

SUPPLEMENTARY PROMOTERS AGREEMENT

This Agreement made on this 21st day of Nov 22 among the Lt. Governor of Jammu and Kashmir through Principal Secretary to Government, Power Development Department, Govt. of Jammu & Kashmir (hereinafter referred to as 'GOJK') which expression shall unless repugnant to the context or meaning thereof includes its successors, authorized representatives and permitted assigns of the First Part.

And

Jammu and Kashmir State Power Development Corporation Limited (CIN – U40101JK1995SGC001418) (hereinafter referred to as 'JKSPDC'), a company incorporated under the Companies Act, 1956 having its registered Office at Exhibition Ground, Srinagar-190009 through its Managing Director, which expression shall unless repugnant to the context or meaning thereof includes its successors, authorized representatives and permitted assigns of the Second part.

And

NHPC Limited (CIN – L40101HR1975GOI032564), a company incorporated under provisions of the Companies Act, 1956 having its Registered Office at NHPC Office Complex, Sector 33, Faridabad, 121003 (Haryana) (hereinafter referred to as "NHPC") through its Chairman and Managing Director, which expression shall unless repugnant to the context or meaning thereof includes its successors, authorized representatives and permitted assigns of the Third part

NHPC and JKSPDC shall in this agreement be individually referred to as 'party' and collectively as 'parties'. Whereas GOJK shall be referred to as 'confirming party'

Whereas, the Government of Jammu and Kashmir is committed to harness the hydroelectric potential of Pakal Dul (1000 MW), Kiru (624 MW), Kwar (540 MW), and Kirthai II (930 MW) hydroelectric projects with installed capacity of about 3094 MW in the Chenab River Basin in accordance with the provisions of Indus Waters Treaty and whereas the Ministry of Power, Government of India is keen to add new power generation capacity with a view to meet the gap between demand and supply in the country.

Whereas, the GoJK, JKSPDC, NHPC, and PTC have signed a Memorandum of Understanding (MoU) on 10th October, 2008, a copy of which is appended as Appendix- A.

Whereas, the parties had affirmed their joint commitment to manage and complete Pakal Dul and two other Hydroelectric Projects with aggregate installed capacity of



about 2100 MW in the Chenab River Basin through a Joint Venture Company named as "Chenab Valley Power Projects (Private) Limited" by signing a Promoters Agreement on 21st December 2010, a copy of which is appended as Appendix-B.

Whereas as per in-principle approval conveyed by Ministry of Power vide letter No. 10/1/2008(NHPC) Vol. II dated 25.02.2011, a JV Company – "Chenab Valley Power Project Private Ltd. (CVPPPL)" was incorporated between NHPC, JKSPDC and PTC, the liability of which is limited by shares as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'Company') in pursuit of its above objectives more elaborately set out in the Memorandum of Association of the Company.

Whereas PTC after infusing Rs. 4.08 Crores equity, did not infuse further equity in CVPPPL after June 2016 and intimated that it would be prudent that NHPC and J&K Govt. should take up the project and PTC may consider not to make further equity contribution. Thereafter, after deliberations, Ministry of Power, GOI (MOP) decided that as PTC is unwilling to infuse further equity, the 2% equity stake of PTC in CVPPPL be transferred to NHPC. Accordingly, as per no objection conveyed by GOJK vide letter dated 11-01-2021, MOP conveyed its approval to the proposal on 12-05-2021.

The book value of the 2% equity shareholding held by PTC(India) Limited in CVPPPL, as on 30-09-2020, i.e. Rs.4,18,87,140/- was remitted to PTC (India)'s bank account on 25.05.2021.

NOW, THEREOF IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:



SECTION-1

1.0 DEFINITIONS

The words and expressions used in this Agreement unless repugnant to the context shall have the meaning assigned to them herein below:-

- 1.1 "Act" shall mean The Companies Act, 2013, as amended from time to time including any re-enactment thereof, for the time being in force.
- 1.2 "Agreement" shall mean this Promoters' Agreement and any other supplement(s) to or amendments of this Agreement, or appendix to this agreement which are made part of this Agreement in accordance with the provisions contained in this behalf herein.
- 1.3 "Agreed Proportion" means the proportion in which the Parties have agreed to subscribe to the Equity Share Capital of the Company as specified in Section 4 of this Agreement.
- 1.4 "Articles of Association" means Articles of Association of the Company.
- 1.5 "Board" shall mean the Board of Directors of the Company as constituted from time to time.
- 1.6 "Company" shall mean the Company formed in the name of "Chenab Valley Power Projects (Private) Limited".
- 1.7 "CEA" means Central Electricity Authority.
- 1.8 "CCEA" means Cabinet Committee on Economic Affairs of the Govt. of India.
- 1.9 "Confirming Party" shall mean Government of Jammu & Kashmir.
- 1.10 "DPR" means Detailed Project Report for the projects.
- 1.11 "Equity share Capital" means the total equity share capital of the Company agreed to be issued and called the Authorised Capital of the Company, as mentioned in the Memorandum of Association of the Company.
- 1.12 "Gol" means the Government of India.
- 1.13 "GoJK" means Government of UT of Jammu & Kashmir.
- 1.14 "Issue Date" shall mean the date on which the shares pursuant hereto are allotted and issued to the Parties by the Company.
- 1.15 "Memorandum of Association" means the Memorandum of Association of the Company.



