

Revised Application for Award of Negotiated Tariff

For

Zephyr Power (Pvt.) Limited

November 13, 2014

Confidential

Prepared by

Zephyr Power (Pvt.) Limited

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "ZEPHYR POWER (PVT.) LIMITED" around the perimeter and "13.11.2014" in the center. The signature is a cursive, stylized name.

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VOLUME 1

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Zephyr Power (Pvt) Limited

November 12, 2014

The Registrar
National Electric Power Regulatory Authority (NEPRA)
NEPRA Tower Attaturk Avenue (East), Sector G-5/1,
Islamabad-Pakistan.

For information & approval.
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copy to:
SAT-1
cc: vcm/c
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Subject: Revised Tariff Petition for 50 MW Wind Power Project at Gharo of Zephyr Power
(Pvt.) Limited

The company, Zephyr Power (Pvt.) Limited by virtue of Board of Resolution dated October 24, 2014, is pleased to submit Revised Tariff Petition of 50 MW Wind Power Project at Gharo, Sindh. The tariff is submitted in pursuant to the relevant provision of the NEPRA (Tariff Standards and Procedure Rule, 1998), read with the Provision of the Regulation for Generation Transmission and Distribution of Electric Power Act (XL of 1997) and the Rules and Regulations made there under; And in accordance with the RE Policy 2006; and the Guidelines for Determination of Tariff for Wind Power Generation 2006.

We had obtained Tariff Determination and Generation License on May 24th, 2012 and July 27th, 2012 respectively based on Sinovel SL 82 1,5 MW turbines.

This Tariff Application has been revised given M/s Sinovel Wind Co. Ltd ("Sinovel"), our original Engineering, Procurement and Construction ("EPC") vendor, is unable to perform on the executed agreement. The Sinovel EPC expired in 12 months i.e. September 2012 and we received Letter of Support ("LOS") in January 2013. Unfortunately due to financial crisis faced by Sinovel, they are unable to renew their EPC to Zephyr Power and are not in business in Pakistan.

Now we have received a complete turnkey offer i.e. Engineering, Procurement and Construction ("EPC") and Operation & Maintenance ("O&M") contracts from M/s Vestas Wind Systems A/S ("Vestas") based on a more modern turbine i.e. Vestas V100 2.0 MW wind turbines.

We have revised Feasibility Study and submitted to AEDB based on Vestas V100 2.0 MW turbines.

Similarly we revised the Grid Interconnection Study based on Vestas V100 2.0 MW turbines and submitted to National Transmission Dispatch Company ("NTDC")

Now we are awaiting the following approval

- Approval of Feasibility Study from AEDB
- Approval of Grid Interconnection Study from NTDC

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Zephyr Power (Pvt) Limited

The Revised Tariff petition (including its Annexure) is submitted in triplicate; with the requisite tariff fee of **PKR 551,808/-** in the form of pay order in the name of National Electric Power regulatory Authority. The original pay order and affidavit are attached herewith and the copies of the same are annexed to the petition.

Please note we are submitting the Revised Tariff Application including costs to be incurred under the Sind Sales Tax ("SST") (as of July 01, 2014) Taxable Services as per Second Schedule of the Services Act, 2011. As per this Act the Project Company is obliged to pay SST to Sind Government on Contracting, Consultancy, Advisory and all forms of Services. We have incorporated the cost of SST even though the Renewable Policy 2006 states that taxes are not leviable on renewable projects. We understand that the Renewable Policy applies to Federal taxes whilst the SST is a Provincial Government tax.

We request NEPRA to clarify the status of SST. Would SST be treated as a Pass Through item for purposes of our Tariff Award?

All the costs of SST relating to EPC and O&M Contracts and all Service Contracts have been consolidated and shown under one heading. The total amount of SST is USD 17.880 million. This naturally has huge impact on Project Cost and Levelized Tariff.

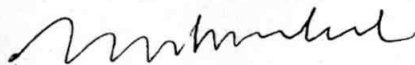
The cost of operating and maintaining turbines of higher outputs is certainly higher than those of lower outputs. This is common knowledge in all types of operating equipment i.e. low speed vs. high speed operations.

The award of tariff for O&M costs should not be less than the cents/kwh awarded to Zephyr Power in its first tariff award based on Sinovel turbines. Please note the energy output was 158 GWH with Sinovel turbines and it is now 174.3 GWH with Vestas turbines.

We look forward to responding positively for early determination of conclusion in order to achieve the project completion with timelines in the national interest of Pakistan and to develop the renewable energy based power generation capacity in the country.

