforced, then the Board collectively shall be obligated to take appropriate action to enforce the Company's rights under the respective agreements and all the Shareholders shall support such action.
- 19.11 SSL and any Lender Directors shall have the sole rights to determine the enforcement of the Company's rights or claims made in connection with or under any agreement between the Company and SCES. If SSL and any Lender Directors determine such rights under the above named agreements are to be enforced, then the Board collectively shall be obligated to take appropriate action to enforce the Company's rights under the respective agreements and all the Shareholders shall support such action.
- 19.12 The Company specifically covenants to SCES that the Company shall take all necessary steps to procure and during the term of this Agreement maintain insurance in accordance with the Insurance Program.
- 19.13 The Company shall adopt and maintain an anti-corruption policy that is substantially consistent with Sindicatum's Anti-Corruption Principles.
- 19.14 The Company shall adopt and maintain a health, safety and environment policy, manuals, rules and codes of practice as agreed between the Shareholders and the Company from time to time and that is compliant with the applicable Law and the best industry practice and the health and safety policy of SSL ("HSE Standards").
- 19.14.1 The Company shall, (i) within 9 (nine) months of the start of construction, (ii) within 6 (six) months of the start of operations and (iii) then every 2 years thereafter, propose to the Board, the scope of work of an independent consultant to carry out a review of health and safety including a gap analysis against HSE Standards.
- 19.14.2 The Company shall after the receipt of each report, implement any corrective actions recommended in the report and the same would appear as actions in the monthly report, to be maintained by the Company, until each irregularity has been rectified.



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19.14.3 In the event, the corrective action is not implemented in a timely manner and/or a serious incident such as including but not limiting to death or permanent disability of an employee, upon the request of either one SSL Director or one SCES Director, the Board can at any time prior to completion of 2 (two) years from the previous inspection, insist on conducting a review of health and safety including a gap analysis against HSE Standards.

20 NON-COMPETE AND NON-SOLICITATION

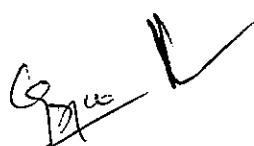
- 20.1 Each Shareholder (for the purposes of this Clause, a “Covenantor”) undertakes with the other Shareholder that it shall not, and that it shall procure that none of its Affiliates shall, either on its own account or in conjunction with or on behalf of any Person, during the period commencing on the Effective Date and ending on the second anniversary of the date such Shareholder or any of its Affiliates ceases to hold any Securities in the Company (for the purposes of this Clause, the “Termination Date”):
- 20.1.1 carry on or be engaged, concerned or interested (directly or indirectly and whether as principal, shareholder, director, employee, agent, consultant, partner or otherwise) in acquisition of Other Biomass within a radius of 50 (Fifty) kilometres of any Power Plant. Accordingly, the Company shall be the exclusive vehicle for SSL and SCES for engaging in the Business in the respective areas of the Power Plants; or
- 20.1.2 solicit or endeavour to entice away from or discourage from being employed by or providing services to the Company any Person who was at the Termination Date an officer or employee of the Company (other than a Director nominated by the Covenantor in accordance with the provisions of this Agreement) whether or not such person would commit a breach of contract by reason of leaving service provided that the placing of an advertisement of a post available to a member of the public generally and the recruitment of a Person through an employment agency shall not constitute a breach of this Clause provided that the Covenantor does not encourage or advise such agency to approach any such Person; or
- 20.1.3 employ or engage or attempt to employ or engage or negotiate or arrange the employment or engagement by any other Person engaged in any business which is the same as or similar to the Business and is conducted within a radius of 50 (Fifty) kilometres of any Power Plant of any Person who was at the Termination Date an officer or employee of the Company (other than a Director nominated by the Covenantor in accordance with the provisions of this Agreement).
- 20.2 Each Shareholder further acknowledges and agrees that any violation by it of the covenants and obligations with respect to non-compete and non-solicitation as set forth above shall cause the other Parties irreparable injury. Therefore, the Shareholders agree that the person aggrieved by the breach hereof shall be entitled to an interim injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the breaching Party from committing any violation of the covenants and obligations contained in this Clause 20 (*Non-Compete*). These injunctive remedies are cumulative and are in addition to any other rights and remedies the Parties may have at Law or in equity.

20.3 The restriction as set out in Clause 20.1 above is separate and distinct and is to be construed separately from other such agreements. Each of the Shareholders acknowledges that it considers such restriction to be reasonable and that the duration, extent and application of such restrictions are no greater than is necessary for the protection of the goodwill and of the business of the Company. However, if such restriction is found to be void or unenforceable, but would be valid or enforceable if some part of it were deleted or the period or area of application reduced, the Parties agree that such restriction shall apply with such modifications as may be necessary to make it valid.

21 CONFIDENTIALITY

21.1 Each Party ("Receiving Party") shall keep confidential (and ensure that its employees, agents, advisors, Affiliates and the employees, agents and advisors of such Affiliates, keep confidential) any and all information (collectively, together with the contents of this Agreement, the "Confidential Information") received from the other Party ("Disclosing Party") which it may acquire in relation to the Company or to any Party. As used herein, the term 'Confidential Information' shall include all technical, business, and research information, including but not limited to all technical know-how, processes, business plans, market information, distribution information, and marketing plans, disclosed in writing, orally, electronically or visually, pertaining to the subject matter identified above. The Receiving Party agrees that, save as otherwise provided herein it shall not, during the Term hereof and for a period of 3 (Three) years thereafter, use the Confidential Information for any purpose other than for this Agreement and shall not use or disclose any such Confidential Information except:

- (a) to an Affiliate of the Receiving Party or to a Receiving Party's professional advisers, in each case where such disclosure is for a purpose related to the operation of this Agreement;
- (b) with the written consent of the Disclosing Party;
- (c) as may be required by Law or by the rules of any Government, in which case the Receiving Party shall, if practicable, supply a copy of the required disclosure to the Disclosing Party before it is disclosed and incorporate any amendments or additions reasonably requested by the Disclosing Party in such disclosure and in the event such prior notification is not practicable, the Receiving Party shall give the same post disclosure to the third party;
- (d) information to the banks/financial institutions/other lenders and stock exchanges where the shares of the Parties (if a Party is listed) are listed;
- (e) where it has come into the public domain otherwise than by the breach by the Receiving Party of this Clause 21(*Confidentiality*);
- (f) is already known and in the possession of the Receiving Party on the date of the disclosure as evidenced by written records;
- (g) is independently developed by the Receiving Party without having access to the Confidential Information;



- (h) which the Receiving Party can show as received by it after the date of the disclosure from a third-party who did not receive such Confidential Information under an obligation of confidentiality;
 - (i) for the purposes of enabling any Shareholder to dispose of Securities to a third party in accordance with the terms of this Agreement provided that, the party making such disclosure shall, prior to making to making such disclosure, notify the other parties of the identity of the third party, the type of information to be disclosed to such third party and shall procure that such third party provides a confidentiality undertaking substantially on the same terms as this Clause 21(*Confidentiality*); and
 - (j) to a proposed purchaser, underwriter, sponsor or broker for the purposes of facilitating a sale or quotation or any listing of a Shareholder or Company provided that the party making such disclosure shall, prior to making such disclosure, notify the other parties of the identity of the third party, the type of information to be disclosed to such third party and shall procure that such third party provides a confidentiality undertaking substantially on the same terms as this Clause 21(*Confidentiality*).
- 21.2 The Parties shall use reasonable endeavours to procure that the Company and its Affiliates and their respective officers, employees and agents observe a corresponding obligation of confidence in respect of information about the Parties themselves.
- 21.3 The obligations of each of the Parties as set out in this Clause 21(*Confidentiality*) shall survive any termination of this Agreement for any cause, for a period of 3 (three) years from the date of Termination of this Agreement.
- 21.4 No announcement or publicity concerning the terms of this Agreement or the interests of any Party in the Company shall be made or issued by either Party without the prior intimation to the other Parties.

22 TERM AND TERMINATION

22.1 Term

This Agreement shall become effective from the Effective Date and shall continue to remain in force and effect until terminated in accordance with the provisions of this Clause 22 (*Term and Termination*). Any termination of this Agreement shall be without prejudice to any subsisting rights and obligations of the Parties, including any obligation on the Parties as contemplated under Clause 22.3 (*Option to purchase and sell*).

22.2 Termination Events

- 22.2.1 This Agreement shall automatically terminate with respect to a Shareholder, when such Shareholder (along with its Affiliates) ceases to be a shareholder of the Company.
- 22.2.2 This Agreement may be terminated by SSL or by SCES if the First Closing Date does not occur on or prior to 180 (one hundred and eighty) days from the Effective Date, unless the Parties have mutually extended this time limit in writing. In the event this Agreement is terminated pursuant to this Clause 22.2.2, no Party shall have any further liability or

obligation to the other Party, provided that in the event that First Closing has failed to occur on account of any failure or breach attributable to a Party, such breaching Party shall reimburse to the other Party and the Company all expenses and costs incurred by the other Parties in connection with the transactions contemplated hereunder.

22.2.3 This Agreement may be terminated by SSL if:

- (a) SCES suffers an Insolvency Event; and/or
- (b) SCES is in material breach of this Agreement, and, if such breach is capable of remedy, has not remedied the breach within a period of 60 (Sixty) days from the date of the notice specifying such breach and requiring the remedying of such breach; and provided the breach is subsisting at the time of such termination and SSL is itself not in breach of this Agreement; or

22.2.4 This Agreement may be terminated by SCES if:

- (a) SSL suffers an Insolvency Event; and/or
- (b) SSL is in breach of this Agreement, and, if such breach is capable of remedy, has not remedied the breach within a period of 60 (Sixty) days from the date of the notice specifying such breach and requiring the remedying of such breach; and provided the breach is subsisting at the time of such termination and SCES is itself not in material breach of this Agreement; and/or
- (c) SSL Abandons any or all of the Sugar Plants and/or there has otherwise been a breach of this Agreement by SSL or any material breach of any Project Agreements by SSL and/or Casetech (as applicable) and such breach has gone unremedied for more than 60 (Sixty) days following notification of the breach by the Company and provided the breach is subsisting at the time of such termination and the breach is not caused by an act or omission of the Company. For avoidance of doubt, this sub Clause (c) shall not be applicable in case of any material breach of any Project Agreements by Casetech, if Casetech ceases to be an Affiliate of SSL; or
- (d) if there is a Change of Control of SSL.

22.2.5 This Agreement may be terminated by any Party upon the occurrence of any of the following events:

- (a) an Insolvency Event with respect to the Company provided that the Insolvency Event has not been caused by a breach of this Agreement by the Party seeking to terminate this Agreement; or
- (b) any direction or order from any Government authority in India, any binding court order or any change in applicable statutes, rules and regulations or Government policy which prevents or significantly impairs the implementation of this Agreement or directly or indirectly so restricts the scope and exercise of the right of any Party as

concerns the Company so as to render its objectives effectively impossible.

- 22.2.6 Notwithstanding anything above, (a) in the event this Agreement is terminated pursuant to Clause 22.2 (*Termination Event*), the termination would be subject to and without prejudice to the provisions provided under Clause 22.3 (*Option to Purchase and Sell Shares*); and (b) the termination of this Agreement, for whatever reason, shall not relieve any Party of any obligation or liability as contemplated under Clause 22.3 (*Option to Purchase or Sell Shares*).

22.3 **Option to Purchase or Sell Shares**

- 22.3.1 In the event this Agreement is terminated by SSL pursuant to Clause 22.2.3, SSL may, by a written notice given within 60 (Sixty) days of the occurrence of the termination event:
- (a) in the case of a termination pursuant to Clause 22.2.3(a), require SCES to sell all of its Shares in the Company to SSL or its nominee at a price per Share equal to the FMV or, in the alternative, may require that the Company be voluntarily dissolved and wound up and that its assets be liquidated and distributed to the Shareholders, in proportion to their respective shareholding as promptly as reasonably practicable; or
 - (b) in the case of a termination pursuant to Clause 22.2.3(b), require SCES to sell all of its Shares to SSL or its nominee at a price equal to [80% (eighty percent.)] of the FMV of the Shares.
- 22.3.2 In the event this Agreement is terminated by SCES pursuant to Clause 22.2.4, SCES may, by written notice given within 60 (Sixty) days of the occurrence of the termination event:
- (a) in the case of a termination pursuant to Clause 22.2.4(a), either (i) require SSL to purchase all of SCES's Securities at a price per Share equal to the FMV, (ii) require SSL to sell to SCES all of SSL's Securities at a price per Share equal to the FMV; or (iii) require that the Company be voluntarily dissolved and wound up and that its assets be liquidated and distributed to the Shareholders in accordance with Clause 23; or
 - (b) in the case of a termination pursuant to Clauses 22.2.4(b), (c) or (d) require SSL to purchase all of SCES's Shares at a price per Share equal to the FMV.
- 22.3.3 In the event this Agreement is terminated pursuant to Clause 22.2.5, the Company shall be voluntarily dissolved and wound up and all of its assets shall be liquidated and distributed to the Shareholders. Upon such voluntary dissolution, the Parties agree that the assets, technology and know-how, if any contributed to the Company without any consideration by each of them, if any, shall revert to such Party. The remaining assets and the equity of the Company will be distributed in accordance with Clause 23.
- 22.3.4 In the event of any termination of this Agreement, pursuant to Clauses 22.2.3 or 22.2.4, the Party which has suffered an Insolvency Event, or is defaulting Party, or has undergone a Change in Control, respectively, in any case shall continue to be bound by its obligations under the Agreement and any other Transaction Document to which it is a party, until the terminating Party has effectively exercised its rights under this Agreement. The termination of

this Agreement, for whatever reason, shall not relieve any Party of any obligation or liability accrued prior to the date of termination.

- 22.3.5 All stamp duty payable on the transfer of Shares pursuant to Clause 22.3.1 shall be borne by SCES. All stamp duty payable on the transfer of Shares pursuant to Clause 22.3.2 shall be borne by SSL.
- 22.3.6 All transfer of Securities pursuant to the rights exercised under Clause 22 shall be completed within 120 (One hundred twenty) days of delivery by SSL or SCES (as the case may be) of a written notice pursuant to Clause 22.3.1 or Clause 22.3.2 (as the case may be).
- 22.3.7 For the purpose of this Agreement, the fair market value or the FMV ("Fair Market Value" or "FMV") of the Securities, shall be determined, subject to applicable Law (including, for the avoidance of doubt, the prevailing Law and RBI guidelines in respect of foreign investment) as follows:
- (a) SSL and SCES may mutually agree upon the price per Securities;
 - (b) in the event however SSL and SCES fail to arrive at an agreement within 15 (fifteen) days of either SSL or SCES giving written notice to the other Shareholder, for determining such price, the price per Security shall be the fair market value of the Security determined on a discounted cash flow basis by an Appraiser approved and appointed by both SCES and SSL. The FMV arrived at by the Appraiser shall be binding on both SSL and SCES. The cost and expenses of the Appraiser shall be borne by the seller;
 - (c) in the event the parties do not agree on the appointment of an Appraiser, the matter may be referred by either Shareholder to the President at the time of the Indian Institute of Chartered Accountants who shall appoint (in consultation with each Shareholder) an independent Appraiser to assess the FMV of the Company. The FMV arrived at by the Appraiser shall be binding on both SSL and SCES. The cost and expenses of the Appraiser shall be borne by the seller.

Without Prejudice

- 22.3.8 Any termination or expiration of this Agreement shall be without prejudice to any accrued rights and obligations of the Parties.
- 22.3.9 The rights of the Parties provided in this Clause 22 (*Term and Termination*) are without prejudice and in addition to any other rights including damages, available to them whether under Law, equity, contract or otherwise.

23 LIQUIDATION PREFERENCE

- 23.1 In the event of an occurrence, at any time prior to the repayment by the Company of at least 50% (fifty percent) in value of the principal amount under the Senior Loan, of a Liquidation Event from an election by SCES pursuant to clause 22.3.2(a), the higher of the following amounts shall be payable to SCES, prior to any distributions or payments to any other Shareholder: (a) 100% (One Hundred percent) of such portion of the SCES Investment as is

represented by the number of Shares held by SCES at the time of the occurrence of such a Liquidation Event, together with all accrued but unpaid dividends thereon ("Preference Amount"), and (b) SCES's pro-rata share of proceeds of such Liquidation Event.

- 23.2 All amounts payable in respect of the SCES's Shares in connection with a Liquidation Event shall be made in cash and/or liquid securities at the closing of such Liquidation Event and only such amounts as are in excess of the Preference Amount may be placed in escrow or subject to any earn-out arrangement or other deferred or contingent consideration arrangement. Subject to the foregoing, if any portion of the consideration payable to the Shareholders of the Company in such Liquidation Event is placed into escrow or is subject to any earn-out arrangement or other deferred or contingent consideration arrangement, the definitive agreement governing such Liquidity Event shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any earn-out, deferral or contingencies (the "Initial Consideration") shall be allocated among the SCES Shares in accordance with Clause 23.1 above as if the Initial Consideration were the only consideration payable in connection with such Liquidation Event; and (b) any additional consideration that becomes payable to the Shareholders upon release from escrow or satisfaction of the earn-out, deferral or contingency arrangement (as the case may be) shall be allocated among the Shares held by SCES after taking into account the previous payment of the Initial Consideration as part of the same transaction.