- 1.16 "MoP" means Ministry of Power, Government of India.
- 1.17 "Person" shall mean any individual, body corporate, other business entity, or any statutory corporation, society, authority, trust, partnership firm or any other entity whether acting in an individual, fiduciary or other capacity.
- 1.18 "Parties" shall mean NHPC and JKSPDC .
- 1.19 "Project" or "Projects" includes Pakal Dul (1000 MW), Kiru (624 MW), Kwar (540 MW), and Kirthai II (930 MW) hydroelectric projects with installed capacity of about 3094 MW as entrusted to the Company for execution under this agreement or any other agreement from time to time.
- 1.20 "Promoters" means NHPC and JKSPDC.
- 1.21 "Shares" shall mean the issued, subscribed and paid up shares of the Company including any shares issued as bonus shares, or shares issued under any reclassification, reorganization, exchange recapitalization or otherwise.
- 1.22 "Beneficiaries" shall mean parties including Government departments, Corporation etc. to whom electricity generated from the projects shall be sold by the Company.
- 1.23 Words and expressions, which are contained in the Articles of Association of the Company and in the Act, but not defined in this Agreement, shall be construed as having the same meaning as assigned to them therein.
- 1.24 "Titles to the sections" in this Agreement are for convenience of reference only and shall not govern or affect the meaning or interpretation of the text of the clauses of this Agreement.
- 1.25 Unless the context otherwise requires, words importing singular include plural and vice-versa and words denoting natural persons shall include all Persons.
- 1.26 All references pertaining to PTC (India) Limited referred to as PTC in the earlier Promoter's Agreement signed between NHPC, JKSPDC and PTC shall be construed to be deleted.

SECTION-2

2.0 PURPOSE OF THIS AGREEMENT

- 2.1 The Parties hereby have jointly established a Company under the name and style of "Chenab Valley Power Projects (Private) Limited" upon the terms & conditions contained in this Agreement. The Company shall obtain all necessary and requisite certificates, approvals, licenses, permissions and authorization from the Government/ Statutory Authorities. The Parties recognize and accept that this Agreement records, inter-alia, their participation and role in the Company to achieve



its objectives of implementation of the projects in the Union Territory of Jammu & Kashmir, more elaborately to be specified in the Memorandum of Association of the Company. The Company shall be managed by the Board of Directors.

- 2.2 Each of the parties hereto shall be obliged to subscribe to the original Authorised Share Capital in agreed proportion pursuant to Clause 4 hereunder and in the manner and at the time, the Board of Directors of the Company may make the calls for subscription.
- 2.3 The Memorandum of Association and the Articles of Association of the Company shall be in the form and substance as mutually agreed to by and among the Parties, whose authorized representatives shall subscribe their signatures thereto.

SECTION -3

3.0 BUSINESS OF THE COMPANY AND ITS CONDUCT

- 3.1 The Parties note that the registered office of the Company is situated in the Union Territory of Jammu & Kashmir.
- 3.2 The Company shall:
 - 3.2.1 Plan, promote and organize an integrated and efficient development of Pakal Dul (1000 MW), Kiru (624 MW), Kwar (540 MW), and Kirthai II (930 MW) hydroelectric projects with installed capacity of about 3094 MW projects in the Chenab River Basin in all its aspects in the Union Territory of Jammu & Kashmir including planning, investigation, research, design and preparation of preliminary, feasibility and detailed project reports, construction, generation, operation and maintenance of power stations and projects, and sale of power generated from the said projects. The projects will be developed on Build, Own, Operate and Maintain (BOOM) basis.
 - 3.2.2 Carry on all kinds of activities relating to construction, operation and maintenance including surveys of all types, environmental management, pre-feasibility reports, feasibility reports, detailed project reports, techno-economic investigations, supply of basic engineering and detailed engineering design and working drawings layouts and blue prints for construction, operation, maintenance, renovation and modernization of the projects including equipment and other assets, pertaining to the power project working, and equipment selection therein, material handling, preparation of specifications and issue of tender documents. Tender evaluation and purchase assistance of all materials and goods pertaining to such project(s), expediting, inspecting and testing, construction, supervision, project management, acceptance testing and quality assurance evaluation, construction, commissioning and operation & maintenance
- 3.3 The business of the Company shall at all times be conducted on commercial lines and it shall be done independently and distinct from the business of the Parties.
- 3.4 The parties to the extent of their respective rights to do so shall exchange such technical information & data as are reasonably required from each party to perform their obligations and responsibilities under these presents.