Thanking you

For and on behalf of Zephyr Power (Pvt.) Limited



Zia Khaleeli
Director / CEO
Zephyr Power (Pvt.) Limited



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AMOUNT PKR *****551,808.00

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PAY TO THE
ORDER OF

AMOUNT

PKR FIVE HUNDRED FIFTY ONE THOUSAND
EIGHT HUNDRED AND EIGHT ONLY

valid only for six Months

SSN 808/2

for KASB BANK LIMITED

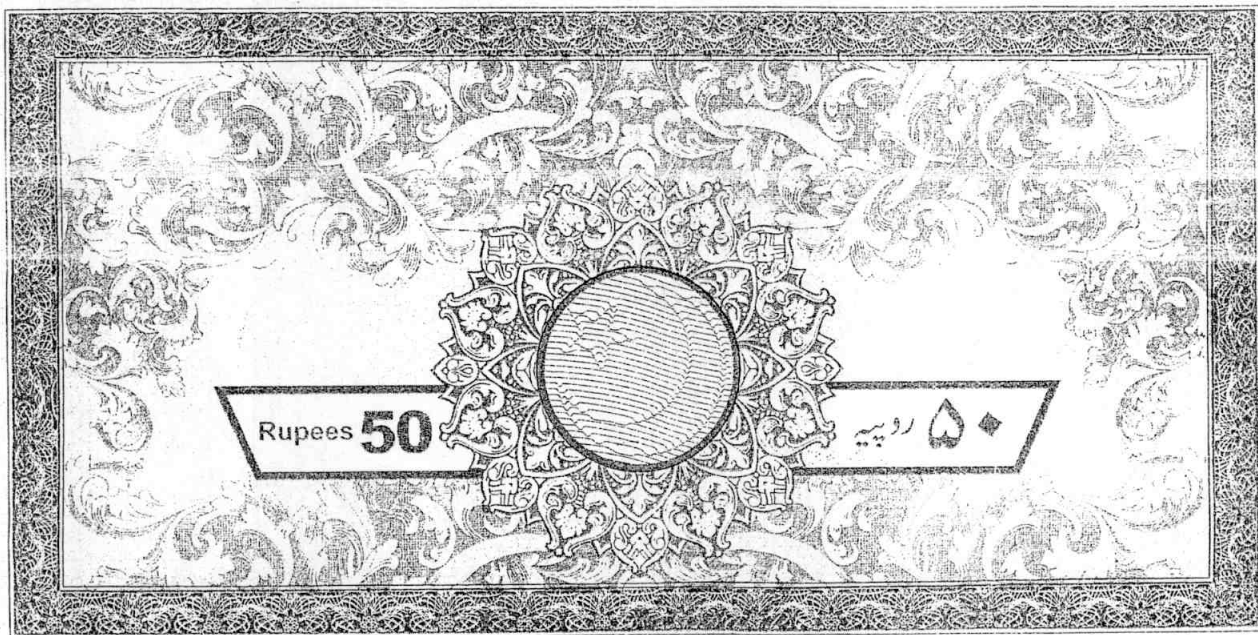
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Authorised Signature

Authorised Signature

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KHALID AZIZ
 Advocate



AFFIDAVIT

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

I, **Zia Khaleeli**, Chief Executive Officer of Zephyr Power (Private) Limited (Company), address 68-B, Sindhi Muslim Cooperative Housing Society, Karachi, Pakistan.

I, the above named deponent, do hereby solemnly affirm and declare that:

1. The contents of the accompanying Revised Tariff Application including all supporting documents are true and correct to the best of my knowledge and belief and nothing relevant has been concealed or withheld.
2. I also affirm that further documentation and information to be provided by me in connection with the aforesaid Revised Tariff Application shall be true and correct to the best of my knowledge and belief.

Deponent

Dated: October 30th, 2014

Verification

It is hereby verified on solemn affirmation at Karachi, Pakistan on this October 30th, 2014 that contents of the above Affidavit are true and correct to the best of my knowledge and belief and that nothing material or relevant has been concealed or withheld.

Deponent

ATTESTED
M. U. ABRO
 ADVOCATE
 NOTARY PUBLIC
 KARACHI

Zephyr Power (Pvt) Limited

**EXTRACTS OF THE MINUTES OF THE BOARD OF DIRECTORS MEETING OF ZEPHYR
POWER PRIVATE LIMITED HELD ON OCTOBER 24, 2014 AT ZEPHYR POWER OFFICE,
KARACHI, PAKISTAN**

RESOLUTION

"RESOLVED THAT Zephyr Power Private Limited ("Company") be and is hereby authorized to file a Revised Tariff Petition for submission to National Electric Power Regulatory Authority for determination of the reference generation tariff in respect of the Project and in relation thereto, enter into and execute all required documents, make all filings and pay all applicable fees, in each case, of any nature whatsoever."

"FURTHER RESOLVED THAT in respect of filing a Revised Tariff Petition for submission to National Electric Power Regulatory Authority, Mr. Zia Khaleeli being Chief Executive of the company be and are hereby authorized and empowered for and on behalf of the Company to:

(i) Review, execute, submit, and deliver the Revised Tariff Petition and any related documentation required by National Electric Power Regulatory Authority for the determination of the reference generation tariff, including any contracts, documents, powers of attorney, affidavits, statements, letters, forms, applications, deeds, guarantees, undertakings, approvals, memorandum, amendments, letters, communications, notices, certificates, request statements and any other instruments of any nature whatsoever;

(ii) Represent the Company in all negotiations, representations, presentations, hearings, conferences and/or meetings of any nature whatsoever with any entity (including, but in no manner limited to National Electric Power Regulatory Authority any private parties, companies, partnerships, individuals, governmental and/or semi-governmental authorities and agencies, ministries, boards, departments, regulatory authorities and/or any other entity of any nature whatsoever);

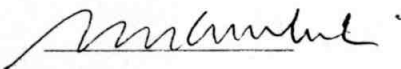
(iii) Sign and execute the necessary documentation, pay the necessary fees, appear before the National Electric Power Regulatory Authority as needed, and do all acts necessary for completion and processing of the tariff petition and procuring National Electric Power Regulatory Authority's tariff determination;

(iv) Appoint or nominate any one or more officers of the Company or any other person or persons, singly or jointly, in their discretion to make communicate with, make presentations to and attend the National Electric Power Regulatory Authority hearings;

(v) Do all such acts, matters and things as may be necessary for carrying out the purposes aforesaid and giving full effect to the above resolutions/ resolution'

CERTIFIED TO BE TRUE COPY

Company Secretary



4. TARIFF APPLICATION

4.1 DETAILS OF PETITIONER

4.1.1 NAME AND ADDRESS

Zephyr Power (Pvt.) Limited ("ZPL", or "the Company")
68-B, Sindhi Muslim Cooperative Housing Society,
Karachi, Pakistan.