24 CAPITAL REDUCTION

- 24.1 The Shareholders agree that it is their common intention, at any time after 36 (Thirty Six) months from the First Closing, to require the Company to reduce its capital by buying back the Securities of the Company from each of the Shareholders pro-rata to their shareholdings in the Company. SCES and SSL shall jointly deliver a written notice to the Company informing the Company of their intention to implement such capital reduction. Upon receipt of the abovementioned notice from the Shareholders, the Company shall do all such acts (subject to applicable Law and any restrictions placed upon it by its creditors) as may be necessary to consummate the buy back at FMV within 30 (Thirty) days as more particularly described in clause 24.2 below.
- 24.2 The Company shall initiate the process of the buy-back of such number Shares from Shareholders as allowed under the applicable Law. The Company shall do all such acts and things as may be necessary, including but not limited to, the procurement of all Consents and regulatory approvals, to effect the buy-back and to ensure the payment to both the Shareholders within 30 (Thirty) days of the receipt of either of the Shareholders' notice pursuant to Clause 24.1 by the Company or, if later, 5 (Five) Business Days after the final determination of Fair Market Value, against receipt of the applicable share certificates (if any) and duly executed share transfer forms.
- 24.3 The Company shall consummate the buy back of Shares at FMV only upon receiving Shares from both Shareholders for the purpose of capital reduction.
- 24.4 The Company shall be responsible to complete any and/or all such acts as required under any applicable Law for the completion of buy back of Shares under this Clause 24 (*Capital Reduction*).

25 INDEMNIFICATION

- 25.1 SSL shall defend, protect and hold SCES and its Affiliates (and their respective directors, officers, employees, representatives, successors and assigns) ("SCES Indemnified Persons") harmless from and against all losses, claims, damages, proceedings, penalties, judgments, obligations, liabilities, liens, assessments, taxes, fines and expenses (including reasonable fees, disbursements and other charges of counsel), or erosion or dilution of value of the SCES Investment in the Company, (each of the above, a "**Loss**" and collectively, "**Losses**"), which may be incurred by the SCES Indemnified Persons and which result from or arise out of:
- (a) any misrepresentation in, inaccuracy or breach of any of the Company's Representations and Warranties or SSL's Representations and Warranties, or
 - (b) breach of any of the covenant, obligation or agreement as contained in this Agreement by the Company and/or SSL.
- 25.2 SSL's obligation for indemnification under Clause 25.1(a) of this Agreement shall, notwithstanding anything to the contrary contained in this Agreement, be subject to the following terms and conditions:
- 25.2.1 no indemnity shall be payable in respect of any single incident of Loss which is less than 5% (five percent.) in value of the SCES Investment (the "**De Minimus Loss**"), save that claims relating to a series of connected matters shall be aggregated for this purpose;
 - 25.2.2 the total aggregate amount that SSL shall be obliged to indemnify for the Losses under Clause 25.1(a), to the SCES Indemnified Persons shall not exceed an amount equivalent to the SCES Investment;
 - 25.2.3 No indemnity shall be payable unless SCES has notified prior to the Final Commissioning Date to SSL of the events or circumstances giving rise to the Loss for which such indemnification is claimed;
 - 25.2.4 The limitations stated in this Clause 25.2 shall not be applicable to any Loss suffered by an SCES Indemnified Person as a result of a fraud or reckless misconduct of SSL and/or the Company, or a breach of the Company's Representations and Warranties in Paragraphs 1 – 4 of Schedule III, or a breach of the SSL's Representations and Warranties in Paragraphs 1 -4 of Schedule IV. If any Third Party notifies any SCES Indemnified Persons with respect to any matter ("**Third Party Claim**") that may give rise to a claim or proceeding likely to trigger the indemnification obligation of SSL pursuant to Clause 25.1, or if any SCES Indemnified Person otherwise becomes aware of any matter that may give rise to such a Third Party Claim, then SCES shall, in order to maintain the right to bring a Third Party Claim against SSL pursuant to Clause 25.1:
 - (a) promptly notify in writing to SSL of the existence of such Third Party Claim and in no event later than 30 (Thirty) Business Days following the date on which the Third Party Claim has been brought to/comes to the SCES Indemnified Person's attention. Any such notice shall set forth with reasonable specificity the facts and circumstances of



which an SCES Indemnified Person has received notice and shall specify the basis hereunder upon which the SCES Indemnified Person's claim for indemnification is asserted and shall be accompanied with all relevant documents and particulars relating to the Third Party Claim to the extent available with SCES;

- (b) if SSL has agreed to contest the Third Party Claim and has not lost the right to contest pursuant to Clause 25.2.4(h), give SSL or its duly authorized representatives, access to the personnel of SCES Indemnified Persons and to any relevant premises, accounts, documents and records within their respective power, to enable SSL, or its duly authorized representatives, to examine such Third Party Claim, premises, accounts, documents and records and to take copies or photocopies thereof.
- (c) The Parties agree to cooperate in good faith in connection with any contest, defense, litigation, negotiation or settlement of any Third Party Claim.
- (d) If SSL acknowledges within 7 (Seven) Business Days of the notification of the Third Party Claim by SCES, in writing to SCES, that the Third Party Claim notified to SSL, constitutes a Loss that is indemnifiable under this Agreement, the right to contest, defend, litigate, negotiate or settle such Third Party Claim shall, at the expense of SSL, rest with SSL.
- (e) If SSL is contesting a Third Party Claim pursuant to Clause 25.2.4(d) above and has not lost the right to contest pursuant to Clause 25.2.4(h), no SCES Indemnified Person shall make any admission of liability in relation thereto, without obtaining the prior written consent of SSL.
- (f) Any SCES Indemnified Person however may, at its own cost, participate in, without controlling, any such contest, defense, litigation, negotiation or settlement, provided such contest, defense, litigation, negotiation or settlement is in consultation with SSL. But in the event SSL loses the right to contest, defend, litigate, negotiate or settle the Third Party Claim pursuant to Clause 25.2.4(h), then the SCES Indemnified Persons shall be entitled to reimbursement for such cost.
- (g) Unless SSL has lost the right to contest pursuant to Clause 25.2.4(h), no SCES Indemnified Person may enter into any settlement of a Third Party Claim without the prior written consent of SSL. No such consent shall be unreasonably withheld by SSL and/or the Company, who shall be deemed to have consented to any proposed settlement if they do not respond in writing within 7 (Seven) Business Days following a written request for such consent by SCES. In the absence of such consent (expressed or implied), the SCES Indemnified Person shall not be entitled to any indemnification by SSL with respect to the Third Party Claim in respect of which an unauthorized settlement has been entered into.

- (h) SSL will, notwithstanding anything to the contrary stated in this Agreement, lose the right to contest, defend, litigate, negotiate or settle any Third Party Claim if it fails to diligently contest the Third Party Claim or if it fails to notify SCES within 7 (seven) days of the receiving a notification of the Third Party Claim from SCES as set out in Clause 25.2.4(d).
- 25.3 Notwithstanding anything contained hereinabove, in the event that any Taxes are or become payable with respect to any indemnification payments made by SSL to SCES Indemnified Person, such payments shall be grossed up such that the SCES Indemnified Persons receives no less than the full amount payable by SSL on account of any Losses envisaged under this Clause 25 (*Indemnification*).
- 25.4 A claim for indemnification under, and subject to the terms and conditions of, this Clause 25 shall, save and except for the remedy under Clause 22.2.4, be the sole and exclusive remedy of any SCES Indemnified Person for any Loss attributable to the matter referred to in Clause 25.1(a). For Losses attributable to the matter referred to in Clause 25.1(b), the rights accorded to SCES Indemnified Persons in Clause 25 shall be in addition to any rights or remedies that SCES Indemnified Persons may have under Law, in equity or otherwise.
- 25.5 SSL shall have no liability for any Loss to the extent that the same would not have occurred but for (i) any change in Law made applicable with retrospective effect or (ii) any change in accounting or tax policy, basis or practice of the Company introduced after the First Closing Date.
- 25.6 Simultaneously with the SCES Indemnified Persons realizing a claim from SSL pursuant to the provisions of this Agreement in respect of which claim a separate cause of action also lies against a third party, the SCES Indemnified Persons shall at no cost to SSL in accordance with Law, assign their rights in relation to such cause of action or claim against such third party.
- 25.7 The SCES Indemnified Persons shall not be entitled to recover from SSL under this Agreement more than once in respect of the same damage suffered.
- 25.8 SSL shall not be liable for any indemnification under this Clause 25 if the failure or breach giving rise to such indemnification obligation is capable of remedy and SSL and/or the Company have in fact remedied, within 60 (Sixty) days of the SCES giving notice to SSL of such failure or breach; provided however SSL shall, subject to the other provisions of Clause 25, be liable for any Loss suffered by the SCES Indemnified Person prior to such remedy.
- 25.9 SSL shall not be liable for any remote, special, indirect or consequential damages and losses (including but not limited to loss of profits, loss of revenue, loss of use, loss of production, costs of capital or costs connected with the interruption of operation), regardless of the legal theory on which the claim is based. For the avoidance of doubt, the Parties agree that any erosion in value of the SCES Investment as a result of a breach of this Agreement by SSL will not be regarded as a remote, special, indirect or consequential loss or damage.
- 25.10 SSL shall not be liable in respect of any claim to the extent that any Losses arising from such claim are covered by a policy of insurance in force on the date of this Agreement and to the extent payment in respect of the same is made by the insurer and received by the SCES

Indemnified Persons or would have been made if the SCES Indemnified Persons was entitled to make a valid claim under such policy and if such a claim had been submitted under such policy.

- 25.11 SSL shall not be liable to pay any indemnification in connection with any Third Party Claim until such claim is actually paid by an SCES Indemnified Person. If SSL pays an amount in discharge of any indemnification obligation pursuant to Clause 25.1, and an SCES Indemnified Person subsequently recovers (whether by payment, discount, credit, relief or otherwise) from a Third Party a sum which is referable to the subject matter of the indemnification obligation, the Indemnified Person shall pay to SSL:
- (a) an amount equal to the sum recovered from the Third Party, less any reasonable out-of-pocket costs and expenses incurred by the SCES Indemnified Persons in recovering the same; or
 - (b) if the figure resulting under Clause 25.11(a) above is greater than the amount paid by SSL to the SCES Indemnified Persons in respect of the Loss, such lesser amount as shall have been so paid by SSL and/or the Company.
- 25.12 A SCES Indemnified Person shall take all reasonable steps to avoid or mitigate any Losses to the extent possible, which in the absence of mitigation might give rise to an indemnifiable claim under this Agreement.
- 25.13 SCES shall indemnify, defend, protect and hold, SSL and its Affiliates (and their respective directors, officers, employees, representatives, successors and assigns) ("SSL Indemnified Persons") harmless from and against any and all Losses suffered or incurred by any SSL Indemnified Persons and which arise out of or result from or are connected with any breach by SCES of its covenant, obligation or agreement as contained in this Agreement. The benefits and restrictions contained in Clauses 25.3, 25.5(i), 25.7, 25.8, 25.9, 25.10, and 25.12 shall apply to any indemnification by SCES to an SSL Indemnified Person and the reference to SSL and SCES Indemnified Person shall apply mutates mutandis to Clause 25.13.

26 NEGOTIATION, ARBITRATION AND GOVERNING LAW

26.1 Negotiation in case of dispute

- 26.1.1 In the event of any dispute, difference, claim or question (other than a dispute at the Board level, which shall be resolved by the Deadlock Resolution as set out in Schedule VII), ("Dispute") at any time arising between SSL and SCES (each a "Disputing Party" and together the "Disputing Parties") in relation to or arising out of this Agreement, such Dispute shall upon the written request ("Request") of any Disputing Party served on the other, be first referred to a "Mediating Committee". The Mediating Committee shall comprise of 1 (One) member nominated by SSL and 1 (One) member nominated by SCES. The Mediating Committee shall promptly meet and attempt to negotiate in good faith a resolution of the Dispute. A matter in relation to the Dispute shall not be deemed to be approved by the Mediating Committee unless the same is approved by both members of the Mediating Committee. In the event that the Mediating Committee fails to reach an amicable resolution within 30 (Thirty) days after service by a Disputing Party of a Request, then the Dispute shall be resolved in accordance with the provisions of Clause 26.2 (*Arbitration*) below. The Parties

agree that the arbitral proceedings shall be deemed to have commenced from the date of reference of the Dispute to the Mediating Committee as above.

26.2 Arbitration

26.2.1 In the event that the Mediating Committee fails to reach an amicable resolution of a Dispute within 30 (Thirty) days from the date of service of the Request as provided in Clause 26.1 (*Negotiation in case of dispute*) above, the Dispute shall be finally settled through arbitration under the London Court of International Arbitration. The arbitration tribunal shall comprise of 3 (Three) arbitrators: 1 (One) appointed by SSL, 1 (One) appointed by SCES, and 1 (One) (the presiding arbitrator) appointed jointly by the 2 (Two) arbitrators so appointed by SSL and SCES. The seat, or legal place, of arbitration shall be New Delhi, India. The language to be used in the arbitration shall be English. The award shall be final, conclusive and binding upon the Parties, and the Parties agree to be bound by the same. The successful Party may seek to enforce the award before a court having appropriate jurisdiction. The Parties hereto agree that the cost of arbitration proceeding including fees of arbitrator(s) shall be borne equally by the Parties, unless otherwise decided by the arbitrator.

26.3 Governing Law & Jurisdiction

This Agreement shall be governed by the Laws of India, and, subject to Clauses 22.1 (*Term*) and 22.2 (*Termination Events*) above, the courts at Delhi shall have the exclusive jurisdiction over any matter relating to, in connection with, or arising out of, this Agreement.

27 MISCELLANEOUS

27.1 Notice

27.1.1 All notices, documents or communications under this Agreement shall be written in English and shall be sent by hand delivery, registered post with postage fully prepaid and with acknowledgment due, receipted courier, by facsimile transmission or by electronic mail to the applicable Party ("Notice") at the contact details indicated below or to such other address or facsimile number as a Party shall designate by similarly giving notice to the other Party:

If sent to **Simbhaoli Sugars Limited**
Address: C 11, Connaught Place
 New Delhi-110001
 India
Attention: Dr. G. S. C. Rao
Facsimile: +91 11 23413088

Email: gscrao@simbhaolisugars.com

If sent to **Sindicatum Captive Energy Singapore Pte. Limited**
Address: 391B Orchard Road, Ngee Ann City Tower B, Singapore,
 238874

Attention: The Directors



Facsimile: +65 6732 9767
Email: Michael.Boardman@sindicatum.com

If sent to **Simbhaoli Power Limited**
Address: Simbhaoli, Ghaziabad-245207

Attention: Mr. A.P. Singh
Facsimile: +91 (0)11-23413088
Email: apsinghsingh@yahoo.co.in

27.1.2 Notice given under Clause 27.1.1 shall be deemed to have been received:

- (a) if delivered personally, on the day of delivery;
- (b) if sent by courier, on the day of delivery;
- (c) 5 (Five) Business Days after posting if transmitted by registered post (including airmail);
- (d) if sent by fax, on the day of transmission of the fax;
- (e) if sent by electronic mail, on the day of transmission of the mail ,

whichever shall first occur.

27.2 Waiver

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision. Any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any right under or arising out of this Agreement or of the subsequent breach, or acquiescence to or recognition of rights other than as expressly stipulated in this Agreement.

27.3 Cumulative Rights

All remedies of any Party under this Agreement, whether provided herein or conferred by statute, civil law, common law, custom, trade, or usage, are, save and except as otherwise provided in this Agreement, cumulative and not alternative and may be enforced successively or concurrently.

27.4 Partial Invalidity

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of any Law

or regulation or Government policy, the remainder of this Agreement and the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision.

27.5 Amendments

No modification or amendment to this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by all Parties.

27.6 Costs

Each Party shall bear its own costs and expenses in connection with the preparation, negotiation, execution and delivery of the Agreement. Except as otherwise stated in this Agreement, all other expenses and costs, including stamp duty, if applicable, shall be borne by both Shareholders in proportion to their respective shareholding in the Company. .

27.7 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall, upon its execution as herein by the Parties be deemed an original and all of which together shall constitute one instrument.

27.8 Survival of Rights and Obligations

The provisions of Clause 10 (*Representations and Warranties*), Clause 20 (*Non-Compete*), Clause 21 (*Confidentiality*), Clause 22.3 (*Option to Purchase and Sell*), Clause 26.2 and 26.3 (*Arbitration and Governing Law*), Clause 27.1 (*Notice*), and Clause 25 (*Indemnification*) shall survive any termination of this Agreement.

27.9 Restriction on Assignment and Change in Control

- (a) The obligations, rights, title, benefits or entitlements of any Party under this Agreement shall not be assigned by the Party or, by any Person deriving any right, title or benefit through Party, to any third party, without prior written consent of all the other Parties hereto.
- (b) In case of change in Control of a Shareholder, such Shareholder is required to notify the other Parties of such change of Control within 14 (Fourteen) days from the date of such change or knowledge of such change, whichever is earlier. Failure of any Party to comply with this condition shall be deemed to be a material breach of this Agreement and shall thereby entitle the other Parties to rights and remedies available to it under Law and under Clause 22.3 (*Option to Purchase and Sell*) of this Agreement.

27.10 Force Majeure

For the purposes of this Agreement an event of Force Majeure shall mean an event beyond the control of the concerned Party, including without limitation riots, cyclone, fire, floods, earthquake, storm, terrorist activities, war, act of God, theft of goods in transit, civil disturbance of any nature whatsoever, any Governmental or municipal action, or any other event analogous to the foregoing. No Party shall be liable for non-performance or delay in performance of any obligation stipulated in this Agreement if such non-performance or delay is caused by an event of Force Majeure that materially impairs the ability of the affected Party to perform its obligations under this Agreement. The Party affected shall give prompt notice (together with any notice or information it has received regarding the Force Majeure event) and its likely duration to the other Party advising of the occurrence and effects of the event of Force Majeure and shall use all reasonable efforts to minimize any adverse consequences resulting from the event of Force Majeure.

27.11 Further Assurances and Good Faith

27.11.1 Each of the Parties undertakes with each of the others to utilize their best efforts to ensure that the provisions as well as the spirit and intent of this Agreement are followed as fully and as consistently as possible and to act reasonably and in good faith towards each other in the exercise of their rights and in the discharge of their obligations hereunder with regard to the objectives of the Company as set out in the Business Plan.