- 3.5 The Company shall meet its financial requirements on its own without recourse to the parties. It shall not be obligatory on the part of Parties to give any guarantee or security or otherwise for raising funds by the Company.

Ministry of Power, Government of India, GoJK, NHPC and JKSPDC will facilitate the financial closure of the Projects.

- 3.6 The financial liability of the Parties to this Agreement shall be limited to the extent of their respective shareholding and any unpaid amount of equity capital to be subscribed by the Parties in agreed proportion for completion of the projects.

SECTION-4

4.0 SHARE CAPITAL AND SUBSCRIPTION

- 4.1 The Company shall have an Authorised Share Capital of Rs 5200 Crore (Rupees Five Thousand Two Hundred Crore) divided into 520 Crore (Five Hundred Twenty Crore) equity shares of the face value of Rs.10/- (Rupees ten) each. The already paid up Share Capital as on 30th September 2021 is Rs.3195.17 crore (Rupees Three Thousand One Hundred and Ninety Five Crores and Seventeen lakhs) divided into 319.51 Crores (Three hundred Nineteen Crore fifty one lakhs) equity shares of the face value of Rs.10/- (Rupees Ten) each.
- 4.2 Unless otherwise mutually agreed between the Parties, there shall be only one class of shares i.e. Equity Shares. The agreed shareholding pattern and quantum of shareholding in the paid up share capital of the Company from time to time shall be as follows:-
- (a) Fifty One percent (51%) of the paid up Equity Share Capital of the Company shall be subscribed and paid up by NHPC.
- (b) Forty Nine percent (49%) of the paid up Equity Share capital of the Company shall be subscribed and paid up by JKSPDC.
- 4.3 The GoJK shall make available unencumbered land as may be required for the projects, to be taken up by the company, to the company on lease hold basis as per the land laws applicable to the Union Territory of Jammu & Kashmir from time to time, through transfer or acquisition, including compulsory acquisition. The cost incurred by GoJK on the land so acquired or transferred or leased or provided by GoJK and not paid for by the company, will go towards the equity contribution of JKSPDC to the company. The GoJK shall have the option to contribute towards the share equity of JKSPDC in the company by way of:
- 1) Cost of all types of Government lands.
 - 2) Development of such infrastructure upto the Project sites which is part of the estimates of the respective projects.



- 4.4 (a) If at any time the Company wishes to raise its subscribed share capital by issue of additional shares, the Company shall first offer such shares to its existing shareholders in proportion to their existing shareholding on the date of such issue. Such offer to the existing shareholders shall be in accordance with the provisions of Section 62(1)(a) of the Act.
- (b) Subject to the limitation set forth in the Section 4.2 above, the Parties agree and undertake to subscribe to the shares offered by the Company in agreed proportion upto the authorised capital of Rs 5200 Crore. If any Party fails to subscribe to those shares offered to it for subscription (hereinafter called the "offered shares") within the stipulated period then they shall be liable to pay interest @2% p.a. above the rate of interest at which Company has raised loans for meeting its working capital/ capital requirement from the due date till the amount is subscribed.
- (c) The Company shall subject to applicable provisions of the Act and Articles of Association, make uniform calls from time to time upon the Shareholders in respect of the amounts remaining unpaid on the issued shares, as the Board may deem fit and appropriate.
- 4.5 If at any time the Company decides to increase its Authorised Share Capital beyond Rs. 5200 Crore in accordance with its Articles of Association, the Parties hereto shall be under the contractual obligation to subscribe to such increased Authorised Share Capital in the Agreed Proportion as mentioned in Para 4.2 above. For subscriptions to such increased Authorised Share Capital, they may however, enter into a supplementary Agreement on mutually agreed basis, which, on execution, shall form part of this Agreement.
- 4.6 The Company shall have no objection to JKSPDC raising their share of equity from any financial institutions, banks or any other sources on the basis of securitization of the share of free power of GoJK from the projects.

SECTION-5

5.0 BOARD OF DIRECTORS

- 5.1 The Company shall be managed by its Board of Directors, which shall be responsible for formulating the overall policies of the Company in all matters and shall supervise the conduct of the affairs and operations of the Company.

Board of Directors of the Company shall have representation from NHPC and JKSPDC, with NHPC having one more Director than the Directors nominated by JKSPDC at all times and any change in the structure of the management of the company which is mutually agreed by the Parties shall not have an impact on ongoing activities of the projects.

- 5.2 The Board of Directors of the Company shall comprise not less than four (04) but not more than fourteen (14) Directors. The actual number of Directors shall be

determined from time to time at general body meeting of the members of the Company.