Tel: +92-21-34315646

Fax: +92-21-34315647

4.1.2 REPRESENTATIVES

4.1.1.1 DEVELOPMENT & FINANCE TEAM

Zephyr Power (Pvt.) Limited

- Mr. Zia Khaleeli (Chief Executive Officer)
- Mr. Kumayl Khaleeli (Financial Advisor)
- Mr. Waqar Ahmad (Manager Renewable Projects)
- Mr. Khalid Ahmed Khan (Chief Financial Officer)

4.1.1.2 TECHNICAL TEAM

Renewable Resources (Pvt.) Limited

- Mr. Ammad Riaz (Head of Operations and Project)

Lahmeyer International GmbH, Bad Viberl Germany

- Matthias Drosch (Team Leader Owners Engineering - Renewable Energies Wind Energy)

4.1.1.2 LEGAL TEAM

RIAA Law

- Mr. Nadir Altaf (Partner)

4.1.3 BASIS OF PETITION

Under the "Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of) 1997, hereinafter referred to as the NEPRA Act, National Electric Power Regulatory Authority("NEPRA") is responsible, inter alia, for determining tariffs and other terms and conditions for the supply of electricity by the generation, transmission and distribution companies and to recommend these to the Federal Government, subject to the need to comply with guidelines, not inconsistent with the provisions of the NEPRA Act, laid down by the Federal Government. NEPRA is also responsible for determining the process and procedures for reviewing tariff and recommending tariff adjustments.

Zephyr Power (Pvt.) Limited ("ZPL", "the Company") is a private limited company registered under the Companies Ordinance 1984. ZPL has been setup as a Special Purpose Company to setup and operate power projects.

The Company is seeking to develop, own and operate a 50 MW wind farm Independent Power Producer ("IPP") Project ("the Project") in the province of Sindh.

The Alternative Energy Development Board ("AEDB") issued us a Letter of Intent ("LOI") in February 2005.

In May 24, 2012, ZPL was awarded by NEPRA the Negotiated Tariff ("NT") based on Sinovel SL 82 1.5 MW wind turbines. In July 2012 ZPL had received the Generation License for the aforementioned technology.

Sinovel due to its own financial crisis was unable to deliver the project to ZPL.

Hence ZPL is required to submit its Revised Tariff Petition based on a different technology and price quote.

This Revised Tariff Petition is based on the Vestas Wind Systems ("Vestas") V 100, 2.0 MW Turbine. Vestas also undertaking the Engineering, Procurement & Construction ("EPC") and long-term Operations & Maintenance ("O&M") Contract.

This is the first such single point of responsibility contract to be signed for a wind power project in Pakistan.

This development approach is consistent with the guidelines in the Renewable Policy for the Government of Pakistan ("GoP", "Government").

The Policy is under the purview of the AEDB. The AEDB Policy for Power Generation through Renewable Energy ("RE") has taken into account the relevant provisions of the RE Power Policy 2006.

4.1.4 COMPLIANCE WITH TARIFF STANDARDS AND PROCEDURES

In accordance with the requirements of the NEPRA Act and Rules and Regulations made there under, ZPL hereby submits this petition, in accordance with the NEPRA Tariff Standards and Procedures Rules 1998 for tariff determination for its facility located at Gharo, District Thatta.

This petition is being filed under Rule 6 of NEPRA Generation Licensing Rules, 2000. Tariffs have been prepared on the basis of the Guidelines presented in the Ministry of Water and Power / AEDB's "Guidelines for Determination of Tariff for Wind Power Generation 2006".

4.2 FACTS AND GROUNDS OF PETITION

4.2.1 RATIONALE FOR WIND POWER

Pakistan has increased its reliance on the electricity generated through thermal sources (fuel oil and natural gas) over the years. This, coupled with fluctuating oil prices, has adversely affected Pakistan's oil import bill. This is not only an economic threat as any shortfall in fuel supply but can further deteriorate power crisis presently prevalent in Pakistan.

The solution is to generate energy through renewable sources such as water, wind, and sunlight. Renewable sources of energy are currently unevenly and insufficiently exploited in Pakistan.

Hydropower is economical but hydropower projects take a very long period to develop. Large hydro power projects not only require huge outlays but also are not environment friendly and are being discouraged worldwide. Most of the hydro resources are located in the areas where access is very difficult and distance to grid is very long. Therefore despite strong efforts from the government, it is difficult to attract private investors to take-up these projects.

Photovoltaic (or more popularly solar) energy is at its initial stages of evolution in Pakistan, is more land intensive, and does not benefit from the economies of scale as in Wind Power.

The only recourse in the short term is wind power generation. Although it is new technology in Pakistan, it has been around for long enough internationally to become commercially viable.

The GoP has initiated an aggressive program to encourage the induction of renewable energy as a mainstream source for power generation.

The AEDB has identified significant sources of renewable energy in geographic areas which have a sustainable potential for high year round electricity generation. As an initial thrust, the Gharo - Jhimpir corridors in district Thatta have been identified as a very viable location for Wind Farms supplying the Utility Companies.

The development of wind generation projects supports the environmental objectives of the GoP by reducing dependence on fuels for thermal power generation, increasing diversity in Pakistan's electricity generation mix, and reducing greenhouse gas (GHG) emissions through the avoidance of thermal power generation and help reduce the exorbitant deficit of foreign exchange.

4.2.2 PROJECT BRIEF

Zephyr Power (Pvt.) Limited ("ZPL") is a locally incorporated company which is currently in the process of setting up a 50 MW Wind Power Farm. The electricity generated will be sold to the Central Power Purchasing Agent ("CPPA") namely the National Transmission and Distribution Company ("NTDC").

The Project will be located at Gharo (Bhambore) region in District Thatta. The Government of Sindh through AEDB has allocated Land for the project.

The Project is being developed based on the Vestas V100 2.0 MW wind turbine generators as per General Specification. These will be installed at a hub height of 80 meters.

Vestas is the largest wind turbine manufacturer of the world.