27.11.2 Each of the Shareholders undertakes with each other(s) to ensure (a) that they, their representatives and their proxies representing them at the general meetings of the shareholders of the Company shall at all times exercise their votes, and (b) that they through their respective nominee Directors (or alternate directors) at Board meetings and otherwise, act in such manner so as to (i) comply with, and to fully and effectually implement the spirit, intent, objectives and provisions of this Agreement and (ii) ensure (so far as they are able) that the Company fully and promptly observes, performs and complies with its obligations under this Agreement.

27.12 Entire Agreement

This Agreement, together with the other agreements referred to in this Agreement and required to be entered into pursuant to this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all or any prior negotiations, representations, or agreements, either written or oral. In the event of any conflict, the provisions of this Agreement shall override the provisions of any other agreements.

27.13 Consistency of Memorandum and Articles of the Company with the Agreement

The Memorandum of Association and Articles of Association of the Company shall be made and executed in form and substance fully consistent with the provisions of this Agreement and shall incorporate the terms of this Agreement to the extent that such provisions may legally be provided for in the Memorandum of Association and Articles of Association. If any discrepancy is found between this Agreement and the Articles of Association, the Shareholders, as far as legally possible, shall amend the Memorandum of Association and

Articles of Association to bring the same in conformity with this Agreement. It is expressly agreed that whether or not the Memorandum of Association and Articles of Association fully incorporate and reflect the rights and obligations of the Parties specified herein, or any of them, the rights and obligations of the Parties shall, subject to applicable Laws, be governed by this Agreement, which shall, as between the Parties, prevail in the event of any inconsistency between the two.

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IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement on the day and year first above written.

For and on behalf of Simbhaoli Sugars Limited

Title: DEPUTY MANAGING DIRECTOR
Name: GURPAL SINGH

For and on behalf of Sindicatum Captive Energy Singapore Pte. Limited

Title: DIRECTOR
Name: MICHAEL BOARDMAN

For and on behalf of Simbhaoli Power Limited

Title: DIRECTOR
Name: G S C RAO

WITNESSES.

1.

SANJAY TAPRIYA.

SCHEDULE I
DETAILS OF THE EXPANSION PROJECT

Sugar Plant	Existing Capacities (mwh)	Project Rated Power (mwh)	Capacity Post Expansion (mwh)	Value of existing Power Assets (Rs. in mn)	Cost of Expansion (Rs. in mn.)*
Simbhaoli	32	18	50	74.9	119.0
Chilwaria	20	15	35	85.0	126.0
Brijnathpur	8	22**	30	36.0	62.0
Total Project Cost	60	55	115	195.9	307.0

*Cost of Project will be modified based upon the total project cost appraisal by the Senior Lenders.

** including 4 mw of expanded capacity which will be carried out in 2013-14. The Commissioning and Final Commissioning Dates are to be considered excluding this generation capacity.

Total Project Cost as on Effective Date: Rs. 307 million

SCHEDULE II
SHAREHOLDING STRUCTURE

Part A

Proposed Shareholding upon First Closing

S.no.	Name of Shareholder	No. of Shares	%Shareholding
1	Simbhaoli Sugars Limited	8,846,939	51%
2	Sindicatum Captive Energy Singapore Pte. Limited	8,500,000	49%
3	Gremella Shesha Chalpati Rao	10	Negligible
4	Sanjay Tapriya	10	Negligible
5	Amrendra Prasad Singh	10	Negligible
6	Kamal Samtani	10	Negligible
7	Harmeet Kaur	10	Negligible
8	Amit Agarwal	10	Negligible
Total		17,346,990	100

Part B

Proposed Shareholding upon Second Closing

S.no.	Name of Shareholder	%Shareholding
1	Simbhaoli Sugars Limited	51%
2	Sindicatum Captive Energy Singapore Pte. Limited	49%
Total		100

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AM

SCHEDULE III
COMPANY'S REPRESENTATIONS AND WARRANTIES

The Company and SSL jointly and severally represent and warrant to SCES that, except as set forth in the Company Disclosure Letter the following statements are all true and correct.

The representations, warranties and statements made by the Company and SSL in Clause 10 and Schedule III of this Agreement and in the certificates given or delivered by them to SCES pursuant to this Agreement, as modified by the Company Disclosure Letter and any information delivered by or on behalf of the Company, do not, either individually or when taken together, contain any untrue statement of a material fact, and do not omit to state a material fact required to be stated therein or necessary in order to make such representations, warranties and statements not misleading in light of the circumstances in which they were made or delivered.

For the purpose of this **Schedule III**, "Knowledge" of the Company shall mean such knowledge, information, or awareness of the Key Management Team, and the Board of Directors of the Company as on the Effective Date, in the course of its Business after exercising reasonable degree of care in the exercise of their duties or the conduct of Business of the Company and after due inquiry of the employees and/or consultants of the Company materially involved with respect to the matter in question.

The Company and SSL hereby jointly and severally represent and warrant to SCES, as of the Effective Date and the First Closing Date, as herein below, except where expressly set forth to be an exception to the representations and warranties made hereunder:

1 AUTHORITY AND CAPACITY

- 1.1 The Company has all requisite corporate power, capacity and authority to carry on its business as now conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure so to qualify would have a Material Adverse Effect on its Business or properties.
- 1.2 There has been no Material Adverse Effect on the Business and its operations and there is no action or investigation or other proceedings of any nature whatsoever, by any Government authority or any other Person pending, or to the Knowledge of the Company, threatened, which would restrain, prohibit or otherwise challenge the Transaction or would be likely to have a Material Adverse Effect on the Business and its operations.
- 1.3 None of the written materials provided by the Company to SCES contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of circumstances under which they are made, not misleading, except that with respect to assumptions, projections and expressions of opinion or predictions contained in such written materials, the Company represents only that (a) to the Knowledge of the Company, the assumptions are described in reasonable detail therein, and (b) to the Knowledge of the Company, such assumptions are reasonable given the operations of the Company to date, the current state of the economy and the existing assets, liabilities, sources of capital and other business factors involving the Company.

A photograph of two handwritten signatures. The signature on the left appears to be "G. T. M." and the signature on the right appears to be "C." Both signatures are in black ink and are somewhat stylized.

- 1.4 There are no other commitments / contracts entered into by the Company or by which the Company may be bound, which may be in breach of the terms of the Transaction Documents or its obligations thereunder, or under which the execution, delivery and performance of this Agreement, the other Transaction Documents and/or the Transaction may (a) constitute a breach or default, (b) confer upon any Party the right to terminate amend, modify or suspend performance of, or accelerate any obligation or withhold any material benefit under, the contract, or (c) result in the creation of any Encumbrance upon the assets of the Company.
- 1.5 No insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Company is pending or threatened, and nor has the Company made any assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for, the institution of such insolvency proceedings.
- 1.6 Except for this Agreement and/or any other Transaction Document, there are no contracts, agreements or arrangements to which the Company is a party with respect to the voting, with respect to any Shares or other securities of the Company.

2. CORPORATE MATTERS

- 2.1 The authorized capital of the Company consists, immediately prior to the First Closing, of 50,000 (Fifty Thousand) equity Shares of INR 10 (Rupees Ten Only) each, which are issued and paid-up immediately prior to the First Closing. All the above equity Shares were issued in compliance with all applicable Laws.
- 2.2 Other than as contemplated by this Agreement, there are no outstanding options, warrants, rights (including conversion or pre-emptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, with any Person in respect of the Shares of the Company. To its Knowledge, no shareholder of the Company has entered into any agreements with respect to the voting of the Shares of the Company.
- 2.3 Neither the offer nor the issuance or transfer of the Shares constitutes or shall constitute an event, under any convertible security or any anti-dilution or similar provision of any agreement or instrument to which the Company is a party or by which it is bound or affected, which shall either increase the number of Shares issuable upon conversion of any securities or upon exercise of any warrant or right to subscribe to or purchase any Shares or similar security, or decrease the consideration per share to be received by the Company upon such conversion or exercise.
- 2.4 The copies of the Memorandum, the Articles and any other charter documents of the Company (the “**Charter Documents**”) have been delivered to SCES and are true and complete copies, and the Company has complied with all the provisions of the Charter Documents and in particular, and has not entered into any *ultra vires* transaction. All legal and procedural requirements under the Companies Act and the Charter Documents have been duly complied with.

A handwritten signature consisting of the number '6' followed by 'MPC' and a stylized surname.

- 2.5 Other than the Shares issued to the existing shareholders, there are no stock options granted and outstanding, warrants issued and outstanding, outstanding rights or agreements or schemes for the subscription or purchase from the Company of any Shares in the capital stock of the Company or any securities convertible into or ultimately exchangeable or exercisable for any Shares of the Company and no Shares are subject to any pre-emptive rights, rights of first refusal or other rights pursuant to any existing agreement or commitment of the Company.
- 2.6 The Company has maintained all the statutory registers and books prescribed under the Companies Act, including the minute books of the Company, and such registers and books have been properly and accurately maintained and written up to date in all material respects and contain full and accurate records of all resolutions passed by the Directors and the Shareholders of the Company. All such documents are in the possession or under the control of or accessible to the Company. The Company has also promptly and duly made all requisite filings with the Registrar of Companies with respect to various corporate matters as required under the Companies Act and the rules made thereunder.
- 2.7 The Board of the Company is duly elected and validly appointed as per the provisions of the Companies Act and the Charter Documents and none of the Directors are disqualified to continue as directors under any applicable Laws.
- 2.8 The Company has complied and is complying with all material requirements of the Companies Act and its Charter Documents for validly conducting the meetings of the Board and its members and has duly reflected the proceedings of the meetings in the respective minutes.

3. SUBSIDIARIES

- 3.1 The Company does not currently own or control, directly or indirectly, any interest in any other corporation, association or other business entity. Save and except for this Agreement, the Company is not a participant in any joint venture, partnership or similar arrangement.

4. VALID ISSUANCE OF SHARES

- 4.1 The Shares to be issued under this Agreement have been duly authorized by all necessary corporate action and all necessary consents, approvals, orders, authorizations, or registrations required to be obtained by the Company for such issue shall have been obtained and will be in full force and effect. The Company will ensure that it has adequate and appropriate authorized capital to issue the Shares to be issued under this Agreement.
- 4.2 The Shares that are being issued to the Parties hereunder, when issued, allotted and delivered in accordance with the terms hereof for the consideration expressed herein, shall be duly and validly issued, fully paid and free of restrictions on transfer, other than restrictions on transfer set forth in this Agreement and shall have the rights and privileges described in the Articles.

5. INTELLECTUAL PROPERTY



- 5.1 The Company does not own or possess any Intellectual Property other than standard end-user, internal-use software license and support/maintenance agreements. The Company confirms that the conduct of its business operations and usage of any trademarks, service marks, trade names, copyrights in relation to such business operations, does not violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets or other proprietary rights or processes of any other person or entity.
- 5.2 The brand name "Simshaoli" and the trademark used by the Company are registered in the name of SSL. The Company confirms that the Company and SSL have not entered into any license agreement for the usage of the intellectual property and the usage of the intellectual property is not in violation of any Law.
- 5.3 The Company does not have any obligation to compensate any Person for the use of any Intellectual Property. The Company has not entered into any agreement to indemnify any Person against any claim of infringement or misappropriation of any Intellectual Property; and there are no settlements, covenants not to sue, consents, judgments, orders or similar obligations that restrict the rights of SSL and/or the Company to use any Intellectual Property.

6. TAXATION MATTERS

- 6.1 No tax authority has issued any tax related notice or is asserting or threatening to assert against the Company, any deficiency in payment or claim for additional or unpaid taxes. The Company neither has any liability for taxes, nor any material outstanding claim for taxes, whether assessed or contingent.

7. LITIGATION MATTERS

- 7.1 There is no litigation or governmental or administrative proceeding or investigation pending or, to the Knowledge of the Company, threatened against the Company, or affecting the properties or assets of the Company, or, as to matters related to the Company, nor, to the Knowledge of the Company, has there occurred any event nor does there exist any condition on the basis of which any such claim may be asserted.
- 7.2 No order has been made, petition presented, resolution passed or meeting convened for the winding up (or other process whereby the business is terminated or a substantial part of the assets of the Company are distributed amongst its creditors and/or shareholders or other contributories) of Company and there are no cases or proceedings under any applicable insolvency, reorganization, or similar laws concerning the Company.
- 7.3 The Company has not committed:
 - (i) any criminal or unlawful act involving dishonesty;
 - (ii) any breach of trust; or
 - (iii) any material breach of contract or statutory duty or any tortious act;

A handwritten signature consisting of stylized initials and a surname, appearing to read "G. P. W." followed by a long, sweeping flourish.

which could entitle any Person to initiate legal proceedings against the Company or its Directors, which could result in either a Material Adverse Effect, or in significant reputational damage to the Company.

8. INSURANCE

- 8.1 The Company does not have any valid and existing insurance policy with respect to its Business or assets.

9. BORROWINGS

- 9.1 Except for the borrowings set out in the Company Disclosure Letter, there are no borrowings (including any outstanding obligations for the repayment of money), whether present or future, actual or contingent, or charges, Encumbrances or other security interests on the assets, whether tangible or intangible, (excluding statutory liens) of the Company.

10. ENVIRONMENTAL LAWS

- 10.1 The Company does not carry on any operational business requiring the Company to obtain the required environmental approvals and permits, and be in compliance with the terms and conditions thereof.
- 10.2 The Company does not, in the course of its business, use dispose of any hazardous chemicals or waste.

11. APPROVALS

- 11.1 The Company has all Approvals necessary for the conduct of its business as currently conducted.
- 11.2 The Company has not been restricted nor to its Knowledge, would the Company be in violation of any Law, to apply for the Approvals required for the Business.

12. OPERATIONS

- 12.1 The Company does not carry on any operational business.

13. EMPLOYEES

- 13.1 The Company does not have any employees and, is not required to comply with any obligations under the applicable labour Laws and other Laws relating to employees, including but not limited to, the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970, Employees' State Insurance Act, 1948, and the Payment of Minimum Wages Act, 1948. Further, the Company has not entered into any collective bargaining agreements, arrangements and other similar understanding with any trade union, staff association or other body representing the employees of the Company nor has any labour union requested or sought to represent any employees, representatives or agents of the Company.

A handwritten signature in black ink, appearing to read "G. A.", is positioned at the bottom right of the page.

14. ASSETS

- 14.1 The Company does not own or has leased any asset, including but not limited to land, building, plants and machineries and such other fixed and movable assets.

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W

SCHEDULE IV
SSL'S REPRESENTATIONS AND WARRANTIES

SSL represents and warrants to SCES that, as of the date hereof, and except as set forth in the SSL Disclosure Letter the following statements are all true and correct.

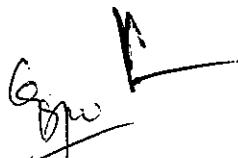
The representations, warranties and statements made by SSL in Clause 10, Schedule III, and Schedule IV of this Agreement and in certificates given or delivered by it to SCES pursuant to this Agreement, as modified by the SSL Disclosure Letter and any information delivered by or on behalf of the Company, do not, either individually or when taken together, contain any untrue statement of a material fact, and do not omit to state a material fact required to be stated therein or necessary in order to make such representations, warranties and statements not misleading in light of the circumstances in which they were made or delivered.

For the purpose of this **Schedule IV**, "Knowledge" of SSL shall mean such knowledge, information, or awareness of the Key Management Team and the board of directors of SSL in the course of its business as on the Effective Date, after exercising reasonable degree of care in the exercise of their duties or the conduct of Business of the Company and after due inquiry of the employees and/or consultants of the Company materially involved with respect to the matter in question andfor the purposes of this **Schedule IV**, the term "**Business**" shall mean SSL's business of generating power through the Power Undertakings and selling Power thereof to UPPCL.

SSL hereby represents and warrants to SCES, as of the Effective Date and as of the First Closing Date as herein below, except where expressly set forth to be an exception to the representations and warranties made hereunder:

1. AUTHORITY AND CAPACITY

- 1.1 SSL has the corporate power and authority to own and operate its assets and properties and to carry on its Business in the same manner as it is currently conducted.
- 1.2 There has been no material adverse effect on SSL's Business and its operations and there is no action or investigation or other proceedings of any nature whatsoever, by any Government authority or any other Person pending, or to the Knowledge of SSL, threatened, which would restrain, prohibit or otherwise challenge the Transaction or would be likely to have a material adverse effect on SSL's Business and its operations.
- 1.3 None of the written materials provided by SSL to the SCES contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of circumstances under which they are made, not misleading, except that with respect to assumptions, projections and expressions of opinion or predictions contained in such written materials, SSL represent only that (i) to the Knowledge of SSL, the assumptions are described in reasonable detail therein, and (ii) to the Knowledge of SSL, such assumptions are reasonable given the operations of the Company and SSL to date, the current state of the economy and the existing assets, liabilities, sources of capital and other business factors involving SSL.



- 1.4 There are no other commitments / contracts entered into by SSL or by which SSL or any of such SSL's assets are bound, which may be in breach of the terms of the Transaction Documents or its obligations thereunder, or under which the execution, delivery and performance of this Agreement, the other Transaction Documents and/or the Transaction may (a) constitute a breach or default, (b) confer upon any Party the right to terminate amend, modify or suspend performance of, or accelerate any obligation or withhold any material benefit under, the contract, or (c) result in the creation of any Encumbrance upon the Power Undertakings.
- 1.5 Except as disclosed in the SSL Disclosure Letter, no insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting SSL, is pending or threatened to it, and nor has SSL made any assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for, the institution of such insolvency proceedings.
- 1.6 Except for the Transaction Documents, there are no contracts, agreements or arrangements to which SSL is a party with respect to any Shares or other securities of the Company held by SSL.

2. CORPORATE MATTERS

- 2.1 The copies of the Memorandum, the Articles and any other charter documents of SSL (the "Charter Documents") have been delivered to the SCES and are true and complete copies, and SSL has complied with all the provisions of the Charter Documents and in particular, and has not entered into any *ultra vires* transaction with respect to the Business, the operations and/or the Power Undertakings. All legal and procedural requirements with respect to the Business, the operations and/or the Power Undertakings under the Act and the Charter Documents have been duly complied with.