- 5.3 (a) At present, the Board shall comprise of Seven (7) Directors. The Parties have nominated/shall nominate the following Directors on the Board of Company:-

Sh Y K Chaubey	(Nominated by NHPC)
Sh R P Goyal	(Nominated by NHPC)
Md. Hasan Nadeem,	(Nominated by NHPC)
Smt Madhusmita Pany	(Nominated by NHPC)
Sh Suresh Kumar	(Nominated by JKSPDC)
Administrative Secretary, Finance Department	(Nominated by JKSPDC)
Administrative Secretary, Power Development Department	(Nominated by JKSPDC)

- (b) The Chairman of the Board shall be a non-executive professional, who shall be appointed by JKSPDC in consultation with NHPC. The posts of Managing Director (MD) and Joint Managing Director (Jt MD) shall be held by the nominees of NHPC and JKSPDC respectively.

- (c) For effective performance of the Company, the Managing Director shall have following powers:

(i) Managing Director shall be responsible for the functioning of the company and will have all the powers of the Management of the Company except as detailed in the Memorandum and Articles of Association of the company.

(ii) Managing Director shall have powers to stop further supply of electricity generated from the projects to the beneficiaries and sell it through open market; after notifying them, if dues for two successive months are not cleared by them.

(iii) Managing Director shall have the powers to position Heads of the projects.

- 5.4 The respective parties shall be entitled to appoint an alternate Director, who may attend, participate and vote at a meeting of the Board, if the original Director is out of station or otherwise unable to attend for a period of more than three months.

- 5.5 The Party appointing its nominee director(s) alone shall have the right to fill up the vacancy or vacancies if any caused in the office of such Director(s) due to resignation, removal, death or otherwise.

- 5.6 All matters arising at a meeting of the Board or at any Committee thereof shall be decided as per the Companies Act, 2013.

- 5.7 The Directors of the Company including their alternate Directors shall not be required to hold any qualification shares.

- 5.8 The non official part-time Directors of the Company, if appointed, shall be paid such sitting fee for attending the Board Meeting or Meeting of any committee or sub-committee of the Board, as may be prescribed by the Articles of Association of the Company. In addition to the sitting fee, as may be determined by the Board of the Company, the part time Directors of the Company shall also be paid travel and hotel expenses, etc.
- 5.9 The Board shall meet at such time and at such place, preferably at the registered office of the Company, as it may deem necessary provided that at least one meeting of the Board shall be held every quarter i.e. three months and at least four such meetings shall be held in every year.
- 5.10 Quorum for any meeting of the Board of Directors of the Company shall be three Directors or one-third of the total existing strength, as on date, of Board whichever is higher, and of which at least one nominee Director (or his Alternate Director nominated by the parties) from NHPC and JKSPDC shall be present.

SECTION -6

6.0 MANAGEMENT OF AFFAIRS

- 6.1 Subject to the control, direction and delegation by the Board, the day- to-day management of affairs of the Company shall vest with the Managing Director, who shall be responsible for the efficient conduct of the business of the Company.
- 6.2 In respect of the following matters no resolution shall be passed or decision taken at the meeting of the Board or any Committee or Sub- Committee thereof unless it has been approved by NHPC and JKSPDC in writing.
- a) To invest the funds of the Company.
 - b) To issue debentures.
 - c) To make loans.
 - d) The establishment or change of any significant accounting policies and practices.
 - e) Substantial changes in the organisational structure and major policy.
 - f) Entering into foreign collaboration.
 - g) Any proposal to submit bids without any profit margin or at loss.



SECTION -7

7.0 OBLIGATION OF PARTIES

- 7.1 The parties shall assist the Company by providing managerial, legal, commercial and technical support on mutually agreed consideration.
- 7.2 The Company shall not compete with either of the Parties, without the prior written consent of the Parties, as the case may be, in their respective areas of business activities. Such consent shall be granted at the sole discretion of the respective Parties, whose decision shall be final.
- 7.3 The lease hold rights of the land required for the Projects, against payment and land revenue as fixed by UT Government, shall be granted initially for a period of 40 years in accordance with UT laws. On expiry of that period, the lease shall be renewed for a further term not exceeding 40 years at a time subject to Maximum period of 90 years.
- 7.4 Each party agrees to keep in confidence and to use the same degree of care as it uses with respect to its own proprietary data to prevent disclosure to third parties of all technical information, data and confidential business information (hereinafter referred to as "Data"). Exchange, use and maintaining confidentiality of Data shall be mutually discussed and agreed to by the parties.

SECTION-8

8.0 SHARING OF BENEFITS

- 8.1 The benefits of Joint Venture shall be shared by respective parties in proportion to their actual contribution in share holding of Company.
- 8.2 The GoJK shall get 12% free power generated from the Projects. An additional 1% free power for local area development fund shall also be provided by the Company. The fund shall be operated as per the guidelines issued in the Hydro Power Policy 2008. Further, out of balance 87% power, the GoJK would have the right to purchase power from the Company in proportion to the share of JKSPDC in the equity of the Company at the price determined as per regulatory norms. After this, the balance power will be sold by NHPC at the market price to the purchaser with the first right of refusal being given to Jammu & Kashmir Power Development Department.