4.2.3 PROJECT SUMMARY

Project Description	
Project Name	Zephyr Power (Pvt.) Limited
Installed Capacity	50 MW
Turbine Supplier	Vestas
Wind Turbine Specification	V100 2.0 MW
Total Wind Turbines	25
EPC Contractor	Vestas
O&M Contractor	Vestas
Estimated Generation by RISOE	174.3GWh
Project Costs	
USD 150.672 million	
O&M Costs	
Years 1-2	USD 1.914 million /year
Years 3-10	USD 3.437 million /year
Years 6-10	USD 3.725 million /year
Years 11-20	USD 3.725million /year
Financing of Debt	
Loan Term	Dollars / Rupees (50% Foreign and 50% Local)
Grace Period	10 years
Repayment Schedule	24 Months
Interest Rate	Quarterly
	KIBOR + 3.0% for Rupees
	LIBOR + 5.2% for Dollar
Levelized Tariff	
ROE	14.74 cents/kwh
	17%

4.2.4 CARBON CREDITS

The Project is able to benefit from receiving carbon credits under the Clean Development Mechanism ("CDM"), one of the three mechanisms established by the Kyoto Protocol to meet an objective of stabilizing greenhouse gas concentrations in the atmosphere.

While it appears possible to realize monetary gains from CDM, the actual timing, amount and other details of the outcome are quite uncertain at this point and may remain uncertain until after the plant becomes operational.

Thus proposed that the tariff for the Project be approved independent of the outcome of the Carbon credits and any incremental income from carbon credits will be allocated to ZPL.

4.3 PROPOSED REFERENCE GENERATION TARIFF

4.3.1 TARIFF CONTROL PERIOD

The proposed tariff is for the life of the Project which is 20 years from the COD. The tariff is divided into four (04) bands i.e. year 1-2, Year 3-5, year 6-10 and year 11-20 to cover the variations due to debt repayment period, varying O&M and administrative costs during the Warranty Period and Post Warranty Period.

4.3.2 PROPOSED REFERENCE GENERATION TARIFF

The Reference Generation Tariff for the Project over the 20 years concession term is given below. The reference Generation Tariff Table has been made on the Net Annual Energy Output of 174.3GWh.

See Annexure 13.8.2.



4.4 TARIFF STRUCTURE

4.4.1 INTRODUCTION

The two necessary components to determine the negotiated tariff have been outlined below –

1) Wind Resource Production Estimates

The wind assessment analysis report has been conducted by Vestas and for application for tariff purposes, by RISOE.

2) Project Installation and Operational Costs

The tariff has been structured to cater for the project costs covering:

- Project Installation Costs
 - Engineering Procurement and Construction (“EPC”)
 - Project Development
 - Financial Charges
 - Pre COD Insurance
 - Interest During Construction
 - Duties and Taxes
 - Sind Sales Tax
 - L/C Charges
- Project Operational Costs
 - Administration and Management
 - Operational and Maintenance (“O&M”)
 - Debt Service
 - Capital Repayment
 - Interest Payment
 - Insurance
 - Return on Equity (“ROE”)
 - Return on Equity During Construction (“ROEDC”)

Additionally, in order to properly match the actual expected expenditure, the proposed tariff should include the appropriate escalable components and actual cost structures of the Project based on source of charges, so that the tariff is properly adjusted to account for any change in the Project’s revenue requirements with regards to inflation, foreign exchange, interest rates, etc.

The present working is based on Rs 103.00 = US\$ 1.00 and US\$ 1.27 = Euro 1.00 at October 24, 2014.

4.4.2 WIND RESOURCE PRODUCTION ESTIMATES

This section presents the preliminary Production Estimates for the ZPL's wind farm. The production estimate has been calculated using data from 50m ZPL mast located proximate to the project site.

The production estimate has been calculated based on one turbine type; The Vestas V100, hub height 80 meters, rotor diameter 100 meters, rated power of 2000 kW.

Power curves corrected to an air density of 1.179 kg/m^3 have been used in the production calculations. The production estimates include array losses due to shadowing effects (wake effects) from one turbine to another within the wind farm.

AEDB has verified the energy output generation at 174.3 GWH (P50) calculated by RISOE National Laboratory, Denmark

Based on the RISOE report, the following main results have been derived:

Wind turbines	V100 2.0 MW
Hub height (m)	80
No. of turbines	25
Total installed capacity (MW)	50
Gross Energy Estimate (P50) (GWh/year)	193.7
Net Energy Estimate (P50) (GWh/year)	174.3
Net Capacity factor	39.79%

Detail working and description of the energy estimate is available in Feasibility Study which is submitted to AEDB.

The technical details of the Vestas V100 are enclosed in Employer Requirements Annexure.

4.4.3 PROJECT INSTALLATION COSTS

4.4.3.1 BREAKDOWN OF THE TOTAL PROJECT COST

Following reflects a breakdown of the total Project cost of USD 150.672 million.

Total Project Cost	Million USD
EPC Cost	
Off Shore Costs	77.978
On Shore Costs	32.982
Total EPC Costs	110.960
Non EPC Costs	
Project Development	6.058
Financial Charges	4.044
Pre COD Insurance	1.498
Interest During Construction	8.369
Duties and Taxes	0.663
Sind Sales Tax	17.880
L/C Charges	1.200
Total Non EPC Costs	39.715
Total Project Cost	150.672

4.4.3.2 CHOICE OF TECHNOLOGY

The first Tariff Application was submitted based on the Sinovel SL 1.5 MW Turbine. Due to financial problem faced by Sinovel, they are no more interested in Pakistan and the contractual EPC and O&M documents have since lapsed.

ZPL thereafter approached four technology vendors, in order to secure a new Feasibility Study and apply for new Negotiated Tariff. All four are actively participating in Pakistan

- 1) Vestas (Denmark),
- 2) Goldwind (China),
- 3) Nordex (Germany) and
- 4) GE Wind (U.S.A).

Only Vestas and Goldwind responded to the Request for Proposal ("RFP").

Vestas had originally offered their V90, 2.0 MW. Since these turbines will be discontinued as of 2015, Vestas revised their proposal and offered the V100, 2.0 MW Turbine.

We have now submitted our revised Feasibility Study and undertaken the Grid Interconnection Study on the basis of Vestas V100 2.0 MW turbines.

With Vestas it has been possible for ZPL to arrange debt financing locally and abroad.