3. SUBSIDIARIES

- 3.1 Except as disclosed in the SSL Disclosure Letter, SSL does not currently own or control, directly or indirectly, any interest in any other corporation, association or other business entity. Save and except for this Agreement, SSL is not a participant in any joint venture, partnership or similar arrangement.

4. BORROWINGS

- 4.1 Except as disclosed in the SSL Disclosure Letter, there are no borrowings (including any outstanding obligations for the repayment of money), whether present or future, actual or contingent, or charges, Encumbrances or other security interests (excluding statutory liens) of SSL with respect to the Business, the operations and/or the Power Undertakings.
- 4.2 Except as disclosed in the SSL Disclosure Letter, there are no Encumbrances against any of the properties, whether tangible, intangible or real, of the SSL with respect to the Business, the operations and/or the Power Undertakings.

A handwritten signature consisting of stylized initials and a surname, appearing to read "C. J. [Signature]".

4.3 Except as disclosed in the SSL Disclosure Letter, SSL has complied with all the covenants issued by the banks and no penal action has been initiated against SSL with respect to the Business, the operations and/or the Power Undertakings by any bank.

5. TAXATION MATTERS

5.1 Except as disclosed in the SSL Disclosure Letter, SSL has filed, for the financial years, 2007-2008, 2008-2009, 2009-2010, 2010-2011, in each case within the legally prescribed time, all tax returns with respect to taxes and other statutory dues, if any, required to be filed by it and all such returns or filings are true and correct in all respects. All taxation of any nature whatsoever for which SSL is liable or for which SSL is liable to account (whether or not shown or required to be shown on any tax return), has been fully paid (in so far as such taxes ought to have been paid).

5.2 Except as disclosed in the SSL Disclosure Letter, neither the income-tax authorities nor any other taxation authority has issued any tax related notice or is now asserting or threatening to assert against SSL, any deficiency in payment or claim for additional or unpaid taxes. All records which SSL is required to keep for taxation purposes or which would be needed to substantiate any claim made or position taken in relation to taxation by SSL, have been duly kept and are available for inspection at the SSL's premises.

5.3 SSL neither has any liability for taxes, nor any material outstanding claim for taxes, whether assessed or contingent. No taxation, fiscal or other Governmental authority is at present conducting or, to the Knowledge of SSL, is expected to conduct, any investigation, re-assessment proceedings or any such proceedings on SSL in relation to tax, which can have an adverse effect for the Company.

5.4 Except as disclosed in the SSL Disclosure Letter, SSL has paid the correct amount of taxes under the applicable Law.

5.5 SSL has not and has never had a permanent establishment within the meaning of any applicable tax treaty or convention or otherwise become subject to tax in any country other than India.

6. LEGAL /LITIGATION MATTERS

6.1 Except as disclosed in the SSL Disclosure Letter, there is no litigation or Government or administrative proceeding or investigation pending or, to the Knowledge of SSL, threatened against SSL or affecting any properties or assets of SSL with respect to the Business, the operations and/or the Power Undertakings or the Power Undertakings, that is reasonably likely, either individually or in the aggregate, to delay the ability of the Parties to consummate the Transaction or the other transactions contemplated by this Agreement, nor, to the Knowledge of SSL, has there occurred any event nor does there exist any condition on the basis of which any such claim may be asserted.

6.2 Except as disclosed in the SSL Disclosure Letter, no order has been made, petition presented, resolution passed or meeting convened for the winding up (or other process whereby SSL's business is terminated or a substantial part of the assets of the SSL are distributed amongst its



creditors and/or shareholders or other contributors) of SSL and there are no cases or proceedings under any applicable insolvency, reorganization, or similar Laws concerning SSL.

6.3 SSL has not, in connection with the Business, committed:

- (i) any criminal or unlawful act involving dishonesty;
- (ii) any breach of trust; or
- (iii) any material breach of contract or statutory duty or any tortious act,

which could entitle any Person to terminate any material contract relating to the Business to which SSL is a party, or initiate legal proceedings against SSL or its directors, or which could result in either a Material Adverse Effect or in significant reputational damage to SSL.

7. CONTRACTUAL ARRANGEMENTS

- 7.1 The SSL Disclosure Letter lists out all the subsisting power purchase agreements, entered between SSL and the state electricity grid in connection with the Power Undertakings (the "Existing Power Purchase Agreements").
- 7.2 Save for the Existing Power Purchase Agreements, SSL is not party to or bound by any contract, with respect to any power generated by the Power Undertakings.
- 7.3 SSL has, in connection with SSL's Business, not been a party to any agreement, arrangement or practice which in whole or in part contravenes or is invalidated by any restrictive trade practices, fair trading, consumer protection or similar laws or regulations under the relevant jurisdiction or in respect of which any filing, registration or notification is required pursuant to such laws or regulations (whether or not the same has in fact been made).
- 7.4 SSL has avoided every condition, and has not performed any act, the occurrence of which would result in the SSL's loss of any right granted under any Approval, Existing Power Purchase Agreement or other agreement relating to the Business.
- 7.5 Except as required by Transaction Documents, there are no transactions, agreements, arrangements or other forms of relationships between the Company and SSL or any of their Affiliates. No shareholder, director, officer or employee of SSL, or to the Knowledge of SSL, any of their Relatives, owns directly or indirectly, on an individual or joint basis, any interest in, or serves as an officer or director or in another similar capacity of, any competitor, customer of SSL, or any organization which has a material contract or arrangement with SSL with respect to the Business, the operations and/or the Power Undertakings.

8. EMPLOYEES, DIRECTORS

- 8.1 SSL is in material compliance with all obligations under the applicable labour Laws and other Laws relating to employees with respect to the Business, the operations and/or the Power Undertakings, including but not limited to, the Payment of Bonus Act, 1965, Contract Labour



(Regulation And Abolition) Act, 1970, Employees' State Insurance Act, 1948, and the Payment of Minimum Wages Act, 1948, in relation to their employees and labour employed at each of their Power Undertakings. Except as disclosed in the SSL Disclosure Letter, SSL has not entered into any collective bargaining agreements, arrangements and other similar understanding with any trade union, staff association or other body representing the employees of the SSL nor has any labour union requested or sought to represent any employees, representatives or agents of SSL. There have not been, at any time in the past 5 (five) years, any strike or other labour dispute involving SSL, and neither is such strike or similar action pending.

- 8.2 None of the employees of SSL are in breach of their respective employment contracts or any terms by which any such Person may have been seconded to SSL with respect to the Business, the operations and/or the Power Undertakings.
- 8.3 To the Knowledge of the SSL, none of the its employees are obligated under any contract or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with the use of his/her efforts to promote the interests of SSL and/or the Company or that would conflict with the SSL's business as currently conducted or with the Company's business upon the completion of the Transaction. Neither the execution nor delivery of this Agreement, nor the carrying on of SSL's business by the employees of SSL, nor the conduct of the SSL's business as presently conducted, will, to the Knowledge of SSL, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is obligated.

9. ENVIRONMENTAL LAWS

- 9.1 SSL is in material compliance with all applicable Law relating to the environment or occupational health and safety, and to the Knowledge of SSL, no material expenditures are or will be required in order to comply with any such existing applicable Law for running SSL's Business and/or the Power Undertakings.
- 9.2 Except as disclosed in the SSL Disclosure Letter, no environmental authority has issued any notice or is now asserting or threatening to assert against SSL, any matters in relation to any non compliance and/or negligence with respect to the Business, the operations and/or the Power Undertakings.
- 9.3 SSL have obtained all necessary environmental clearances with respect to SSL's Business.
- 9.4 To the best of the SSL's Knowledge, the Business and its operations have not been nor are the subject of any remedial order which mandatorily requires SSL to reduce, modify or eliminate any release made by it into the environment nor is there any circumstances which could result in the issuance of any such remedial order.
- 9.5 SSL has not been prosecuted for or convicted for any offence under the applicable environmental Laws with respect to the Business, the operations and/or the Power Undertakings.

A handwritten signature consisting of the initials "G.J.M." followed by a stylized surname.

9.6 Except as disclosed in the SSL Disclosure Letter, SSL does not, in the course of SSL's Business, use or dispose of any hazardous chemicals or waste.

10. APPROVALS

10.1 SSL has all Approvals necessary for the conduct of its Business as currently conducted.

10.2 SSL has been able to receive all Approvals under the applicable Law required to operate its business. There have been no notifications from any Governmental authority or any Law, restricting SSL to apply for the Approvals required to operate its business.

11. OPERATIONS

11.1 There has been no damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the Power Undertakings, the Business, or its operations.

11.2 There has been no termination of any material contracts, Existing Power Purchase Agreements or arrangements including those pertaining to the SSL's ongoing Business and SSL has not received any notice of any action or investigation or other proceedings of any nature whatsoever, by any Governmental Authority which would restrain, prohibit or otherwise challenge or impede the Transaction or would or would be likely to materially impede the operation and growth of the Business and its operations.

11.3 SSL has been operating in the ordinary course of business consistent with its past practices which include pricing, trade discounts and other similar or related expenses.

12. ASSETS

12.1 Except as disclosed in the SSL Disclosure Letter, SSL has complete and absolute ownership over the Power Undertakings, which are the absolute property of SSL and are not subject to any Encumbrance.

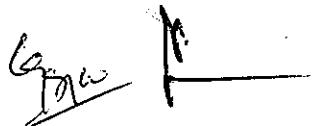
12.2 All assets being transferred to the Company under the Power Undertaking Transfer are laid down in Schedule I of each of the Business Transfer Agreements (collectively "Assets").

12.3 Except as disclosed in the SSL Disclosure Letter, SSL has not given any rights to any third parties with respect to any of the Assets.

12.4 Except as disclosed in the SSL Disclosure Letter, all the Assets are free from Encumbrance and in to SSL's Knowledge, in good working condition.

13. INTELLECTUAL PROPERTY RIGHT

13.1 Other than the trademark 'Simbhaoli' and logo 'Simbhaoli Sugars' registered in the name of SSL, SSL has no trademarks. SSL has neither assigned/transferred these marks to any other entity, nor any steps have been taken to do so, and all rights attached to these marks have been reserved to SSL under the provisions of applicable trademark laws.

A handwritten signature in black ink, appearing to read "Layne". It is positioned at the bottom right of the page, below the final section header.

14. INSURANCE

- 14.1 Except as disclosed in the SSL Disclosure Letter, all the Power Undertakings, have been and are insured to the full replacement value less depreciation thereof against fire, riots, explosions, lightning, floods, storm, cyclone, burglary (excluding theft) and SSL, with respect to the Power Undertakings, has and is at the date of this Agreement adequately covered against accidental and unforeseen physical loss or damage caused by mechanical and electrical breakdown, third party liability (including product liability), and other risks normally covered by insurance and the same are in force.
- 14.2 SSL has not been refused any insurance available in India or elsewhere in the world with respect to any aspect of the operations of the Power Undertakings, nor has its coverage been limited by any insurance carrier to which the SSL has applied for insurance or with which it has carried insurance. As of the First Closing Date, SSL has not received any notice of cancellation, termination or non-renewal or denial of liability with respect to any such policy. The activities and operations of SSL's Business have been conducted in a manner so as to conform in all material respects to all applicable provisions of such insurance policies.

A handwritten signature in black ink, appearing to read "Gupta".

SCHEDULE V
DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made the [•] day of [•],

BY AND BETWEEN

- (1) The parties to the [Shareholders' Agreement] dated [●] (the "Agreement") a copy of which is annexed hereto (including all Shareholders which have acceded to it before the date hereof by a like agreement to this Deed of Adherence, copies of which are also annexed hereto); and
 - (2) [Name of Affiliate proposing to hold Shares on behalf of SCES/SSL], a company incorporated in [●] (the "Proposed Shareholder Affiliate");

WHEREBY the Proposed Shareholder Affiliate proposes to [subscribe to/purchase] and hold the Shares of the Company as an affiliate of (SCES/SSL) as contemplated under Clause [●] of the said Agreement.

NOW THEREFORE IT IS AGREED that:

- (a) the Proposed Shareholder Affiliate agrees and undertakes to observe, perform and be bound by the terms and conditions of the Agreement with effect from it becoming a shareholder of Company in all respects as if it has been an original party to the Agreement;
 - (b) the Proposed Shareholder Affiliate authorizes [SCES/SSL], the Shareholder whose affiliate it is, to sign and execute the Agreement as a party thereto and to observe, perform and act as per the terms stated therein and to take all actions, measures as provided therein and agrees to be bound by all such actions of the said Shareholder;

AS WITNESS the parties herein have caused this Deed of Adherence to be duly executed the day and year first before written.

EXECUTED AS A DEED

by

and by

for and on behalf of

[.....]

in the presence of

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EFFECTIVED AS A DEED

EX

89

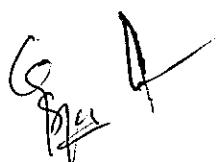
and by

✓
Gyw

for and on behalf of the [SHAREHOLDER
ON RECORD] in the presence of

)

)

A handwritten signature in black ink, appearing to read "G. P. M." followed by a stylized surname.

SCHEDULE VI
DEED OF NOVATION AND RELEASE

This Deed is made the [●] day of [●] between:

- (1) [●], [whose registered office is at [●] ("Transferor");
- (2) [●], [whose registered office is at [●] ("Transferee");
- (3) [●], whose registered office is at [●] (the "A Co.");
- (4) [●], whose registered office is at [●] (the "A Co. Affiliate"); and
- (5) Simbhaoli Power Limited, whose registered office is at Simbhaoli 245207, District Ghaziabad, Uttar Pradesh, India (the "Company").

([A Co.]/[A Co. Affiliate] [is/are] referred to as the "**Continuing Shareholder/s**" and the Continuing Shareholder/s, the Company and the Transferor are collectively referred to as the "**Original Parties**")

Whereas:

- (A) The Original Parties are party to the Joint Venture Agreement dated [●] ("Joint Venture Agreement").
- (B) By a [●] agreement dated [●], the Transferor has transferred to Transferee [●] Shares of INR 10 (Rupees Ten Only) each in the capital of Company (together the "**Transferred Shares**").
- (C) The Transferor wishes to transfer all of its rights, benefits and obligations under the Shareholders Agreement in respect of the Transferred Shares to the Transferee on and subject to the terms of this Deed being entered into in compliance with the terms of Clause [●] of the Shareholders Agreement.

Now therefore it is hereby agreed as follows:

1. The Transferee hereby agrees with the Original Parties:
 - 1.1 to assume the benefit of the rights of the Transferor under the Shareholders Agreement in respect of the Transferred Shares and (subject to Clause 3 hereof) hereby agrees to assume and assumes the burden of the Transferor's obligations under the Shareholders Agreement to be performed after the date hereof in respect of the Transferred Shares.
 - 1.2 to be bound by the Shareholders Agreement in all respects as if the Transferee were a party to the Shareholders Agreement and to perform:
 - 1.2.1 all the obligations of the Transferor in that capacity there under; and
 - 1.2.2 all the obligations expressed to be imposed on such a party to the Shareholders Agreement; in both cases, to be performed on or after [the date hereof] and subject always to Clause 3 hereof.
2. This Deed is made for the benefit of:
 - 2.1 the Original Parties; and
 - 2.2 any other person or persons who may after the date of the Shareholders Agreement assume any rights or obligations under the Shareholders Agreement and be permitted to do so by the terms thereof.
3. For the avoidance of doubt:



- 3.1 subject to Clause [●] and only in respect of the Transferred Shares, the Transferee accepts all the liabilities of, and agrees to perform all the duties and to discharge all the obligations of, the Transferor under the Shareholders Agreement, and agrees to be bound by the terms and conditions of the Shareholders Agreement as if it were named as a party in place of the Transferor and the Continuing Shareholder/s hereby release the Transferor from any ongoing obligations or liabilities under the Shareholders Agreement; and
 - 3.2 nothing in this Deed shall release the Transferor from any liability in respect of any obligations under the Shareholders Agreement due to be performed prior to [the date hereof] or of any rights accruing to the Original Parties against the Transferor prior to transfer of its Shares in the Company.
4. None of the Original Parties:
 - 4.1 makes any representation or warranty or assumes any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the Shareholders Agreement (or any agreement entered into pursuant thereto); or
 - 4.2 makes any representation or warranty or assumes any responsibility with respect to the content of any information regarding the Company or otherwise relating to the acquisition of Shares in the Company; or
 - 4.3 assumes any responsibility for (i) the financial condition of the Company, or (ii) any other party to the Deed or any other document, or (iii) the performance and observance by the Company or any other party to the Deed or any other document (save as expressly provided therein); and any and all conditions and warranties, whether express or implied by Law or otherwise, are excluded.
 5. This Deed shall be governed by and construed in accordance with the Laws of India.
 6. Terms capitalized but not defined herein have the respective meanings ascribed to them under the Shareholders Agreement.

In witness whereof this Deed of Novation and Release is executed as a deed on the date and year first above written.

EXECUTED and delivered
as a deed for and on behalf of
[the Transferor]

by:



EXECUTED and delivered
as a deed for and on behalf of
[the Transferee]
by:

EXECUTED and delivered
as a deed for and on behalf of
[A Co.]

by:

[EXECUTED and delivered
as a deed by [A Co. Affiliate]]

EXECUTED and delivered
as a deed for and on behalf of
Simthaoli Power Limited

by:

A handwritten signature in black ink, appearing to read "Gopal Patel". The signature is fluid and cursive, with "Gopal" on the left and "Patel" on the right, separated by a small vertical line.