SECTION-9

9.0 RIGHTS AND OBLIGATIONS OF THE GOVERNMENT OF JAMMU & KASHMIR AND OF THE COMPANY

- 9.1 Revenue receipts on account of sale of timber, royalty on river bed materials etc. arising as a result of the submergence of areas by the Projects shall accrue to GoJK.



- 9.2 Rights in fisheries, navigation, exploitation of tourism potential etc. in respect of the ponds created by the Projects shall vest with the GoJK.
- 9.3 GoJK will have the right to develop / allot other schemes proposed to be executed in the upstream and downstream as also in the vicinity of the Projects provided design and execution of such schemes does not affect design & operation of the Projects adversely.
- 9.4 Without prejudice to J&K land laws, the Company shall have exclusive rights over the Projects.
- 9.5 The design, construction and operation of the Projects would be as per provisions of the Indus Waters Treaty. Company shall also render all assistance needed by the Govt. of India in view of the provisions of the Treaty.
- 9.6 The Company would comply with conditions imposed by the Government of India from time to time in respect of clearances to the Projects. It would also comply with conditions imposed by GoJK in respect of clearances of the Projects.
- 9.7 The work of R&R of the oustees of the Projects would be the joint responsibilities of the Company and GoJK. The entire expenditure incurred on this account would be borne by the Company. This activity would be implemented in accordance with the approved R&R plan for the Projects. GoJK would provide staff on deputation to enable the Company to carry out this task. The GoJK will facilitate the acquisition of the land at the expense of Company and transfer / lease / provide it to the Company in accordance with the laws prevalent in the UT of Jammu & Kashmir. Company shall obtain all clearances including environmental, forest etc. from the Government of India and UT Government as would be mandatory for Projects implementation.
- 9.8 Security arrangements for the Projects areas shall be looked after by the GoJK. However, specific security arrangements for guarding the Projects sites, temporary and permanent installations etc. shall be made by the Company.
- 9.9 The Company shall endeavor to complete the Projects within the time schedule approved by the Government of India and the time schedule will commence from the date of accord of approval subject to acquisition of land and obtaining all statutory clearances.
- 9.10 The cost of Projects will be met by way of debt equity norms by the Parties in accordance with regulatory guidelines. "Ministry of Power, Government of India, GoJK, JKSPDC, and NHPC will facilitate the financial closure of the Projects"
- 9.11 Company will pursue with Government of India for mega status of the Projects.
- 9.12 The staff for Rehabilitation and Resettlement (R&R) activities shall be deputed by GoJK to Company and the remaining staff to the Company shall be provided in following manner:
- (a) Group A & B staff in the JVC shall be deployed by way of Secondment / Transfer / Deputation from NHPC, JKSPDC/Departments of Government of Union Territory of Jammu and Kashmir equally or through recruitment by the



JVC as per DPE norms, as applicable. However, a minimum of 49% Group A & B staff in the Company shall be Domiciles of Union Territory of Jammu and Kashmir subject to their suitability, availability and eligibility.

- (b) Eighty percent (80%) of Group C & D staff in JVC shall be domiciles of Union Territory of Jammu and Kashmir subject to their suitability, availability and eligibility. Out of this, ten percent (10%) of the staff shall be recruited from project Affected families (PAF), subject to suitability, availability and eligibility.
 - (c) For the jobs created through the project, after providing suitable training and skill development in the required field, provision shall be made for employment at a rate not lower than the minimum wages admissible.
- 9.13 The Parties shall provide or lend to the Company on Secondment / Transfer / deputation of their qualified employees on such terms and conditions as may be agreed upon between the concerned parties and the company. The employees whose services are so lent to the Company shall remain on deputation or retain lien in their parent Organization for a period up to five (5) years. During this period, the employee may opt to revert to his parent Organisation which shall take him back into employment with continuity of service. However, the terms and conditions of the services of the employees so lent to the Company by the parties shall be in no way inferior to that of respective parent organisation during the period of lien / deputation. JVC shall adopt same designations for executives as prevalent in NHPC. The equivalence criteria of the officers / officials on deputation / transfer / secondment to the JV shall be based on the service rules in vogue in NHPC and JKSPDC/ GOJK and shall be worked out by a committee of two officers each from NHPC and JKSPDC Limited with a view to remove any disparity in the status and salary of the employees in JV from either of the promoters.
- 9.14 It may be ensured that direct recruitment should not be more than 50% of the sanctioned strength and to be made only up to the level of Sr. Manager to maintain proper transfer of knowledge from the parent Company to the JVC.
- 9.15 Any requirement of deputation/ transfer/ secondment for JVC shall be allocated equally between NHPC and GOJK / JKSPDC and the same shall be routed only through NHPC or JKSPDCL as the case may be.