The Project Company selected Vestas as our single- source vendor (turbine technology, and Engineering, Procurement and Construction ("EPC") and Operations and Maintenance ("O&M") Contractor) to develop the 50 MW Wind IPP.

Please note the Vestas V100, 2.0 MW is a newer technology and is operating worldwide.

Furthermore this is Vestas' entry into Pakistan as the first single source vendor and service provider. Vestas will supply the technology, and will also undertake the complete EPC and the O&M on the Project. This one window for installation and operation is attractive to both Investors and Lenders.

4.4.3.2.1 EPC Cost

Following reflects a breakdown of the EPC cost of USD 110.960 million, which has been negotiated is aligned with what has been allowed for the comparable projects located in Ghara (i.e. Zephyr (Sinovel), Tenaga (GE), and Fauji I and II (Nordex) that have received Determination of NTDC in the Matter of Tariff Petition.

EPC Cost	Million USD
Off Shore Costs	77.978
On Shore Costs	32.982
Total EPC Costs	110.960

Off Shore Cost and On Shore Cost cover all EPC costs.

EPC Contractor is responsible for managing and coordinating all site activities as per in a standard EPC contract.

The EPC Contract has a scheduled commercial operation date of 16 months from Notice to Commence.

Given the location of the Project on inter-tidal lands, this necessitates the use of deep piles for both the turbines and building foundations. Similarly construction of roads and WTG hardstands is not a simple process in these conditions. There is a huge cost to be incurred for pile foundations, roads and WTG hardstands constructed on inter tidal lands.

The Project Company has given allowed an additional 1 month to the EPC Contractor to complete the Project. In return the Project Company negotiated that the EPC Contractor will to exclude the erection and installation risk factor during high wind periods.

4.4.3.3.1.6 TRAVEL EXPENDITURES

The Project Company shall incur traveling costs of both domestic and international routes, on its Executives, Consultants, Advisors and other personnel related to the Project.

4.4.3.3.1.7 LEGAL AND FINANCIAL ADVISORY / CONSULTANCY

The Legal and Financial Advisory / Consultancy Charges relate to the technical and legal consultants costs relating to negotiation of EPC and O&M Contracts with Vestas, are included. Financial Advisory charges for raising debt and equity are included under this head.

4.4.3.3.1.8 BANK CHARGES

This is composed of bank guarantee charges for obtaining Performance Guarantee charges for issuance of LOS

4.4.3.3.2 FINANCIAL CHARGES

Financial charges include the costs related to the debt financing of the Project. Such costs include the Lead Arranger's up-front fee, facility management fee and commitment fee.

Upfront fee and facility management fee are payable to the Lead Arranger. The commitment fee shall be applied every year on the un-drawn amount of the debts (not expected to be prolonged). Financial charges have been estimated in line with the prevailing market conditions and NEPRA's previously approved determinations; These do not include L/C charges applied on the contract with Vestas.

Description	Value in USD Million	
Total Project Value	150.672	
Interest During Construction	8.369	
Financial Charges	4.044	
Total Project Cost (ex IDC & Fin Charges)	138.259	
Total Debt Value(adjusted based on Cap Structure)	103.649	
Total Charges (% Adjusted Debt)		
Arrangement Fees	2.115	(2.04%)
Lenders Advisor Fees	1.358	(1.31%)
Commitment Fees	0.290	(0.28%)
Agency, Monitoring and Security Trustee Fees	0.083	(0.08%)
L / C Commissioning	0.197	(0.19%)
Total Financial Charges (% Adjusted Debt)	4.044	(3.90%)

ZPL structured the debt component of the capital structure at 50% foreign / 50% local. However it requests that NEPRA allow adjustments in the debt mix and cost of funds based on actual at the time of achievement of FC as has been permitted to other wind farm projects in their Tariff Determination by National Electric Power Regulatory Authority.

The debt is provided with a Grace Period of up to 2 years and a repayment period of ten (10) years. This is consistent with the Renewable Energy Policy, 2006, which total of 12 years.

The Project Company has asked for the maximum ceiling of Grace Period of 24 months.

The Project has an Expression of Interest ("EOI") letter from United Bank Limited ("UBL"). Copy of EOI is attached.

The Project Company has contacted EKF ("Denmark Export Credit Agency"), the Danish development financing institution ("DFI"), to secure the foreign debt component of the capital structure. EKF is a Government of Denmark entity. Well over 50% credit and risk guarantees and debt finance worldwide is allocated by EKF for sale of Danish wind turbines.

Recently a EKF, IFU and Vestas delegation visited Pakistan and confirmed interest in providing credit and risk guarantees and debt finance to Vestas projects in Pakistan. ZPL has the first of Vestas EPC and O&M contracts in Pakistan. Given that this is EKF's first wind IPP investment in Pakistan, the Project Company has yet to finalize terms and related charges.

EKF and Pakistani Banks await our submission of Tariff Application before engaging in formal dialogue for a Term Sheet.

4.4.3.3 PRE COD INSURANCE

Insurance during Construction cost covers the insurance cost of Project company's assets during construction as well as the cost incurred prior to COD. These cost estimators have been developed based on offer received from one of the leading international insurance company. The insurance company has experts readily available to provide insurance premium estimates for the wind power Projects.

The Project Company, in view of the practices set by the other IPPs in Pakistan and in accordance with the requirements set out by the Lenders funding the Project, intends to procure the following insurances during the construction phase of the Project:

- (a) Marine Cargo
- (b) Marine Delay in Start Up ("MDSU")
- (c) Construction, Erection All Risk Insurance (CEAR) including Third Party Liability
- (d) Advance Loss of Profits / Delay in Startup ("ALOP" or "DSU")

The insurance cost also covers administrative surcharge, Federal Excise Duty and Federal insurance fee, in each case relating to Insurance during Construction.

The cost of Insurance during Construction is US\$ 1.498 million.

4.4.3.4 INTEREST DURING CONSTRUCTION ("IDC")

IDC shall be applied for 24 months i.e. the Grace Period indicated in the Term Sheet.