SCHEDULE VII
DEADLOCK RESOLUTION

1. In the event of the occurrence of a Deadlock at the Board level, the matter shall be referred to the chief executive officer of the Shareholders for resolution within 30 (Thirty) days of the occurrence of such Deadlock; and in the event of a Deadlock at the Shareholder level, the matter shall be reviewed by them again for resolution within 30 (Thirty) days of the occurrence of such Deadlock.
2. In the event that the Shareholders are unable to resolve the Deadlock within a period of 6 (six) months from the date of reference in terms above ("Resolution Period"), and if the Deadlock relates to any of the Reserved Matters or to any of the Unanimous Consent Matters either Party may, within 2 (Two) weeks of the expiry of the Resolution Period, issue a notice to the other Party declaring a Deadlock ("Deadlock Notice").
3. In such an event of a Deadlock Notice, SSL shall have the right exercisable by written notice ("Buy Out Notice") given to SCES within 60 (Sixty) days of the Deadlock Notice, to purchase all of SCES's Shares, either by itself or through any of its nominees or Affiliates. The purchase price shall be equal to the FMV of the Shares as determined by the Appraiser, appointed by the Shareholders. The sale and purchase shall be completed within 45 (Forty-five) days of the Buy Out Notice.
4. In the event of a Deadlock Notice, SCES shall have the right exercisable by written notice ("Sale Notice") given to SSL within 60 (Sixty) days of the Deadlock Notice, to sell and SSL shall have the obligation to purchase either by itself or through any of its nominees or Affiliates, all of SCES's shares in the Company. The purchase price shall be equal to the FMV as determined by the Appraiser, appointed by the Shareholders, of the Shares. The sale and purchase shall be completed within 45 (Forty Days) days of the Sale Notice.
5. For avoidance of any doubt, any payment made pursuant to this Schedule, is in addition to any other payment that SSL is required to make pursuant to any other provision of this Agreement and/or the Transaction Documents and any other compensation SCES is liable to receive under provision of any Law.
6. If, however, no Buy Out Notice or Sale Notice is given by SSL or SCES respectively, the Company shall be wound up and the provisions contained in this Agreement shall apply *mutatis mutandis*.
7. In the event no Deadlock Notice or no Sale Notice or no Buy Out Notice is given, or in the event the Deadlock does not relate to a Unanimous Consent Matter or relates to any Reserved Matter other than the ones listed in paragraph 2 above, the Company shall maintain *status quo* with respect to such matters until the Deadlock is resolved.

A handwritten signature in black ink, appearing to read "G. J. M." followed by a stylized surname.

SCHEDULE VIII
CERTIFICATE OF REPRESENTATIONS AND WARRANTIES

FORM OF REPRESENTATIONS AND WARRANTIES CERTIFICATE

[on the Company's/SSL's letterhead]

This certificate by [•] ("Company"/"SSL") is issued pursuant to Clause [•] of the Joint Venture Agreement dated [insert date] ("Agreement") entered into between the Parties to the Agreement.

WITNESSETH

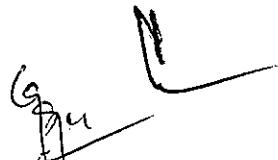
The [Company's / SSL's Representations and Warranties] were true and correct as at the Effective Date and are true and correct as of the First Closing Date, as if made on such date, except to the extent that such [Company's / SSL's Representations and Warranties] are by their express provisions made as of a specified date. For avoidance of doubt, there is no modification to the [Company's / SSL's Disclosure Letter] dated [•] other than in terms of Clause 5.1.8 and the same stands true and correct as of the First Closing Date, as if made on such date.

The Company has performed and complied in all respects with all of its obligations set forth in the Agreement.

Since [•], 2011/2012 there has been no Material Adverse Change and no event or circumstance that would reasonably be expected to result in a Material Adverse Change.

All capitalized terms used herein but not defined shall have the meanings ascribed to them in the Agreement.

The [Company / SSL] has caused this certificate to be executed on this [insert date.]

A handwritten signature consisting of stylized initials "G" and "J" followed by a surname.

Signed: [•]

Position: [•]

Date: [•]

SCHEDULE IX
FORM OF NO OBJECTION LETTER

[ON THE LETTER HEAD OF THE SSL/ COMPANY]

[Insert name and address of the other Party(ies)]

Re: No Objection Certificate as required under the Joint Venture Agreement dated [insert date],
2011 ("Agreement").

We hereby irrevocably declare, acknowledge and confirm that [SCES], its affiliates, shareholders and group companies (collectively "SCES"), shall not be subject to any restrictions or objections from us from entering into any businesses, opportunities, investments, joint ventures, collaborations, partnerships, alliances, enterprises, technology transfer, technology license, trademark agreement or any other collaboration, agreement or arrangement, by itself or through its subsidiaries, affiliates, joint ventures, partnerships, offices, representatives, contractors, or otherwise howsoever, directly or indirectly, in India.

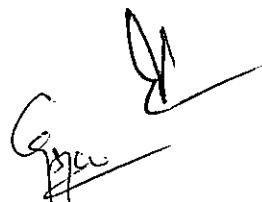
We hereby irrevocably waive, for purposes of any Indian legal or regulatory requirements, any objection we may have in connection with any proposal by SCES for investment in any business/arrangement with any person, including but not limited to, waiver of our rights under the applicable provisions of the Consolidated FDI Policy of the Department of Industrial Promotion and Policy, Government of India, notwithstanding that any such entity/person may engage in the business or compete with the Company.

This no objection letter may be produced by SCES to any government or regulatory authority in support of any proposal by SCES for investment in any business/arrangement with any person.

The contents of this letter shall be binding on us and on our heirs, executors, administrators, successors and permitted assigns.

Terms not defined herein shall have the meaning ascribed to them under the Agreement.

Signature: _____



Name: _____

Designation: _____

SCHEDULE X
FORM OF DISCLOSURE LETTERS

Part A Form of Company Disclosure Letter

Company Disclosure Letter

From:

Simbhaoli Power Limited
Simbhaoli 245 207, District Ghaziabad,
Uttar Pradesh,
India

To:

Sindicatum Captive Energy Singapore Pte Limited,
391B Orchard Road, #15-02 Ngee Ann City Tower B,
Singapore 238874

Dated: December 6, 2011

Dear Sirs,

We refer to the Joint Venture Agreement ("Agreement") of even date herewith between Simbhaoli Power Limited ("Company"), Simbhaoli Sugars Limited ("SSL") and Sindicatum Captive Energy Singapore Pte Limited, ("SCES").

This disclosure letter, together with the schedules and annexes hereto ("Letter"), constitutes the Company Disclosure Letter referred to in Schedule III and included as Part A of Schedule X of the Agreement.

Unless the context otherwise requires, all capitalized but undefined terms in this Letter shall have the same meanings ascribed to them in the Agreement and, subject as aforesaid, the provisions of Clause 1 (Definitions and Interpretation) of the Agreement shall apply to this Letter, *mutatis mutandis*, as if they were set out herein.

A. Preliminary Matters

We wish to record the following preliminary matters in relation to this Letter:

1. Where any conflict arises between the contents of any document supplied to SCES by the Company (including, without limitation, any document referred to in this Letter) and the information contained in this Letter, the information contained in this Letter shall prevail, unless otherwise expressly stated herein.
2. The numbering used in this Letter shall not affect the interpretation of this Letter.



3. Each disclosure in this Letter shall be deemed to be a disclosure against each Company's Representations and Warranties that it reasonably relates to.

B. Specific Disclosures

The attention of SCES is drawn to the following specific matters which have been set out hereinafter:

S. No.	Para No.	Representations and Warranties	Disclosure
1	9.1	Except for the borrowings set out in the Company Disclosure Letter, there are no borrowings (including any outstanding obligations for the repayment of money), whether present or future, actual or contingent, or charges, Encumbrances or other security interests on the assets, whether tangible or intangible, (excluding statutory liens) of the Company.	<ul style="list-style-type: none"> a) The Company has signed a term sheet dated July 25, 2011 with Deutsche Bank for Borrowings to the extent of Rs. 3,350 million. b) The Company owes an amount of Rs. 974,295 to Simbhaoli Sugars Limited, being the unsecured loan to meet initial/preoperative expenses.

C. General Disclosures

Without prejudice to the foregoing, SCES shall be deemed to have full knowledge of:

1. any matter specifically referred to in the Agreement; and
2. the following correspondence, documents and information delivered, sent, given (or made available for inspection) to SCES:
 - a. Certificate of Incorporation issued by Registrar of Companies, Uttar Pradesh and Uttarakhand under Registration No. U40300UP2011PLC045360 under the provisions of Companies Act, 1956 on 21.06.2011 and valid until cancelled.
 - b. Certificate of Commencement of business issued by Registrar of Companies, Uttar Pradesh and Uttarakhand under Registration No. U40300UP2011PLC045360 under the provisions of Companies Act, 1956 on 19.07.2011 and valid until cancelled.
 - c. PAN Number AAPCS9742M issued by Income Tax Department, Government of India under the provisions of Income Tax Act, 1961 on 21.06.2011 valid until cancelled.
 - d. Minutes of meetings Board of Directors held on
 - (i) June 23, 2011;
 - (ii) July 15, 2011;
 - (iii) July 26, 2011; and
 - (iv) Nov 11, 2011;



- e. Notice of Statutory Meeting of shareholders to be held on December 9, 2011;
- f. Statutory Auditor Report dated November 11, 2011 for the period ended Nov 10, 2011;
- g. Various forms filed with Registrar of Companies including:
 - (i) Form 1 dated June 20, 2011
 - (ii) Form 1A dated June 17, 2011
 - (iii) Form 32 dated June 20, 2011
 - (iv) Form 18 dated June 20, 2011
 - (v) Form 22B dated July 9, 2011
 - (vi) Form 20 dated July 19, 2011
 - (vii) Form 32 dated Aug 9, 2011
 - (viii) Form 22 dated Nov 11, 2011
- h. Corporate structure including detail of registered office, capital structure, etc;
- i. List of Shareholders as of December 5, 2011;
- j. List of SPL directors as on December 5, 2011
- k. Copies of declaration under Section 274 (1) (g) by the existing directors of the Company to the SPL Board for the financial year 2011-12;
- l. Copies of Notice by the interested Directors pursuant to Section 299 to the Board of the Company for the financial year 2011-12; and
- m. Details of promoters and individuals holding shares in beneficial interest of Simbhaoli Sugars Limited.

Please acknowledge receipt of this Letter by counter-signing and returning the attached copy.

Yours faithfully,

..... duly authorised for and on behalf of SPL

Received

..... duly authorised for and on behalf of SCES

A handwritten signature consisting of stylized initials and a surname, appearing to read "G. D. Rao".

Part B Form of SSL Disclosure Letter

SSL Disclosure Letter

From:

Simbhaoli Sugars Limited
Simbhaoli 245 207, District Ghaziabad,
Uttar Pradesh,
India

To:

Sindicatum Captive Energy Singapore Pte Limited,
391B Orchard Road, #15-02 Ngee Ann City Tower B,
Singapore 238874

Dated: December 6, 2011

Dear Sirs,

We refer to the Joint Venture Agreement (“**Agreement**”) of even date herewith between Simbhaoli Power Limited (“**Company**”), Simbhaoli Sugars Limited (“**SSL**”) and Sindicatum Captive Energy Singapore Pte Limited, (“**SCES**”).

This disclosure letter, together with the schedules and annexes hereto (“**Letter**”), constitutes the SSL Disclosure Letter referred to in **Schedule IV** and included as **Part B of Schedule X** of the Agreement.

Unless the context otherwise requires, all capitalized terms but undefined in this Letter shall have the same meaning ascribed to them in the Agreement and, subject as aforesaid, the provisions of Clause 1 (Definitions and Interpretation) of the Agreement shall apply to this Letter, *mutatis mutandis*, as if they were set out herein.

A. Preliminary Matters

We wish to record the following preliminary matters in relation to this Letter:

1. Where any conflict arises between the contents of any document supplied to SCES by SSL (including, without limitation, any document referred to in this Letter) and the information contained in this Letter, the information contained in this Letter shall prevail, unless otherwise expressly stated herein.
2. The numbering used in this Letter shall not affect the interpretation of this Letter.
3. Each disclosure in this Letter shall be deemed to be a disclosure against each SSL’s Representations and Warranties that it reasonably relates to.



B. Specific Disclosures

The attention of SCES is drawn to the following specific matters which have been set out hereinafter:

S. No.	Para No.	Representations and Warranties	Disclosure
1	1.4	There are no other commitments/contracts entered into by SSL or by which SSL or any of such SSL's assets are bound, which may be in breach of the terms of the Transaction Documents or its obligations there under, or under which the execution, delivery and performance of this Agreement, the other Transaction Documents and/or the Transaction may (a) constitute a breach or default, (b) confer upon any Party the right to terminate, amend, modify or suspend performance of, or accelerate any obligation or withhold any material benefit under, the contract, or (c) result in the creation of any Encumbrance upon the Power Undertakings.	<ul style="list-style-type: none"> a) SSL has entered into loan agreements/credit arrangements which restrict the rights of SSL to execute certain Transaction Documents without the consent of its lender Banks. b) SSL has sought/will seek specific approval from its Board under the provisions of the Companies Act, 1956 for related parties transactions contemplated in certain Transaction Documents. These approvals include the following actions/consents on arm length basis: <ul style="list-style-type: none"> a. Sale of bagasse to related parties b. Purchase of steam/power etc c. Sharing of facilities at cost d. Giving loan on interest e. Giving land for long lease f. Giving certain plant and equipment on usage basis for a charge.
2	1.5	Except as disclosed in the SSL Disclosure Letter, no insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting SSL, is pending or threatened to it, and nor has SSL made any assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for, the institution of such insolvency proceedings.	<ul style="list-style-type: none"> a) SSL has filed an application with Hon'ble High Court of Allahabad to hive-off its Simbhaoli Distillery Undertaking. Under the provisions of Companies Act, the application has been approved by shareholders and pending for approval from lenders. Disclosure given in Section 6.2 of this Letter. b) The Company has restructured its loans in the past with bankers under Corporate Debt Restructuring mechanism. It is specifically clarified that there is

			no default in the completion of any terms and conditions laid down by CDR cell. Management representation is enclosed.
3	3.1	Except as disclosed in the SSL Disclosure Letter, SSL does not currently own or control, directly or indirectly, any interest in any other corporation, association or other business entity. Save and except for this Agreement; SSL is not a participant in any joint venture, partnership or similar arrangement.	<p>a) List of subsidiary companies</p> <ul style="list-style-type: none"> a. Uniworld Sugars Private Limited, (100%). Can be diluted upto 50%. b. Integrated Casetch Consultants Pvt Ltd (82.4%). To be diluted upto 66%. c. Simbhaoli Spirits Limited (100%) d. Simbhaoli Power Limited (100%) e. Simbhaoli Global Commodities DMCC (100%) <p>b) SSL has entered into a joint venture arrangement with ED & F Man Sugar Pvt Ltd, Netherland, (ED &F Man, UK Group) vide Shareholders and Subscription Agreement dated January 25, 2011 as modified, to set up a sugar refinery at Kandla, Gujarat.</p> <p>c) SSL has also entered into a number of business arrangements/agreements with third parties in the normal course of business in relation to the production, marketing, distribution etc of its products and services.</p>
4	4.1	Except as disclosed in the SSL Disclosure Letter, there are no borrowings (including any outstanding obligations for the repayment of money), whether present or future, actual or contingent, or charges, Encumbrances or other security interests (excluding statutory liens) of SSL with respect to the Business, the operations and/or the Power Undertakings.	SSL has carried out the restructuring of its loans in terms with the Corporate Debt Restructuring Package of 2007, and certain loans are secured against the security of certain assets including the power assets in the normal course of its business. The details of such borrowings, their security structure, major terms including charge register have been duly disclosed in due diligence process.

5	4.2	Except as disclosed in the SSL Disclosure Letter, there are no Encumbrances against any of the properties, whether tangible, intangible or real, of the SSL with respect to the Business, the operations and/or the Power Undertakings.	SSL has been availing various fund/non-fund based loans/facilities from the banks or financial institutions in the normal course of its business or expansion programs and also for the payment of sugar cane dues. These loans/facilities are secured on the assets and the mortgage(s) have been created vide latest Memorandum of Entry (MOE) dated 14.01.2011 with the State Bank of India, acting for itself and also agent of other lender banks. Copy of MOE is enclosed.
6	4.3	Except as disclosed in the SSL Disclosure Letter, SSL has complied with all the covenants issued by the banks and no penal action has been initiated against SSL with respect to the Business, the operations and/or the Power Undertakings by any bank.	SSL has generally been complying with all the banking covenants. However, at some occasions penal interest has been levied by the banks for delayed payments in the past. A confirmation letter dated 26.09.2011 has been issued by the State bank of India, the lead banker on account of regularity of the banking accounts is enclosed.
7	5.1	Except as disclosed in the SSL Disclosure Letter, SSL has filed, for the financial years, 2007-2008, 2008-2009, 2009-2010, 2010-2011, in each case within the legally prescribed time, all tax returns with respect to taxes and other statutory dues, if any, required to be filed by it and all such returns or filings are true and correct in all respects. All taxation of any nature whatsoever for which SSL is liable or for which SSL is liable to account (whether or not shown or required to be shown on any tax return), has been fully paid (in so far as such taxes ought to have been paid).	The tax proceedings of SSL are under various stages of adjudication/assessments and full and finality of the tax dues cannot be ascertained till such time these proceedings are complete and reached to finality. The liabilities and claims of various taxation authorities which are not admitted by SSL are being contested at different stages of litigation/adjudication and shall be dealt with in the normal course of business. As per past experience, it is felt that no significant liability is going to arise on this account. The accounting of such tax dues (admitted or not admitted) is being done as per the applicable provisions of the Companies Act, 1956, accounting standards and Indian GAAP. There are no other statutory dues outstanding beyond the period by which they are actually due.