SECTION -10

10.0 DISINVESTMENT

- 10.1 No Promoter shall sell, transfer, assign, mortgage or otherwise encumber its share holding in the Company for initial period of three years after the incorporation of the Company.
- 10.2 (a) The parties recognize that if any promoter is under the obligation of negative lien on all or any of its undertakings, assets present and future (including un-called capital) to its lenders, in the course of its business and, therefore, the equity shareholding of the promoters in the Company pursuant to the provisions herein would necessarily be subject to such negative lien. This obligation of negative lien

by the Promoters on the equity shares to be subscribed pursuant to the provisions herein shall not be interpreted or construed as violation of the provisions of clause 10.1 hereof.

- 10.2 (b) The promoters have agreed not to sell or encumber other than hypothecate their share holding in the Company, as stated in clause 10.1 above. In the event any promoter desires to sell or dispose of the whole or part of its share holding in the Company after satisfaction of the conditions stated in 10.1, it will offer those shares to the other Promoter (hereinafter called the "proposed Transferees") by a written Notice at least 2 months in advance setting out the number of shares offered together with the price desired (thereinafter referred to as the "Transfer Notice"). The proposed Transferees shall within said two months of the receipt of the Transfer Notice, communicate to the Promoter desiring to transfer its share (hereinafter referred to as the "Transferor") their acceptance or otherwise of the offer and/or to nominate the buyer or buyers thereof.
- 10.2 (c) In the event of the proposed transferees decline to purchase or nominate any buyers or fails to communicate their acceptance of the offer contained in the Transfer Notice to the Transferor within the aforesaid period of 2 months, the Transferor shall be free to sell and transfer the said shares to any third party of its choice at the same price and on the same terms and conditions (which shall not be more favorable to such outside Party) as contained in the Transfer Notice. The said third party shall have to sign an undertaking addressed to the non-selling Promoter(s) and to the Company thereby confirming to comply with the terms and conditions as may be prescribed.
- 10.2 (d) If the proposed transferees (which shall include the buyer(s) nominated by the Promoter concerned) accept the offer contained in the Transfer Notice, the sale and purchase transaction of the said shares shall be completed within 60 days of the acceptance and the Company shall register the transfer.
- 10.3 The following is to be mentioned on each share certificate evidencing that the Share held pursuant thereto by Promoter and if such inscription is not permitted by applicable law, on a document attached to and forming a part of such certificate.

"A Supplementary Promoters Agreement dated _____ has been entered into among NHPC, GoJK and JKSPDC and a copy of agreement has been delivered to the Secretary of the Company to be kept in the Company's Registered Office. That Agreement read with the Articles of Association of the Company imposes various restrictions upon transfer of the Shares represented by this certificate. No transfer of any Share represented by this certificate shall be valid unless such transfer is made strictly in accordance with the said Supplementary Promoters Agreement".

SECTION -11

11.0 ASSIGNMENT

This Agreement would be binding upon and would be for the benefit of the Parties, their successors and permitted assigns, provided that neither this Agreement nor



any interest herein nor any rights or obligations hereunder, may be assigned or Transferred in whole or in part by any Party without the written consent of the other Party which shall not be delayed / withheld unreasonably.

SECTION -12

12.0 POWER EVACUATION SYSTEM

- 12.1 The modalities of power evacuation system, as applicable, shall be decided by the Board of the Company.

SECTION-13

13.0 ACCOUNTS, AUDIT & INSPECTION.

- 13.1 Except the first accounting period, the accounting year of the Company shall be financial year i.e. 1st April to 31st March.
- 13.2 The Company's books of account shall be maintained in accordance with the provisions of the Act and Accounting Standards and the applicable Laws.
- 13.3 The Auditors of the Company shall be appointed as per the provisions of the Act.
- 13.4 The Parties hereto shall be entitled to receive full information, data and statements relating to the operations and other activities of the Company including quarterly unaudited account for each quarter and audited balance sheets, profit and loss accounts and all such other data and information regarding the business and operations of the Company and conduct of its business etc as may be reasonably required by them and Company shall endeavor to promptly furnish it to the Parties.

SECTION -14

14.0 RATIFICATION AND REIMBURSEMENT OF PRELIMINARY EXPENSES.

- 14.1 The Company shall adopt and ratify this Agreement and shall be fully bound by its, covenants notwithstanding that the Articles of Association of the Company may be silent or permissive on some points.
- 14.2 The Company shall be bound by the terms and conditions laid down in the Memorandum of Understanding signed among the parties on 10th of October, 2008, except those which have been modified/changed in this agreement.
- 14.3 The Parties' rights and obligation shall be governed primarily by this Agreement, which shall also prevail inter-se between the Parties in the event of any ambiguity or inconsistency between this Agreement and the Memorandum and Articles of Association. In the event of any conflict between the MOA and AOA and this

Agreement, the provision of this Agreement shall prevail and MOA and AOA shall be suitably amended.