The Interest during Construction is as follows:

Description	Value in USD Million
Total Debt	113.004
KIBOR (24 th October, 2014)	10.19%
Spread	300 basis points
Interest Rate (KIBOR)	13.19%
LIBOR (24 th October, 2014)	0.32%
Spread	520 basis points
Interest Rate (LIBOR)	5.52%
Grace Period	24 months
Total Interest During Construction	8.369

Actual IDC shall be subject to change depending on the fluctuation in base rate (6 month KIBOR and 6 month LIBOR) and changes in Project cost including changes due to taxes and duties.

IDC shall be calculated for the period starting from first drawdown of loans after Financial Close based on accrued interest for the outstanding debt on semi-annual basis. The Grace Period shall start from the date the banks release first payment of loans.

Therefore the IDC is estimated figure which is adjustable at COD based on actual timing and amount of loans drawdown during the Project Construction Period after the Financial Close.

The total cost of IDC is US\$ 8.369 million.

4.4.3.3.5 DUTIES AND TAXES

4.4.3.3.5.1 CUSTOMS DUTY

The source rules regarding customs duty are driven under the RE Policy 2006 (the Policy), Guidelines for Determination of Tariff for Wind Power Generation 2006 (the Guidelines) and the Government of Pakistan.

4.4.3.3.5.2 SPECIAL EXCISE DUTY

Special Excise Duty is assumed at 0% as the same is correlated with the rate of customs duty (assumed 0%). In case the Project has to pay 5% customs duty (in the event the customs authorities bring the import under Para 11 of the SRO) then the Special Excise Duty at 1% is leviable. Accordingly, the Petitioner prays NEPRA to allow adjustment of capital cost of the Project and the tariff, in each case, for actual customs duty paid, at COD.

4.4.3.3.5.3 SALES TAX

No Sales Tax is assumed on import and local supply of the imported plant, equipment, and machinery etc., based upon the SRO and recent Notification SRO 369 (1)/2011 dated May 07, 2011 issued by the Government of Pakistan, Federal Board of Revenue

4.4.3.3.5.4 INCOME TAX

No income tax is assumed at import stage in view of the SRO 947(1)/2008 dated September 05, 2008 and SRO 263(1)/2011 dated March 19, 2011.

4.4.3.3.5.5 SINDH INFRASTRUCTURE DEVELOPMENT SURCHARGE ("SIDS")

0.85% of the imports for the Project have been assumed as SIDS. The chargeability of Sindh Infrastructure Development Surcharge (the SIDS) is based on the weight of the imported equipment / items and the distance of the Site from the port. Since the imported equipment is expected to be of haulage load and has to travel considerable distance from the port, maximum rate of SIDS has been assumed in the Project Cost.

In case any taxes (customs duty / sales tax / income tax etc) are levied, contrary to above, the same should be reimbursed to the Project Company on the basis of actual levy at the time of COD.

4.4.3.3.6 SINDH SALES TAX ("SST")

The Sindh Sales Tax (as of July 01, 2014) Taxable Services as per Second Schedule of the Services Act, 2011 to be levied on EPC Contract, O&M Contract and all Services agreements with Zephyr Power.

We have assumed 15% Sales Tax is payable on all the above heads of expenditure.

4.4.3.3.7 L/C CHARGES

L/C Charges have been stated at \$1.2 million. Given that the Project Company has selected a vendor who is working for the first time directly in Pakistan we ask that NEPRA allow for the maximum L/C Charges.

4.4.4 PROJECT OPERATIONAL AND MAINTENANCE COSTS

O&M expenses are one the major unknowns for the wind developers in Pakistan. The sponsors of this Project have a lot of experience involving wind project. It is important to note the O&M costs are not as low in wind projects as perceived by many in Pakistan. Today's modern wind turbines are built from over 8,000 different components. Furthermore, unexpected components failure, especially electronic controls, generators, rotor blades etc have driven up operations and maintenance costs. This is even more critical in Pakistan where the temperature in the windy months is also very high and machines have to work in almost full capacity in extreme weather. Despite these factors the maintenance costs are lesser as compared to mainframe cum fuel costs of thermal generators.

O&M costs for the Project is US cent 2.008 per year over the 20 years life of the Project. These O&M Costs of the project are in line with these of other wind farm projects in Pakistan.

WTG supplier of the Project Vestas is providing the O&M services for the first 10 years of operations under separate O&M Contract covered under manufacturer's warranty.

This fact of increasing O&M costs for wind turbines is also supported by finding recently released by the European Wind Energy Association (EWEA) in its report, The Economics of Wind Energy. In the last 05 years large wind turbines are being developed with reduced cut-in speed to increase the power production and to drive down the cost of electricity. This trend in wind turbine size escalation also comes with increased uncertainty regarding O&M activities.

Vestas rather than outsource the O&M Contract has provided the Project Company with their global AOM 4000 for period of 10 years.

The AOM 4000 is a comprehensive service package including supply for ten years of all necessary main components and material to maximise uptime and performance.

The service contract covers periods up to 10 years, suitable for customers who want the traditional time-based availability guarantee of up to 95%.

In view of the above, the O&M costs suggested by the Project Company in the Petition are well within the range of international benchmarks and experience in Pakistan. This is the humble request of the petitioner that the O&M cost presented below may be allowed to run the project efficiently for sustainable development of wind industry in Pakistan.