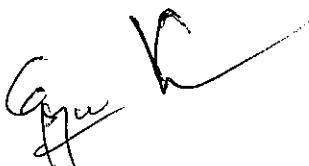
8	5.2	Except as disclosed in the SSL Disclosure Letter, neither the income-tax authorities nor any other taxation authority has issued any tax related notice or is now asserting or threatening to assert against SSL, any deficiency in payment or claim for additional or unpaid taxes. All records which SSL is required to keep for taxation purposes or which would be needed to substantiate any claim made or position taken in relation to taxation by SSL, have been duly kept and are available for inspection at the SSL's premises.	Regular notices for Income Tax assessment and also post assessment proceedings with various income tax authorities are received by SSL in the normal course of its business and being dealt with/decided in terms of provisions of Income Tax Act/Rules there under.
9	5.4	Except as disclosed in the SSL Disclosure Letter, SSL has paid the correct amount of taxes under the applicable Law.	Except to the extent not in agreement with respective tax collecting/adjudication authority or court of laws, in respect of which the matters are being contested with appropriate forum, SSL has been paying all taxes to the concerned statutory/ regulatory authorities as legally required under the provisions of applicable tax laws.
10	6.1	Except as disclosed in the SSL Disclosure Letter, there is no litigation or Government or administrative proceeding or investigation pending or, to the Knowledge of SSL, threatened against SSL or affecting any properties or assets of SSL with respect to the Business, the operations and/or the Power Undertakings or the Power Undertakings, that is reasonably likely, either individually or in the aggregate, to delay the ability of the Parties to consummate the Transaction or the other transactions contemplated by this Agreement, nor, to the Knowledge of SSL, has there occurred any event nor does there exist any condition on the basis of which any such claim may be asserted.	A number of legal proceedings are going on in various forum, in which SSL is a party, in the normal course of its business operations. The management is confident that they will not be having any material impact on the business operations and/or affect on the properties or assets of the SSL with respect to the Business, its operations and action contemplated in Transaction prescribed in the Agreement. A writ petition in the matter of SSL vs. Executive Engineer, Paschimanchal Vidyut Vitran Nigam Limited is pending before Hon'ble High Court, Allahabad for the refund of Minimum Consumption Guarantee amount of Rs 52 lacs and interest thereon. A writ petition in the matter of Chilwaria Sugars vs. State of Uttar Pradesh was pending before Lucknow Bench of Hon'ble High Court, Allahabad against recovery of Rs 56 lacs from UPPCL pending electricity

Gagan Singh

		bills with surcharge from SSL. Stay granted by HC and dispose off the matter by referring to District Electricity Consumer Forum Gonda for adjudication within 3 months from the date of filing, pending which stay will continue. SSL has filed the matter before Gonda forum.
11	6.2	Except as disclosed in the SSL Disclosure Letter, no order has been made, petition presented, resolution passed or meeting convened for the winding up (or other process whereby SSL's business is terminated or a substantial part of the assets of the SSL are distributed amongst its creditors and/or shareholders or other contributories) of SSL and there are no cases or proceedings under any applicable insolvency, reorganization, or similar Laws concerning SSL.
12	7.1	A Scheme of Arrangement, under the provision of Sections 391-394 of the Companies Act, 1956, as approved by the Board of directors, has been filed with Hon'ble High Court of Judicature at Allahabad, Uttar Pradesh for transfer and vesting of the Alcohol Undertaking at Simbhaoli Distillery Division into Simbhaoli Spirits Limited (wholly owned subsidiary company) by way of Slump Sale method. The appointed date for this purpose has been fixed as October 1, 2010. Copy of the Scheme is enclosed.
13	8.1	Power Purchase Agreements executed by Simbhaoli Sugar Division and Chilwaria Sugar Division with UPPCL are subsisting at the time of this Agreement. These documents are listed in the list as per Specific Disclosures in Section D of this Letter.



		representatives or agents of SSL. There have not been, at any time in the past 5 (five) years, any strike or other labour dispute involving SSL, neither is such strike or similar action pending.	
14	9.2	Except as disclosed in the SSL Disclosure Letter, no environmental authority has issued any notice or is now asserting or threatening to assert against SSL, any matters in relation to any non compliance and/or negligence with respect to the Business, the operations and/or the Power Undertakings.	Notices, explanations and correspondences are taking place with the environmental authorities in respect of Business in the normal course of activities, and suitable explanations have been submitted to the satisfaction of the relevant authorities.
15	9.6	Except as disclosed in the SSL Disclosure Letter, SSL does not, in the course of its Business, use or dispose of any hazardous chemicals or waste.	SSL has been storing Petroleum Class B products such as 'Diesel' in the premises, in respect of which necessary approvals have been obtained from the pollution control board.
16	12.1	Except as disclosed in the SSL Disclosure Letter, SSL has complete and absolute ownership over the Power Undertakings, which are the absolute property of SSL and are not subject to any Encumbrance.	SSL has clear and marketable title on the assets under power division of the Company, subject to the charge vacated in favour of its lenders. A part of these assets are proposed to be transferred to Simbhaoli Power Limited (a subsidiary of the Company), in compliance with the approvals of the shareholders, creditors and other statutory/regulatory authorities under the provisions of applicable laws.
17	12.3	Except as disclosed in the SSL Disclosure Letter, SSL has not given any rights to any third parties with respect to any of the Assets.	Certain assets of Power Undertaking are installed and operated with the UPPCL premises (sub-stations), which are not under the control and possession of SSL.
18	12.4	Except as disclosed in the SSL Disclosure Letter, all the Assets are free from Encumbrance and in to SSL's Knowledge, in good working condition.	The assets are mortgaged as per loan covenants with lender bank/financial institution (s) and disclosure in that respect is given in section 4.2 above.
19	14.1	Except as disclosed in the SSL Disclosure Letter, all the Power Undertakings, have been and are insured to the full replacement value	SSL has taken insurance policies as applicable to the Power Business operations, except burglary and



		<p>less depreciation thereof against fire, riots, explosions, lightning, floods, storm, cyclone, burglary (excluding theft) and SSL, with respect to the Power Undertakings, has and is at the date of this Agreement adequately covered against accidental and unforeseen physical loss or damage caused by mechanical and electrical breakdown, third party liability (including product liability), and other risks normally covered by insurance and the same are in force.</p>	<p>mechanical/ electricity break down coverage in terms of the cost benefit analysis carried out by the management.</p> <p>Product liability insurance are not applicable to the power business.</p>
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C. General Disclosures

Without prejudice to the foregoing, SCES shall be deemed to have full knowledge of:

1. any matter specifically referred to in the Agreement; and
2. the following correspondence, documents and information delivered, sent, given (or made available for inspection) to SCES:

a. Approvals & Licenses

- (i) Certificate of Incorporation in the name of 'Simbhaoli Sugar Mills Private Limited' issued by Deputy Registrar of Joint Stock Companies, United Provinces of Agra and Oudh governed by the Indian Companies Act, 1913 having License No./Certificate No.1047/I-1181 dated 29.06.1936.
- (ii) Fresh Certificate of Incorporation consequent upon change of name, in the name of 'Simbhaoli Sugars Limited' issued by Registrar of Companies, Uttar Pradesh and Uttarakhand under the provisions of Companies Act, 1956 having CIN No. L24231UP1936PLC000740 dated 08.09.2006 Valid until cancelled.
- (iii) PAN Number issued by Income Tax Department, Government of India under the provisions of the Indian Income Tax Act, 1961 is AABCS9972P dated 29.06.1936 Valid until cancelled.
- (iv) Central Sales Tax Number issued by Assistant Commissioner of Trade Tax, Uttar Pradesh under the provisions of the Central Sales Tax Act, 1956 Certificate No.4 HP 5000049 dated 12.08.1957 Valid until cancelled.
- (v) VAT Registration issued by Department of Commercial Tax, Uttar Pradesh under the provisions of The Uttar Pradesh Value Added Tax Act, 2008 having Registration no. HP 0001827 dated 12.08.1957 Valid until cancelled.
- (vi) TIN Number 09489200002 dated 12.08.1957 issued by Department of Commercial Tax, Uttar Pradesh under the provisions of The Uttar Pradesh Value Added Tax Act, 2008 Valid until cancelled.
- (vii) IEC Number 0593021401 dated 05.08.1993 issued by Directorate General of Foreign Trade governed under Foreign Trade (Regulation) Rules, 1993 Valid

until cancelled.

- (viii) Industrial Entrepreneur Memorandum (IEM) Registration no. 4127/SIA/IMO/2006 dated 28.07.2006 Secretary of Industrial Assistance Department of Industrial Policy and Promotion, Ministry of Industry, Government of India under the Industrial Development and Regulation Act, 1951 Valid until cancelled.
- (ix) Notice dated 15.07.2011 containing the Resolutions passed by the shareholders SSL through postal ballot under section 293 (1) (a) and section 372A of the Companies Act, 1956 empowering the Board to hive off the power business to SPL.
- (x) Printed Annual reports of SSL for last 3 financial years.

b. Project related Documents as submitted to SCES from time

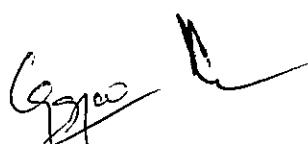
- (i) Power Purchase Agreements executed by Simbhaoli Sugar Division and Chilwaria Sugar Division with UPPCL
- (ii) Drawing & documents: SLD, HMBD including and Detail of Measuring & Metering equipment.
- (iii) Detail Project Report (DPR) along drawing & documents including Layout Drawing, SLD, HMBD, P & I Drawing of water distribution system, P & I Drawing of Steam System and Fuel analysis.
- (iv) Delivery point drawings for bagasse, steam & water and power.
- (v) Monitoring equipments in Appendix-A.
- (vi) Renewable Energy Certificate (REC).
- (vii) Valuation report in respect of power undertakings issued by Mitcon, an independent valuer.
- (viii) Long term projections for the project along with the historical data of cane, power, steam and baggase,
- (ix) Bio-mass mix, basis of pricing and availability report for all three power plants.
- (x) Capital cost, fixed cost, reconciliation of actual and projected revenue and pre-operative expenses.
- (xi) UPERC policy and tariff for last 15 years.

c. Approvals pertaining to 32 MW Simbhaoli Power Undertaking

- (i) TAN Number MRTT00198C dated 17.07.2004 issued by Income Tax Department, Government of India.



- (ii) Factory licence issued by Chief Inspector of Factories, Ghaziabad, Uttar Pradesh GZB-04 under The Factories Act, 1948 and The Uttar Pradesh Factory Rules, 1950 issued 01.01.2011.
- (iii) Consent to construct/establish factory/manufacturing process by Chief Inspector of Factories under The Uttar Pradesh Factory Rules, 1950. *Since the factory was set up in 1936, therefore, the provisions of neither the Factories Act nor the UP Factories Rules shall apply.*
- (iv) Clean Development Mechanism Approval issued by United Nations Framework Convention on Climate Change CDM Registration Reference No: 1112 Under Article 12 of the Kyoto Protocol of the United Nations Framework Convention Climate Change issued 14.09.2007.
- (v) Certificate of Accreditation issued by Accreditation Agency, Uttar Pradesh New and Renewable Development Agency with Registration No. UPONSSSMLD001A240611 is a Society Registered Under the Ministry of New and Renewable Energy, Government of India issued on 23.06.2011.
- (vi) NoC from Uttar Pradesh Pollution Control Board for expansion of production capacity issued by Uttar Pradesh Pollution Control Board having Registration No. F09358/C/NOC/G/496/06/11 under Section 21 read with section 22 of the Air (Prevention and Control of Pollution) Act, 1981 Section 25 and read with section 26 of the Water (Prevention and Control of Pollution) Act, 1974 issued on 01.12.06.
- (vii) Consent to operate under the Water Act by the Uttar Pradesh Pollution Control Board under License No. 605/Consent/Water Order/03/11/Lucknow/Dated 04/04/2011 under Section 25 read with section 26 of the Water (Prevention and Control of Pollution) Act, 1974 issued 01.01.2011.
- (viii) Consent to operate under the Air Act by Uttar Pradesh Pollution Control Board License No. 35/Consent (Air) Order/81/11/Lucknow/Dated 04/05/2011 under Section 21 read with section 22 of the Air (Prevention and Control of Pollution) Act, 1981 issued 01.01.2011.
- (ix) Authorization under Rule 7 of Hazardous Waste Management, Handling & Transboundary Movement) Rules, 2008 by Uttar Pradesh Pollution Control Board License No G-24/Haz Order-100/18/10 under Rule 7 of Hazardous Waste Management, Handling& Transboundary Movement) Rules, 2008 issued on 11.02.2010.
- (x) Water Cess Payment Registration issued by Uttar Pradesh Pollution Control Board License No 04/T0011 under Water (Prevention and Control of Pollution) Cess Act, 1977.
- (xi) Registration under the Contract Labour Act by Contract Labour Officer, Ghaziabad having License No. 6/MR under the provisions of Contract Labour (Regulation and Abolition) Act, 1977 issued on 23.03.1977.



- (xii) Registration of Trade Union by Registrar of Trade Unions, United Provinces, Labour Officer, Cawnpore(Kanpur) having Registration No. 447 of 1947-1948 under The Trade Union Act, 1926 issued on 10.03.1948.
- (xiii) Employee Provident Fund Registration issued by Regional Provident Fund Commissioner Registration No. UP/197 under The Employee Provident Fund Act, 1952.
- (xiv) Petroleum License issued by Joint Chief Controller of Explosives, Agra under the License No. P/CC/UP/14/1583(P40222) governed by Rules formed under the Petroleum Act, 1934 issued on 03.02.2009.
- (xv) Fire Safety License issued by Fire Safety Officer, Ghaziabad, Uttar Pradesh under the License No. ANA-1/F.S.HA/2011 issued on 22.02.2011.
- (xvi) Boiler Licence issued by Director of Boiler, Uttar Pradesh under the License No. UP-6421 under Indian Boiler's Act. 1923 and Indian Boilers Regulation 1950 issued on 13.10.2010.
- (xvii) Boiler Licence issued by Director of Boiler, Uttar Pradesh under the License No. UP-5327 under Indian Boiler's Act. 1923 and Indian Boilers Regulation 1950 issued on 15.07.2011.
- (xviii) Boiler Licence issued by Director of Boiler, Uttar Pradesh under the License No. UP-4174 under the provisions of Indian Boiler's Act. 1923 and Indian Boilers Regulation 1950 issued on 09.09.2010.
- (xix) Turbo Generator Inspection by Office of the Assistant Director, Electrical Safety, Ghaziabad under the License No. 2224 under the provisions of Indian Electricity Rules, 1956 issued on 16.08.1996.
- (xx) Electrical Safety Licence issued by Office of the Director Electrical Safety, Uttar Pradesh under the License No. 1287-M/I/HT/Inspection/2007-08 under the provisions of Indian Electricity Rules, 1956 issued on 23.10.2007.
- (xxi) Electrical Safety Licence issued by Office of the Director Electrical Safety, Uttar Pradesh under the License No. 1407-PU.SU.NI/GA Zone/NI.46 under the provisions of Indian Electricity Rules, 1956 on 11.02.2009.
- (xxii) Permission for Proposed Overhead Crossing-132KV issued by Divisional Railway Manager, Northern Railway, Moradabad under the License No. 63-Elect/C/MB/273 under the provisions of Regulation Governing the Placing of Electric Transmission Lines Across Railway Tracks, issue by the Railway Board on 11.08.2006.
- (xxiii) Permission for Proposed Underground Crossing 11 KV issued by Divisional Railway Manager, Northern Railway, Moradabad under the License No. 63-Elect/C/MB/274 governed by the Regulation Governing the Placing of Electric Transmission Lines Across Railway Tracks, issue by the Railway Board on 11.08.2006.



- d. Approvals pertaining 20 MW Chilwaria Power Undertaking**
- (i) TAN Number LKNC05577F issued by Income Tax Department, Government of India issue dated 04.10.2005
 - (ii) Factory licence issued by Chief Inspector of Factories, Lucknow, Uttar Pradesh issue date 01.01.2011
 - (iii) Consent to construct/establish factory/manufacturing process issued by Chief Inspector of Factories issue date 11.02.1997.
 - (iv) Certificate of Accreditation issued by Accreditation Agency, Uttar Pradesh New and Renewable Development Agency issue date 23.06.2011.
 - (v) NoC from Uttar Pradesh Pollution Control Board for expansion of production capacity issued by Uttar Pradesh Pollution Control Board issue date 08.09.2006.
 - (vi) Consent to operate under the issued by Water Act Uttar Pradesh Pollution Control issue date 01.01.2011.
 - (vii) Consent to operate under the Air Act issued by Uttar Pradesh Pollution Control Board issue date 01.01.2011.
 - (viii) Authorization under Rule 7 of Hazardous Waste Management, Handling & Transboundary Movement) Rules, 2008 issued by Uttar Pradesh Pollution Control Board issue date 16.09.2011.
 - (ix) Water Cess Payment Registration issued by Uttar Pradesh Pollution Control Board.
 - (x) Registration under the Contract Labour Act issued by Contract Labour Officer, Ghaziabad issue date 04.11.1995.
 - (xi) Employee Provident Fund Registration issued by Employee Provident Fund issued by 22.09.1997.
 - (xii) Fire Safety License issued by Chief Fire Safety Officer, Bahraich, Uttar Pradesh issue date 25.01.2011.
 - (xiii) Boiler Licence issued by Director of Boiler, Uttar Pradesh issue date 09.09.2010.
 - (xiv) Boiler Licence issued by Director of Boiler, Uttar Pradesh issue date 09.09.2010.
 - (xv) Boiler Licence issued by Director of Boiler, Uttar Pradesh issue date 09.09.2010.
 - (xvi) Electrical Safety Inspection for T.G. Set and Transformers issued by Office

A handwritten signature in black ink, appearing to read "Chilwaria".

of the Assistant Director, Electrical Safety, Lucknow, Uttar Pradesh issue date 03.09.2007.