- 14.4 All Preliminary Expenses including all costs, charges, expenses and out-of pocket expenses of and incidental to the incorporation, legal fee and registration fee of the Company incurred before and immediately after its formation by the parties shall be reimbursed and paid for by the Company within two years from the date of its incorporation.
- 14.5 The Company shall have complete access to all the survey & investigations, drawings, Reports, Detailed Project Report etc. prepared by NHPC for Pakal Dul and two other hydroelectric projects. All the cost, expenses, charges etc. incurred by NHPC in connection with above work of the said Projects shall be reimbursed to NHPC by the Company.

SECTION -15

15.0 ENFORCEMENT & PARTIAL INVALIDATION

- 15.1 The parties hereto agree that this Agreement is irrevocable till entire equity capital required for the projects is fully paid up and projects are successfully commissioned unless the Parties agree to terminate it with mutual agreement.
- 15.2 If any of the party fails to pay its agreed proportion of the equity together with interest, if any, for delayed payment till commissioning of the project then other party shall have discretion to pay the amount payable by defaulting party against purchase of the equity shares at par.
- 15.3 In the event of any one or more of the provisions contained in this Agreement becoming invalid, illegal or unenforceable in any respect under any applicable law, the remaining provisions contained therein shall not in any way be affected or impaired thereby and shall be fully enforceable.
- 15.4 Subject to 15.1 above, the mutual termination of this Agreement shall be without prejudice to any clause or right of action of any Party previously accrued to it against the other party.
- 15.5 If either of the parties shall have committed or knowingly permitted a material breach of any of the covenants or conditions herein contained, the Party(ies) not in breach (the "Non-defaulting Party") may serve on the Party(ies) in breach (the "Defaulting Party") a notice specifying the material breach in writing and requiring it within ninety (90) days to make good the same in the case of a material breach capable of being made good, or to promptly pay to the Non-defaulting Party reasonable compensation in the case of a material breach not capable of being made good and if the Defaulting Party shall not within the period of ninety (90) days aforesaid comply with the said notice, then on the expiry of the said notice period, the Non-defaulting Party shall have a right, besides other remedies to terminate this Agreement.



- 15.6 In the event of termination of this Agreement as per 15.5 above, the Non-defaulting Party shall have the right to purchase the Shares held by the Defaulting Party in the Company at the fair value of such shares to be determined by an independent and reputed Chartered Accountant appointed by mutual consent.
- 15.7 Upon expiration or termination of this Agreement for any reason whatsoever it shall not automatically release any Party hereto from any liability and / or obligation which at the time of such expiration or termination has already accrued to the other Party, nor will it affect in any way the survival of any other right, duty or obligation of any Party.

SECTION -16

16.0 SETTLEMENT OF DISPUTES

16.1 AMICABLE SETTLEMENT:

In the event of any dispute or differences relating to the interpretation and application of the provisions of this Promoters Agreement then such dispute or difference shall be resolved by mutual discussion between the Ministry of Power, Gol and Government of Union Territory of Jammu and Kashmir.

In case, the parties are unable to settle the disputes amicably within 30 days after the notice of dispute is given by either of the parties, the issues so raised shall be taken up for resolution through Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) as mentioned in DPE OM No. 4(1)/ 2013-DPE (GM)/ FTS-1835 dated 22-05-2018.

SECTION -17

17.0 GOVERNING LAW AND JURISDICTION

- 17.1 This Agreement shall be governed by and constructed in accordance with the laws as applicable in UT of Jammu and Kashmir. The Courts of UT of Jammu and Kashmir shall have the exclusive legal jurisdiction.

SECTION -18

18.0 CONFIDENTIALITY

- 18.1 Each Party undertakes to the other Party that it shall ensure that all information received by it relating to other Party or the Company which is not in the public domain shall be treated as confidential and shall not except for the purpose of the Agreement - disclose all or any part of it to any third party (other than Government of J&K or Ministry of Power, Government of India) or otherwise seek to use all or any part of it without prior written consent of the Company and the other Parties as the case may be.