The O&M cost includes the following:

Cost Head	Year 01-02	Year 03-05	Year 06-10	Year 11-20
Foreign O&M	1,050,000	2,375,000	2,625,000	2,6325,000
Sind Sales Tax @15%	157,500	356,250	393,750	393,750
Sub Total Foreign O&M	1,207,500	2,731,250	3,018,750	3,018,750
Local O&M				
Annual Administrative Cost	37,000	37,000	37,000	37,000
Payroll / Allied Expenditures	455,000	455,000	455,000	455,000
Fixed Assets	20,000	20,000	20,000	20,000
Vehicles fuel and maintenance	35,000	35,000	35,000	35,000
Travel Expenditures	95,000	95,000	95,000	95,000
Miscellaneous	64,200	64,200	64,200	64,200
Sub Total of Local O&M	706,200	706,200	706,200	706,200
Total O&M Cost	1,913,700	3,437,450	3,724,950	3,724,950

4.4.4.1 FOREIGN TECHNICAL SUPPORT AND O&M

Vestas is obligated to carry out the O&M service in the first 10 years of the Operation Period

However, in the years 11-20 the Project Company has to carry out the O&M itself. It will certainly require the technical support from the WTGs manufacturer and other equipment manufacturer, as well as a Technical Consultant from outsource may also be required.

During this period costs will remain high as the plant ages and breakdowns are more likely and frequent.

The Sindh Sales Tax (as of July 01, 2014) Taxable Services as per Second Schedule of the Services Act, 2011 to be levied on EPC Contract, O&M Contract and all Services agreements with Zephyr Power.

We have assumed 15% Sales Tax is payable on all the above heads of expenditure.

4.4.4.2 LOCAL O&M

4.4.4.2.1 ANNUAL ADMINISTRATIVE COST

This portion of the O&M Cost includes office building rents, telephones and utilities

4.4.4.2.2 PAYROLL / ALLIED EXPENDITURES

The payroll costs includes salaries, wages & benefits of all staff as follows

- a) Management Executives
- b) Technical and Operations department
- c) Wind Farm O&M Team
- d) Commercial & Legal Affairs department
- e) Finance department
- f) Training and Human Resource Department
- g) Supply & Logistic Department

These staff members shall be employed by the Project Company at the Project site and in Karachi Office.

4.4.4.2.3 FIXED ASSETS

This includes cost of vehicles, office equipment, furniture, electrical appliances and tools required at site for inspection of WTG equipment.

4.4.4.2.4 VEHICLE FUEL AND MAINTENANCE

This component includes the costs associated with the running and maintenance of vehicles at the Site offices of the Project Company. This includes the vehicles required by the security personnel for securing the site; vehicles required for supervision and coordination of O&M activities, vehicles for administration needs.

The vehicles purchased during the Construction Period shall be used for first 10 years of the O&M period. At the start of the 11th year, the old vehicles shall be retired off and replacement vehicles shall be procured by the Project Company in each year as the depreciated and worn off vehicles are laid off. The level of fuel and maintenance costs shall be maintained for the remainder of the Project Terms.

4.4.4.2.5 TRAVEL EXPENDITURES

This portion of the O&M Cost includes associated domestic and international travels.

4.4.4.2.6 MISCELLANEOUS

This portion of the O&M Cost includes miscellaneous expenditure during operation period.

4.4.5 INSURANCE DURING O&M

The insurance Cost consists of the insurances required under the implementation Agreement and those customarily required for project financing transactions, including all-risk insurance / reinsurance, business interruption insurance, and machinery breakdown, natural calamities, sabotage and terrorism. As these risks are an impediment to the smooth and efficient running of the day-to-day affairs of the Project, it is critical that all the risks associated with the Project are adequately addressed and all the insurable events are catered for in a fool proof manner. Keeping in view the generally adopted global trends and the magnitude of the Project, a comprehensive operational insurance and reinsurance arrangement is a fundamental task of the Project.

The operational phase of the Project Company will be insured by the one of the leading brokers in the insurance world.

Moreover, Lenders financing the Project will require insurance of the Project's assets on replacement cost basis, which will be inevitably in foreign currency as the EPC Contracts are also denominated in US Dollars. It is expected that any replacement costs consequent to the insurable event will also be incurred in US Dollars.

The Project company, in view of the practices set by the other IPP's in Pakistan and in accordance with the requirements set out by the Lenders, proposes to procure the following insurance during the operational phase of the Project:

- a) "All Risks" and Machinery Breakdown Insurance including Third Party Liability
- b) Business Interruption

The insurance cost shall be charged by the Project Company at actual up to 1.35% of EPC Cost, and will be recoverable as the insurance cost component. The insurance cost also covers administrative surcharge, Federal Excise Duty and Federal Insurance Fee, in each case relating to Operational Phase insurance.

The total cost of insurance during O&M is USD 1.498 million on basis of 1.35% of the EPC cost be charged at actual.

4.4.6 RETURN ON EQUITY

4.4.6.1 RETURN ON EQUITY DURING CONSTRUCTION ("ROE DC")

The ROE DC will be accrued and shall be determined as actual at the time of COD according to the actual disbursement of equity drawdown. The ROE DC has been estimated separately in this petition and shall form part of Reference Tariff true-up calculations at COD on the basis of actual equity draw down.

4.4.6.2 RETURN ON EQUITY ("ROE")

ZPL has proposed 17% ROE (IRR based), net of 7.5% withholding tax on dividends, in line with the standard for Wind IPP's under the negotiated tariff ("NT") in Pakistan.

4.5 INDEXATION, ESCALATIONS AND COST ADJUSTMENT

The purpose of indexation is to remove any exposure of an investor to cost escalations, over the life of the Project, over which they have, no direct control. With that principle in mind, the following sections discuss the proposed indexation for various components of the tariff.

Indexation formulae have been prepared taking into account the guidelines presented in the Ministry of Water and Power / Alternate Energy Development Board's, "Guidelines for Determination of Tariff for Wind Power Generation 2006".