- (xvii) Electrical Safety Inspection for 15 KM Line issued by Office of the Director Electrical Safety, Lucknow, Uttar Pradesh issue date 03.09.2011.
- (xviii) Electrical Safety Inspection for T.G. Set and Transformers issued by Office of the Assistant Director, Electrical Safety, Lucknow, Uttar Pradesh issue date 18.07.2011.

e. Approvals pertaining to 8 MW Bijnathpur Power Undertaking

- (i) TAN Number MRTT00667C issued by Income Tax Department, Government of India issue date 30.06.2006.
- (ii) Factory licence issued by Chief Inspector of Factories, Ghaziabad, Uttar Pradesh issue date 01.01.2011.
- (iii) Consent to construct/establish factory/manufacturing process issued by Chief Inspector of Factories issue date 29.01.2007.
- (iv) Consent to operate under the Water Act issued by Uttar Pradesh Pollution Control Board issue date 01.01.2011.
- (v) Consent to operate under the Air Act issued by Uttar Pradesh Pollution Control Board issue date 01.01.2011.
- (vi) Authorization under Rule 7 of Hazardous Waste Management, Handling & Transboundary Movement Rules, 2008 issued by Uttar Pradesh Pollution Control Board issue date 29.06.2011.
- (vii) Water Cess Payment Registration issued by Uttar Pradesh Pollution Control Board.
- (viii) Registration under the Contract Labour Act issued by Contract Labour Officer, Ghaziabad issue date 01.02.2011.
- (ix) Employee Provident Fund Registration issued by Employee Provident Fund issue date 1.12.2006.
- (x) Petroleum License Joint issued by Chief Controller of Explosives, Agra issue date 16.01.2009.
- (xi) Fire Safety License issued by Fire Safety Officer, Ghaziabad, Uttar Pradesh issue date 21.09.2011.
- (xii) Boiler Licence issued by Director of Boiler, Uttar Pradesh issue date 10.09.2009.
- (xiii) Electrical Safety Inspection for T.G. Set and Transformers issued by Office



of the Assistant Director, Electrical Safety, Lucknow, Uttar Pradesh issue
date 08.10.2007.

Please acknowledge receipt of this Letter by counter-signing and returning the attached copy.

Yours faithfully,

..... duly authorised for and on behalf of SSL

Received

..... duly authorised for and on behalf of SCES

Copy L.C.

SCHEDULE XI
FORM OF PROJECT AGREEMENTS

Part A Form of Business Transfer Agreements

Part B Form of Facilities Agreements

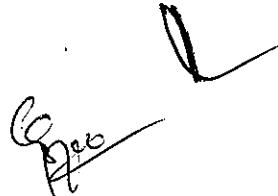
Part C Form of Fuel Supply Agreements

Part D Form of Lease Deeds

Part E Form of Operation and Maintenance Agreements

Part F Form of Plant Usage Agreement

Part G Form of Project Implementation Agreements

A handwritten signature in black ink, appearing to read "C. J. [illegible]". It is written in a cursive style with some parts of the letters being partially obscured by a diagonal line.

SCHEDULE XII
FORM OF MANAGEMENT SERVICES AGREEMENT

Part A Form of the Sindicatum Management Services Agreement

Part B Form of the SSL Management Services Agreement

A handwritten signature in black ink, appearing to read "G. P. CO." followed by a stylized surname.

SCHEDULE XIII
KEY EMPLOYEE AGREEMENTS

Part A

Key Employment Terms of agreement to be entered into between the Company and the MD

Managing Director of the Company be responsible for the overall management control, implementation and achieving business plan directives, implementation of the policy matters, apprising the Board, boundary management, meeting statutory compliances and charting growth plans and to implement the decisions taken by the Board of Directors from time to time.

In order to achieve the objectives, he shall be delegated and entrusted with the following powers and authorities specifically and to generally to do and perform all other acts on behalf of the Company:-

In accordance with Business Plan

A. Project Related:

1. To give advance(s)/authorize payments for the purpose of the setting-up/expansion of power plants and implement the projects of the Company.
2. To purchase and acquire properties/building as approved by business plan/budget/Board and subsequent registration with the appropriate authorities.
3. To apply and obtain various licenses/permissions etc. for setting-up/expansion of the power plants.
4. To place orders for the equipment as per the specifications and commercial conditions approved by the Technical committee for setting-up/expansion of the power plants.
5. To take a property/equipment on rent/lease license basis and fix rent and the terms of engagement.

B. Operations related:

1. To authorise fuel procurement, price, quantity values etc and establish systems of receiving, storing and issue for consumption.
2. To enter into agreements, tariff negotiations, REC and CDM sale, scrap sale etc on behalf of the company with respective buyer/dealers/agents etc.
3. To appoint, transfer, give increments, dismiss, retrench, lay-off, relieve, and to take other disciplinary action(s) against employees in the COMPANY. However, the following KMPs are to be dealt in consultation with the Board of Directors of the Company.
All employees with a salary of greater than Rs. 12 Lakh.
4. To approve alterations and expansions in design layout, construction etc of the building and plants, as considered necessary for the purpose of running of the operations of the Company.
5. To keep the plant and machinery fully maintained and to incur necessary expenses on materials and components for that purpose.
6. To work out the performance targets for man and machines within Business plan and work out the evaluation standards.
7. To approach the Government/other authorities (both Indian or overseas) for seeking benefits/incentives/subsidies etc and carry out compliances in this respect.
8. To look after all the day to day operations of the company related to running of the activities of the Company.



9. To take part in meeting/discussions and negotiate with employee unions and handle the issues of strikes/lockouts or labour disturbances and to settle the same.
10. To enter into agreements for disposal of by-products, wastes and other residue of the manufacturing process at comparable rates.

To meet Statutory/General requirements

1. To take actions in the emergency requirements and also act as a mediator, problem solver in the adverse situations.
2. To maintain the working atmosphere in the Company take all steps for the management of the affairs of the Company in a cordial manner.
6. To enforce any warranty, guarantee claim against the supplier/service provider etc on failure to perform their assignments.
3. To initiate legal action, compromise or settle (Up to an amount of Rs _____), defend before any legal/quasi judicial authority.
4. To represent the Company at various meetings/conferences/seminars/ forums.
5. To apply for obtaining services of electricity, water, telephone, sewerage from the concerned authorities as and when need arise.

Duties

The managing Director shall be abided with the following duties:

1. To ensure the implementation of the strategic decisions taken by the Board of Directors and policies framed by the Company.
2. To monitor the operations on the day to day basis and take corrective actions for smooth functioning of the Company.
3. To ensure the adequate availability of the resources for running of the plants and manage the affairs of the Company.
4. To ensure the best corporate governance practices and adhere to the standard of ethical behavior.
5. To evaluate the performance of the personnel working in the Company and take steps for their motivation by arranging suitable training programs.
6. To ensure that management of office and facilitate the staff with proper requirements and prevent the conflict of interest among them.
7. To ensure the risks management and take actions to minimize/mitigate the adverse events.

And in general, Managing Director shall take any other step or action, at his sole discretion as and when need arise and require for smooth running of day to day operations of the Company and to delegate the aforesaid powers and responsibilities to the officials of the Company as may be deemed fit and proper by him and generally to do all such other acts, deeds and things and execute such other documents or agreements as may be lawfully necessary and expedient in respect of the said purposes.

Managing Director KPI

Sl no	KPI	Determination Process
	To deliver revenues of at least those in the Business Plan	Business Plan and Management Accounts
	To operate the assets within cost budget	Business Plan & Management Accounts
	To construct the Expansions on time and on budget	Business Plan & Management Accounts & Commissioning Tests (ie 5 day runs for new assets

		& first export of power from Bridjnathpur)
	To ensure Health & Safety of all employees and visitors	Gap analysis against Indian law and best practice to be conducted 6 months after appointment of the MD and again 6 months after the Commissioning of all expansions and thereafter at an interval to be determined by the Board
	Meet mill Service Standards	Per FSA or such documents which together make up the arrangements for supply of fuel to the Power Undertakings and supply of steam and power to the Sugar Mill Complex

Shareholders' Resolution

"Resolved that, in terms of Article No ____ of the Articles of Association of the Company and pursuant to the provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time including any statutory modifications or re-enactments thereof for the time being in force, if any, Mr A P Singh be and is hereby appointed as Managing Director of the Company with effect from _____ for a period of five years on the terms and conditions as set out hereunder and with liberty to the Board of Directors of the Company to alter the said terms and conditions in such manner as may be agreed to in the best interest of the Company but subject to the restrictions, if any contained in the Companies Act, 1956 or otherwise as may be permissible in law:

- a) **Designation:** Managing Director
- b) **Period:** Five Years w.e.f _____
- c) **Basic Salary:** Rs. ----- per month, with such increments as may be decided by the Board of Directors of the Company from time to time, subject to a ceiling of Rs _____ per month as basic salary.
- d) **Special Allowance:** To the extent of Rs. ----- per month in aggregate, with such increments as may be decided by the Board of Directors of the Company from time to time, subject to a ceiling of Rs _____ per month provided that these allowances will not be taken into account for calculation of retirement benefits such as provident fund, superannuation, gratuity, leave encashment etc
- e) **Perquisites:** In addition to the basic salary, he shall be entitled to the following perquisites:
 - i) Rent free accommodation/ house rent allowance not exceeding 60% (with deduction of 10%) of salary.
 - ii) Medical facilities- Not exceeding one month salary in a year.
 - iii) Leave travel allowance/reimbursements - Not exceeding one month salary in a year.
 - iv) Entertainment/club fee-Not exceeding half month salary in a year.
 - v) Electricity, water, repairs and soft furnishing- Not exceeding 15% of salary in a year.
- f) **Variable Incentives:** Performance incentives on achievements of KPIs, as may be decided by the Board from time to time, subject to maximum of Rs. ----- per month in aggregate. Incentives shall be.

Apart from the above, the Managing Director shall also be entitled to the following benefits to the extent of _____ % of salary as required by law which shall not be included in computation of the aforesaid remuneration:

- i) Company's chauffeur driven car(s) for the business of the Company. The type and make of the car will be decided by the Board from time to time.
- ii) One Telephone/internet connection to be used for the business of the Company.



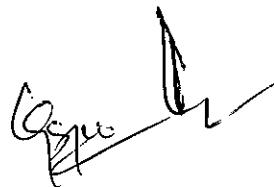
- iii) Reimbursement of travelling, boarding, lodging, hotel and other expenses incurred for the business of the Company as per the travelling policy of the Company for the senior staff.
- iv) Company's contribution to the provident fund to the extent of 12% of the Basic Salary.
- v) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service in the Company subject to the Company's rules in this regard;
- vi) [Superannuation Contribution]

"Resolved further that, in case of inadequacy of profits /or no profits in the Company in any financial year, the Managing Director shall be entitled to the aforesaid salary, perquisites & allowances and commission as minimum remuneration during his/her tenure within the overall limits as laid down under the provisions of schedule XIII to the Companies Act, 1956 as amended/modified/re-constituted from time to time."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

- i) Managing Director shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;
- ii) The appointment may be terminated by either party giving the other party three months notice or paying three months salary in lieu thereof;
- iii) If at any time the Managing Director ceases to be Director of the Company for any reason whatsoever, he shall cease to be Managing Director of the Company;
- iv) The Managing Director shall not be entitled to supplement his/her earnings under the appointment with any buying or selling commission. He shall also not become interested or otherwise concerned directly in any selling agency of the Company, without prior approval of the Central Government.
- v) The office of the Managing Director will not be subject to retirement by rotation."

"Resolved further that, Board of Directors of the Company be and are hereby authorized to alter/vary the terms & conditions of appointment from time to time as it may deem fit, subject to necessary approvals, if any, in accordance with the applicable provisions of the Companies Act, 1956 as amended/ modified/re-constituted from time to time and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion and further authorized to do all such acts, deeds or things, as may be required or considered necessary or incidental thereto."

A handwritten signature in black ink, appearing to read "Gyan", is written over a diagonal line.

Part B

Key employment terms of the agreement to be entered into between the Company and the Financial Controller

JOB DESCRIPTION OF FINANCIAL CONTROLLER

1.0 General

- 1.1 Job Title: Financial Controller (equivalent rank in SSL , Deputy General manager)
- 1.2 Reports to: Managing Director
- 1.3 Department: Finance & Accounts
- 1.4 Location: Head Office, Delhi
- 1.5 Nature of Job: Managerial

2.0 Qualification & Experience Requirement

A qualified Chartered Accountant or MBA (Finance) from a reputed Institute with five to eight years of post qualification relevant experience. Should have good knowledge of Indian Accounting Standards, direct and indirect taxation, commercial laws of the Country, commercial acumen. Management information, Costing, Budgeting etc.

3.0 Nature and Purpose of Job

Overall responsibility of managing the Finance, Accounts and related activities in the Company.

4.0 Position Description

The Financial Controller shall be responsible for the followings:

- 4.1 To Plan, organize, direct and control the financial and management accounting activities of the Company.
- 4.2 To study, develop, propose and when approved install effective control systems, procedures of financial planning, management accounting, budgetary control and cost accounting for all units of the Company.
- 4.3. To direct, supervise and accomplish the setting-up of short term and long term financial plans for operations of the Company. To carry out fund flow related activities, external borrowings, Business/ cash forecasts both for long-term and short-term and identification of sources of financing.
- 4.4 To direct the allocation and the transfer of funds to various verticals of the Company based upon their investment and working capital plans. To carry out effective and proper planning of long term funds of the Company.
- 4.5 To direct the maintenance of complete accounting records to record all transactions for each of the property of the Company in a manner adequate to provide up-to-date information of purchases, sales, transfers, disposals, write-offs, general expenses, assets, liabilities etc.
- 4.6 To supervise collections, deposits, disbursements and transfers of the Company's funds.
- 4.7 To authorise payment vouchers and sign the bank advices/cheques jointly with designated signatories according to the delegations given thereon.

- 4.8 To liaise with Banks in respect of day to day accounts as well as on going and new credit facilities. To enters into agreements with Banks according to delegations given thereon.
- 4.9 To follow-up and coordinate the timely preparation of financial statements. To direct and accomplish the analysis of financial statements through ratios and other measurements and the preparation reports thereon for the purpose of evaluation of performances and the making of appropriate management decisions.
- 4.10 To supervise and coordinate the proper accounting of the Company's assets in terms of the acquisition, utilization and disposal in collaboration with both the issuing and user.
- 4.11 To monitor and control the orderly clearance of payable and receivable.
- 4.12 To secure management approval for the liquidation of unclaimed liabilities and/or irrevocable claims (bad debts).
- 4.13 To closely monitor insurance administration activities i.e. purchase of insurance policies, timely submission of claims and documentation in this respect.
- 4.14 To ensure that the financial and accounting activities at all the organizational units of the Company adhere to the relevant statutory and corporates policies and procedures.
- 4.15 To arrange for and submit to regular audit of the Company's Accounts by the independent external auditors and coordinate internal audit activities.
- 4.16 To be responsible for execution of the Business plans and implementation of the various policies, processes and systems of the Company.
- 4.17 To be responsible for promptly respond with corrective actions on non-conformities detected with in his area of responsibilities.
- 4.18 To directs, supervise and accomplish the activities of devising, implementing and administering systems of cost and budget accounting to provide management with detailed cost and budget information. To accomplish the activities of analyzing cost data.
- 4.19 He shall be responsible for all direct and indirect tax compliances.
- 4.20 He shall oversee the SAP integration function.
- 4.21 To carry out other similar activities as may be assigned by the Managing Director.

5.0 Compensation Range

- 5.1 About Rs [] to [] lacs annually.
- 5.2 A variable pay or ESOP can be added.

A handwritten signature consisting of stylized initials and a surname, appearing to read "Gupta".

SCHEDULE XIV
SINDICATUM'S ANTI-CORRUPTION PRINCIPLES

As of the Effective Date, the Sindicatum Sustainable Resources group has adopted the following anti-corruption principles in its Code of Conduct:

- To conduct business fairly, honestly and transparently;
- Not to make any offers, bribes, directly or indirectly, to gain unfair business advantages;
- Not to accept any offers or bribes, directly or indirectly, to give unfair business advantages;
- To take reasonable measure to avoid doing business with others who do not accept; Sindicatum Sustainable Resources's values and who may harm Sindicatum Sustainable Resources's reputation; and
- To maintain accurate books and records that properly and fairly document all financial transactions.

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SCHEDULE XV
TERMS OF SSL'S WORKING CAPITAL LOAN

Simbhaoli Power Limited
as Borrower

- and -

Simbhaoli Sugars Limited,
as Lender

SHORT TERM LOAN FACILITY AGREEMENT

Rs 50,000,000/-

SHORT TERM LOAN FACILITY AGREEMENT

This Short Term Loan Facility Agreement ("Agreement") is made on this ____ day of _____ 2011
at New Delhi

BETWEEN

Simbhaoli Power Limited, a Company incorporated under the provisions of the Companies Act, 1956
having its registered office at Simbhaoli, District Ghaziabad, hereinafter referred to as "**The
Borrower**" (which expression shall unless repugnant to the context and meaning thereof be deemed to
include successors, assigns and all persons deriving title from it) of the ONE PART;

AND

Simbhaoli Sugars Limited, a Company incorporated under the provisions of Indian Companies Act,
1913 having its registered office at Simbhaoli, District Ghaziabad, hereinafter referred to as the "**The
Lender**" (which expression shall unless repugnant to the context and meaning thereof be deemed to
include successors, assigns and all persons deriving title from it) of the OTHER PART



NOW IN WITNESS WHEREOF, in consideration of the mutual covenants herein contained the Parties hereto agree as follows:

1 Definitions.

In this Agreement, the following words shall unless the context otherwise requires have the following meanings:

"Advance" shall mean a short term loan of Rs. 50,000,000 (Rupees Fifty million only) from the Lender to the Borrower on the terms and conditions laid down in this Agreement.

"Agreement" shall mean this Short Term Loan Facility Agreement, as amended or supplemented from time to time.

"Business Day" means a day (other than a saturday or sunday) on which banks are open for general business in India for settlement of payments.

"Event of Default" shall have the meaning ascribed to it under Clause 9.