SECTION -19

19.0 MISCELLANEOUS

- 19.1 The rights, benefits and obligation under this agreement shall not be assigned by the parties.
- 19.2 Neither Party hereto shall have the authority or power to bind the other Party hereto save and except as specifically provided in the Agreement.
- 19.3 The parties hereto shall fully co-operate with each other with regard to the initiation, planning and implementation of works of the Company with a view to providing the efficiency, efficacy and profitability of the Company's operations and generally to strengthen the operational base of the Company. The Directors nominated by the Parties shall do everything possible within their power for ensuring and procuring full compliance with the provisions of this Agreement including ratification of this Agreement by the Company.
- 19.4 Each Party hereto represents to the other that:
- (i) The execution, delivery and performance by it of this Agreement are within its power and they have been duly authorized by all necessary action.
 - (ii) This Agreement constitutes a valid and binding agreement and is enforceable in accordance with its terms.
- 19.5 This Agreement contains the entire agreement and understanding between the Parties as to the subject matter hereto and supersedes all previous negotiations discussions and writings pertaining to subject matter of this Agreement.
- 19.6 This Agreement is being executed in number of counterparts, each of which shall be original.
- 19.7 No modifications or amendment to this Agreement and no waiver of any of the terms or conditions hereof shall be binding unless specifically made in writing by the authorised representatives of the parties.
- 19.8 The Parties and the Company shall in accordance with the provisions of the Specific Relief Act, 1963 applicable to the matter, be entitled to specific performance of the terms of this Agreement including the rights and obligations contained therein.



19.9 Notice or other communication required or permitted to be given or made hereunder shall be in writing and delivered Personally or sent by prepaid registered post or by legible fax addressed to the intended recipient at its address set out below or to such other address or fax number as any Party may from time to time notify to the other Party:

- | | | |
|----|--------------|---|
| a) | NHPC Limited | Chairman & Managing Director, NHPC Limited,
NHPC Office Complex, Sector 33, Faridabad -
121 003 |
| b) | GoJK | Administrative Secretary,
Power Development Department,
J&K Govt. Civil Secretariat Srinagar/Jammu |
| c) | JKSPDC | Managing Director,
Jammu and Kashmir State,
Power Development Corporation Limited,
Srinagar/ Jammu |

SECTION-20

20.0 FURTHER ASSURANCE

- (a) Each Party shall co-operate with the other and execute and deliver to the other Party or procure the execution and delivery of such other instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, evidence and confirm their rights and the obligations and the intended purpose of this Agreement.
- (b) Without prejudice to sub-section (a) above, each Party agrees to issue appropriate directions to its respective nominee Directors so that each nominee Directors will take such lawful action as is necessary to ensure compliance with the relevant Party's obligations under this Agreement. Each Party shall be entitled to assume that the actions of the other Party's Director(s) have been duly authorized.
- (c) Each Party agrees that, if requested by the other Party, it will provide all reasonable assistance to such other Party (and any Affiliate of such Party) to enable it to obtain any regulatory or other consent or approval (including from any regulatory body in India or elsewhere) which such other Party need or considers desirable in connection with the exercise of its rights or the performance of its obligation under this Agreement or to enable it or its Affiliate to derive the full benefit of its aggregate shareholding in the Company including such consents and approvals as may be needed:
 - (i) to enable participation in any bonus, rights or other distribution to shareholders; or
 - (ii) to receive dividends and payment for any services, technical assistance or business opportunity provided to the Company.

SECTION -21

21.0 REPRESENTATION AND WARRANTIES

Neither Party shall have the right or power to bind the other Party to any agreement without the prior written consent of the Party concerned. Unless specifically agreed in writing, no Party is authorized to make commitments, representations, warranties or agreements on behalf of the other Parties and each Party agrees that it will not hold itself out as having such authority. If any Party acts in violation of the foregoing the said Party agrees to indemnify, defend and hold the other Parties harmless from and against any and all claims, demands, losses, damages, liabilities, law suits and other proceedings judgments and awards, the reasonable cost and expenses (including, but not limited to, reasonable attorney's fee) arising directly or indirectly, in whole or in part, out of the breach of this Article by such Party, whether committed by the indemnifying Party, its employees, agents, successors or assigns.



IN WITNESS WHEREOF THE PARTIES THROUGH THEIR AUTHORISED REPRESENTATIVES HAVE SET THEIR HANDS ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

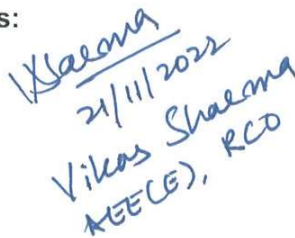
Signed on this day the 21st November 2022 at New Delhi

For and on the behalf of
**Jammu and Kashmir State
Power Development
Corporation Limited**

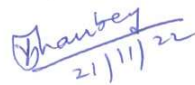

21/11/2022

Managing Director,
**Jammu and Kashmir State
Power Development
Corporation Limited**

Witness:

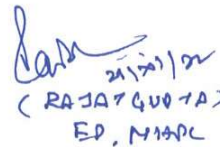

21/11/2022
Vikas Shalanga
MEECE, RCO

For and on the behalf of
NHPC Limited


21/11/22

Chairman & Managing Director
NHPC Limited.

Witness:


21/11/22
(RAJAT GUPTA)
ED, NHPC

For and on the behalf of
Lt. Governor, UT of Jammu and Kashmir



Principal Secretary to Government of
Jammu and Kashmir
Power Development Department

Witness:


Sanyay Sharma
OSD, PDD