"Interest Period" shall mean with respect to each Advance, period ending at the expiry of 180 days computed from the date of first drawdown of the Advance. In case said day is not a business day interest period shall also include those additional days upto the next business day.

"Maturity Date" shall means the date falling at the expiry of 180 days computed from the date of first drawdown under this Agreement.

"Project" to set up a green field bio-mass based power plant at Bijnathpur, and expansion of the power generating capacities at the existing facilities of the Lender situated at Simbhaoli and Chilwaria, Uttar Pradesh.

"SBI Rate" means the Base lending interest rates prescribed by State Bank of India from time to time.

"Subsidiary" means a subsidiary within the meaning of section 4 of the Companies Act, 1956.

In addition to the terms defined elsewhere in this Agreement, unless otherwise specifically provided herein, the following terms shall have the following meanings for all purposes when used in this Agreement and in any notice or other document delivered in connection with this Agreement.

2 Facility

Subject to the terms and conditions hereof, the Lender, on the request of the borrower shall give an advance not exceeding Rs. 50,000,000 (Fifty million only) to the Borrower:

- (a) a request in writing is signed by the authorized representative of the borrower;
- (b) the proceeds of each Advance will be used for meeting the project related requirement.
- (c) No amount is overdue towards the repayment including any interest thereon.

3 Disbursement

- 3.1 The Advance shall be made as soon as possible but not later than within 7 (seven) Business Day after the Lender receives a duly completed request.



3.2 The request for Advance shall contain a statement by the Borrower to the Lender and all the previous advance has been utilized for the purpose it has been given.

4. Interest

4.1 The Borrower will pay interest on Advance at a rate equal to SBI Base Rate + 475 basis point for the entire Interest Period on quarterly basis.

4.2 Interest shall be calculated on the basis of the actual number of days elapsed of a month of 30 days and a year of 360 days.

4.3 The Borrower will pay interest in respect of Advance within seven working days, on which the amount is becoming due.

4.4 Default period interest will be 4% higher than the aforesaid rate.

5. Use of Proceeds

5.1 Except as the Lender may otherwise agree in writing, the proceeds of the Advances shall be used by the Borrower for meeting the 'Project' related expenses requirement only.

5.2 The Borrower shall not use the amount for investment in any securities or bonds or any capital market investment whatsoever, directly or indirectly, or use any part of the proceeds from the Advance for any purpose which would violate, or cause the Lender to be in violation of, any provision of any applicable statute, regulation, order or restriction.

6. Payment, repayment and cancellation

6.1 The Advance stipulated hereunder shall be repaid in one or more installments not exceeding the tenure. Last installment will be paid on due date along with the outstanding interest upto the date of payment.

6.2 payment towards loan shall have prior charge on the cash flows over any other payment due to promoters including dividend, fee etc.

6.3 The Borrower may make prepayments to the Lender in respect of any outstanding Advance prior to its Maturity Date on any Business Day along with interest due thereon upto the date of payment without premium or penalty.

6.4 In case, if loan is not repaid within 60 days of the maturity date, the Lender shall have a right to convert the loan into the equity shares on such valuation of the equity share on the date of advance to the borrower.

7. Rank of Obligations

7.1 All indebtedness under this Agreement is a direct and unsecured obligation of the Borrower and will at all times rank at least equally and rateably with all of its other unsecured and unsubordinated indebtedness for borrowed money except for such indebtedness preferred by mandatory provisions of law.

8. Taxes and deductions

8.1 All amounts payable by the Borrower under this Agreement shall be made into such bank account as shall be indicated by the Lender.

8.2 All such amounts shall be paid in full without set-off, counter-claim or any suspension, restriction or condition and free and clear of any present or future deductions of any nature.

A handwritten signature consisting of stylized initials and a surname, likely belonging to a witness or a party involved in the agreement.

8.3 In case the Borrower is required by law to make any deduction or withholding from amounts due under this Agreement in respect of any taxes, the Borrower shall pay the full amount required to be deducted or withheld to the relevant tax authority within the time limit allowed for such payment under the applicable law. The Borrower shall deliver to the Lender within 30 days after it has made such payment a certificate evidencing the amount deducted or withheld.

9. Events of Default

9.1 Any one of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

- (a) a petition for bankruptcy is filed concerning the Borrower, the Borrower files a request for the suspension of payments, or files for its own bankruptcy;
- (b) a decision to dissolve or liquidate the Borrower is taken or such dissolution is ordered by a competent court or other authority;
- (c) the Borrower is in breach of any obligation under this Agreement which breach, if capable of remedy, is not remedied within 10 days of receipt by the Borrower of a notice in writing to that end; or
- (e) the Borrower compounds with its creditors or has receiver appointed for all or any of its assets, or takes or suffers any similar action in consequence of its debt.

10 Termination

The agreement shall be terminated immediately on termination of the Joint Venture Agreement executed by and between Simbhaoli Sugars Limited, Sindicatum Captive Energy Singapore Pte Limited and Simbhaoli Power Limited

11 Notices

Any notice under this Agreement shall be in writing. Any notice to be sent to either party shall be sufficiently served if sent to it by registered mail to the registered office address of the relevant party as set out at the beginning of this Agreement.

12 Entire Agreement

This Agreement and the documents and other materials contemplated hereby constitute the entire agreement of the Borrower and the Lender and express their entire understanding with respect to credit advanced or to be advanced by the Lender to the Borrower.

13 Counterparts

This Agreement and amendments to it may be executed in several counterparts, each of which shall be an original. The several counterparts shall constitute a single Agreement.

14 Invalidity

In the event that any of the provisions of this Agreement may be invalid or unenforceable, the parties hereto shall procure that such invalid or unenforceable provision shall be substituted by another provision which is valid and enforceable and which reflects to the extent possible the original intention of the parties.

15 Amendments



This Agreement, or any provision hereof, can only be amended in writing signed by each of the parties.

16 Costs

Each of the parties shall bear its own normal costs in connection with this Agreement.

17 Jurisdiction/Governing Laws

The said arrangement shall be governed by and construed under the provisions of applicable laws of the India.

The parties to this Agreement hereby submit in respect of any suit, action or proceeding arising out of this Agreement to the jurisdiction of the courts of New Delhi, India.

IN WITNESS WHEREOF, the Borrower and the Lender have entered into this Agreement on the date set forth at the beginning of this Agreement.

**For and on behalf of
Simbhaoli Power Limited**

Director

**For and on behalf of
Simbhaoli Sugars Limited**

Director



SCHEDULE XVI
FORM OF MANAGEMENT ACCOUNTS¹

SIMBHAOLI POWER LIMITED CASH FLOW STATEMENT FOR THE MONTH ENDED SEPTEMBER, 20 <small>(Rs. in lacs)</small>			
		Month ended September, 20	Month ended September, 20
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net profit/(loss) before tax	-	-
	Adjustments for:		
	Depreciation	-	-
	Foreign exchange fluctuation (Unrealised)	-	-
	Dividend income	-	-
	Interest expense	-	-
	Profit on sale of fixed assets	-	-
	Loss on sale of fixed assets	-	-
	Interest income	-	-
	Liability/provisions no longer required written back	-	-
	Operating profit/(loss) before working capital changes	-	-
	Adjustments for change in :		
	Trade and other receivables	-	-
	Inventories	-	-
	Trade payables	-	-
	Cash generated from operations	-	-
	Direct taxes paid	-	-
	Net cash (used) / from operating activities	-	-
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of fixed assets	-	-
	Sale of fixed assets	-	-
	Investment (Net)	-	-
	Dividend received	-	-
	Lease payments	-	-
	Interest received	-	-
	Net cash used in investing activities	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from right issue (including share premium, net of issue expenses)	-	-
	Proceeds from issue of equity shares/equity warrants	-	-
	Proceeds from long term borrowings	-	-
	Repayment of long term borrowings	-	-

¹ To be provided by Sindicatum.



	Changes in cash credit account	-	-
	Interest paid	-	-
	Dividend paid	-	-
	Net cash from financing activities	-	-
D.	Net increase/(decrease) in cash and cash equivalents	-	-
E.	Cash and cash equivalents (opening balance)	-	-
F.	Cash and cash equivalents (closing balance)	-	-

**SIMBHAOLI POWER LIMITED
OPERATION DATA FOR THE MONTH OF SEPTEMBER 20**

Particualrs	
Cane Crushing capacity utilisation	0%
Cane Crushing (in MT)	
No. of Effective Operating Hours	0.0 Hrs
Auxiliary Consumption - during Season	0.00 MW
Auxiliary Consumption - during Off Season	0.0 MW
Power conversion factor for condensing mode	0.0 MT/MWH
Power conversion factor for back pressure mode	0.0 MT/MWH
Steam conversion factor from equipment	0
Steam conversion factor from biomass	0
Steam consumption of sugar plant as % of cane	0.00%
Power Consumtum of sugar plant	0.0 KWH/TCH
Season Days	0 Days
Off Season days from own bagasse	0 Days
Off Season days from other bio mass	0 Days
Off Season days from purchased bagasse	0 Days
Cane Crushing capacity	0 TCD
Bagasse Generation	0%
Bagasse Savings	0%
Trash collection (as % of Bagasse)	0%
Purchased Bagasse - during Off Season	0 MT
Other Biomass Consumption	0 MT
Bagasse Price - during Season (Rs.) Surplus	0
Purchased Bagasse Price (Rs.) – Outside	0
Other Biomass - outside (Rs.)	0
Realisation Power - during Season (Rs.)	0
Realisation Power - during Off Season (Rs.)	0
Repair Maintenance (% of total Porject Cost)	0.00%
Cash Discount on sales realisation from UPPCL	0.00%
Manpower Cost (Rs. Million)	0
Administrative Cost (Rs. Million)	0
Rate of interest on Rupee term loan	0.00%
Income on Cash accrual (net of tax)	0.0%
Price of CER (Euro / CER)	0.00
Price of REC (Rs.)	0
Stock of Bagasse required to start new season	0
Land Lease Cost	0
Misc. Expenses (as% of revenue)	0.00%

Simbhaoli Power Limited
Variance analysis of Profit & Loss Account
for the Month of September,20___

			Variance	
	Actual for the Month	Projected for the next month	Amount Rs in lach	%
Production (units In lacs)				
Steam			-	-
Power			-	-
CERs			-	-
RECs			-	-
Sale of products (units in lacs)				
Steam			-	-
Power			-	-
CERs			-	-
RECs			-	-
COP per unit				
Steam			-	-
Power			-	-
Average realisation per unit				
Steam			-	-
Power			-	-
CERs			-	-
RECs			-	-
Revenue (net of excise) (Rs. In lacs)				
Steam			-	-
Power			-	-
CERs			-	-
RECs			-	-
Other Income			-	-
Total income	-	-	-	-
Expenditure (Rs. in lacs)				
Variable Manufacturing and other expenses				



Bagasse consumed			-	-
Other fuel consumed			-	-
Cost of By Products			-	-
Stores, oils and chemicals			-	-
Power and fuel			-	-
Marketing Expenses			-	-
(Increase)/Decrease in Inventory			-	-
Total Variable manufacturing & other expense		-	-	-
Fixed Manufacturing and other expenses				
Employee Cost			-	-
Repairs and maintenance			-	-
Insurance			-	-
Rent, Rates & Taxes			-	-
Travelling Expenses			-	-
Bad debts and advances			-	-
Miscellaneous expenses			-	-
Exchange Fluctuation loss/(gain)			-	-
Total fixed manufacturing and other expense		-	-	-
EBIDTA	-	-	-	-
Interest			-	-
Profit/(loss) before depreciation and tax	-	-	-	-
Depreciation (Net of revaluation reserve)		-	-	-
Profit/(loss) before tax	-	-	-	-
Provision for Tax	-	-	-	-
Profit/(loss) after tax	-	-	-	-
Cash Profit/loss	-	-	-	-

A handwritten signature in black ink, appearing to read "Guru".

SCHEDULE XVII
INSURANCE PROGRAM

Gpco

Schedule XVIII

Terms in brief for issue and allotment of preference shares of Rs. 100 million to Simbhaoli Sugars Limited

Company	Simbhaoli Power Limited
Instrument	Cumulative Redeemable Preference Share
Issue size	Rs. 100 million (.....shares of Rs./- each)
Issue Price
Coupon Rate	0.01%
Relevant Date (30 days prior to the date on which general meeting is convened to consider the issue of the instrument.)
Object of the Issue	To meet the funds requirement during the initial phase of the setting up of the Company and executions of new projects/expansion of new plants.
Proposed Allotee	Simbhaoli Sugars Limited (Promoter)
Intention of allottee- to subscribe the offer	Yes
Proposed Time in which allotment will be completed	30 Days
Status of the Preference share	The instrument will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and not have any voting rights unless otherwise as per applicable law.
Redemption Right	The instrument is redeemable having tenure of 10 years from the date of issue. On due date, the instrument shall be redeemed by the Company without any act and deed by the holder
Redemption Price	The instrument shall be redeemed at par value along with cumulative dividend due at the time of redemption.
Conversion Right (in case of default)	Where, the instrument is not redeemed on due date, it can be converted into equity shares at the option of holder at the valuation price of equity shares computed on the date of issue.

Schedule XIX

COMMERCIAL TERMS

A handwritten signature in black ink, appearing to read "C. J. Quay".

**SIMBHAOLI POWER LIMITED
AGREEMENTS**

Schedule XIX

S. No.	Parameter	Recipient	Clause	Unit	FROM AGREEMENTS		FROM AGREED MODEL	
					Simbhaoli	Bijnathpur	Chilwaria	Simbhaoli
FROM AGREEMENTS								
1	O&M agreement	Casetech	Sch. VI	Kwh	144,753,408	101,863,335	144,753,408	101,863,335
a	Annual Base case power quantity		Sch. VI	INR/kwh	0.139	0.148	0.172	0.135
b	Base unit price (Post Commissioning)			INR	17,700,000	-	14,300,000	0.140
c	Pre Commissioning						17,700,000	0.162
2	Project Implementation Agreement	Case tech	6.1.1	INR million	16	16	8	14,300,000
a	Professional fees to Casetech						11	11
3	Facilities Agreement	SSL	6.1 a i]	INR		INR 1.34 million monthly		INR 16.1 million annually as per Fixed cost breakup by SS
a	Monthly Fee before effective date		6.1 a ii]	INR		INR 1.716 million monthly		INR 20.6 million annually as per Fixed cost breakup by SS
b	Monthly Fee after effective date							
4	Plant usage agreement	SSL	5.1	INR	Schedule B	NA	NA	INR 201000000 in total, 25% advance in Jan 12
a	Monthly usage charges							Monthly - INR 31,40,625 starting Jan 13
5	SSL Management service agreement	SSL	4.1	INR				
a	Lumpsum fees					INR equivalent to USD 1.32 million + service tax	USD 1.35 million + service tax	
6	Sindicatum Management service agreement	SCES						
a	Lumpsum fees		4.1	USD		INR equivalent to USD 1.30 million + service tax	USD 1.30 million + service tax	
b	Monthly fees		4.2	USD		INR equivalent to USD 33,333.33 + service tax	USD 33,333.33 + service tax	
7	Annual land lease cost as per model	SSL	3.1	INR million	3.0	2.4	2.4	2.4

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Schedule B - Lease Payments

Payment Month	Lease payment (INR)	Interest (INR)	Total Payment (INR)
1	50,250,000	-	-150,750,000
2	-	911,272	911,272
3	-	911,272	911,272
4	-	911,272	911,272
5	-	911,272	911,272
6	-	911,272	911,272
7	-	911,272	911,272
8	-	911,272	911,272
9	-	911,272	911,272
10	-	911,272	911,272
11	-	911,272	911,272
12	-	911,272	911,272
13	3,140,625	911,272	4,051,897
14	3,140,625	892,287	4,032,912
15	3,140,625	873,302	4,013,927
16	3,140,625	854,317	3,994,942
17	3,140,625	835,332	3,975,957
18	3,140,625	816,347	3,956,972
19	3,140,625	797,363	3,937,988
20	3,140,625	778,378	3,919,003
21	3,140,625	759,393	3,900,018
22	3,140,625	740,408	3,881,033
23	3,140,625	721,423	3,862,048
24	3,140,625	702,438	3,843,063
25	3,140,625	683,454	3,824,079
26	3,140,625	664,469	3,805,094
27	3,140,625	645,484	3,786,109
28	3,140,625	626,499	3,767,124
29	3,140,625	607,514	3,748,139
30	3,140,625	588,530	3,729,155
31	3,140,625	569,545	3,710,170
32	3,140,625	550,560	3,691,185
33	3,140,625	531,575	3,672,200
34	3,140,625	512,590	3,653,215
35	3,140,625	493,605	3,634,230
36	3,140,625	474,621	3,615,246
37	3,140,625	455,636	3,596,261
38	3,140,625	436,651	3,577,276
39	3,140,625	417,666	3,558,291
40	3,140,625	398,681	3,539,306
41	3,140,625	379,696	3,520,321
42	3,140,625	360,712	3,501,337
43	3,140,625	341,727	3,482,352
44	3,140,625	322,742	3,463,367
45	3,140,625	303,757	3,444,382

Schedule B - Lease Payments

Payment Month	Lease payment (INR)	Interest (INR)	Total Payment (INR)
46	3,140,625	284,772	3,425,397
47	3,140,625	265,788	3,406,413
48	3,140,625	246,803	3,387,428
49	3,140,625	227,818	3,368,443
50	3,140,625	208,833	3,349,458
51	3,140,625	189,848	3,330,473
52	3,140,625	170,863	3,311,488
53	3,140,625	151,879	3,292,504
54	3,140,625	132,894	3,273,519
55	3,140,625	113,909	3,254,534
56	3,140,625	94,924	3,235,549
57	3,140,625	75,939	3,216,564
58	3,140,625	56,954	3,197,579
59	3,140,625	37,970	3,178,595
60	3,140,625	18,985	3,159,610

Note: Month 1 starts from Effective date