Based on approved Determination in Matter of Tariff Petition we have replicated and noted below the indexation applicable to O&M and

4.5.1 ADJUSTMENT TO OPERATIONS & MAINTENANCE

$$\begin{aligned} F \text{ O\&M (LREV)} &= O\&M (LREF) * WPI (REV) \\ F \text{ O\&M (FREV)} &= O\&M (FREF) * US \text{ CPI (REV)} / 238.031 * ER (REV) / ER (Rs.103 / 1.0 \$) \end{aligned}$$

Where:

F O&M (LREV)	The revised applicable fixed O&M local component of tariff
F O&M (FREV)	The revised applicable fixed O&M foreign component of tariff indexed with US CPI and exchange rate variation
O&M (LREF)	The reference fixed O&M local component of tariff for the relevant period
O&M (FREE)	The reference fixed O&M foreign component of tariff for the relevant period
WPI (REV)	The revised wholesale price index (manufactures) / alternative index determined by the Authority
WPI (REF)	wholesale price index (manufactures) notified by the Federal Bureau of Statistics / alternative index determined by the Authority (refer to proceeding note).
US CPI (REV)	The revised US CPI (all urban consumers)
US CPI (REF)	238.031 US CPI (all urban consumers) for the month of October 2014 as notified by the US Bureau of Labor Statistics

ER (REV) The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

Based on our understanding the Authority is in process of establishing an alternative index for WPI (manufacturers) which has been discontinued by the Federal Bureau of Statistics since August 2011. Upon determination of alternative index by the Authority, we are to understand that the reference indexation value shall be revised with the alternative index value.

4.5.2 ADJUSTMENT TO INSURANCE COMPONENT

Per guidance from NEPRA, we ask that insurance denominated in US \$, insurance cost component of tariff will be adjusted on account of US\$/PKR exchange rate variation on annual basis.

Further, per guidance from NEPRA we ask that insurance component of the reference tariff will be adjusted as per actually incurred prudent costs, subject to maximum of 1.35% of the approved EPC cost, on annual basis upon production of authentic documentary evidence by the petitioner.

4.5.3 ADJUSTMENT TO RETURN ON EQUITY

Consistent with the aforementioned Indexations, we ask that NEPRA adjust the return on equity component of the tariff on the basis of the TT & OD selling rate of the US Dollar as Notified by the National Bank of Pakistan according to the stated formula:

$$ROE(REV)=ROE(REF) \times ER(REV) / ER(REF)$$

Where:

ROE (REV)	Revised return on equity component of tariff expressed in Rs/kWh
ROE (REF)	Reference return on equity component of tariff expressed in Rs/kWh.
ER(REV)	The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan
ER(REF)	The reference TT & OD selling rate of US dollar

4.5.4 ADJUSTMENT TO RETURN ON EQUITY DURING CONSTRUCTION

We ask that NEPRA remain consistent with the Project and that the return on equity during construction component of tariff will be adjusted on the basis of revised TT & OD selling rate of US Dollar as notified by the National Bank of Pakistan according to the following formula:

$$\text{ROEDC(Rev)} = \text{ROEDC(REF)} \times \text{ER(Rev)} / \text{ER(Ref)}$$

Where:

ROEDC (REV) Revised return on equity during construction component of tariff expressed in Rs/kWh.

ROEDC (REF) Reference return on equity during construction component of tariff expressed in Rs/kWh.

ER(Rev) The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan

ER(REF) The reference TT & OD selling rate of US dollar

4.5.5 ADJUSTMENT TO INTEREST RATES

We ask that the adjustment of interest rate due to variation in 6 months LIBOR/KIBOR, be allowed while the fixed component spread of 5.20% on 6 months LIBOR and 3.00% on 6 months KIBOR remaining the same, according to the following formula:

For foreign financing

$$A I = P(\text{REV}) * (\text{LIBOR}(\text{REV}) - 0.32\%) / 2$$

Where:

A I the variation in interest charges applicable corresponding to variation in 6 months LIBOR. A I can be positive or negative depending upon whether 6 months LIBOR (Rev) per annum > or < 0.32%. The interest payment obligation will be enhanced or reduced to the extent of A I for each half year under adjustment.

P(Rev) is the outstanding principal (as indicated in the attached debt service schedule to this order at Annex-II) on a biannual basis at the relevant six monthly calculations date.

We understand that foreign debt and its interest will also be adjusted on bi-annual basis on account of actual variation in PKR/US \$ over the applicable reference exchange rate.

For local financing

$$A I = P(\text{REV}) * (\text{KIBOR}(\text{REV}) 10.19\%) / 2$$

Where:

A I the variation in interest charges applicable corresponding to variation in 6 months KIBOR. I can be positive or negative depending upon whether 6

months KIBOR (Rev) per annum $>$ or $<$ 10.19%. The interest payment obligation will be enhanced or reduced to the extent of I for each half year under adjustment.

P(REV) is the outstanding principal on a biannual basis at the relevant six monthly calculations date.

4.5.6 TRUE-UP AT COMMERCIAL OPERATION DATE

NEPRA should allow the ZPL to adjust the Project cost at COD, which shall in turn affect the other relevant tariff components. The reference Tariff Table shall be revised at COD, while taking into account the said adjustments. The adjustments are requested for the following

- a) US\$ / PKR exchange rate variations during the Construction Period;
- b) All such Project cost heads, which are subject to be adjusted, as per actual;
- c) IDC for increase in Project Cost, change in interest base rate (KIBOR) and variation in actual debt drawdown;
- d) ROE DC on actual equity drawdown;
- e) All local duties and taxes
- f) All financial charges by the Lenders of the Project.

4.6 ENERGY PURCHASE AGREEMENT ("EPA") CONSIDERATIONS

4.6.1 MONTHLY ENERGY PAYMENTS

As per the policy, the wind risk is guaranteed by the Government of Pakistan and the tariff is based on the monthly benchmark energy table based on the monthly benchmark wind speeds. Therefore, monthly payments shall be made for the benchmark energy produced by the Project.

Further, the bonus payments are also applied on any energy produced over and above the benchmark energy. The standard EPA approved by the GOP provides for payment of bonus energy on monthly basis. There is no differentiation in the RE Policy between the timing for payments for monthly benchmark energy and bonus payments. NTDC has in recent negotiations shifted the bonus payments towards the end of the year on the argument that "NEPRA's determination was silent on this issue". It is most unfair for a Project to be penalized for the shortfall energy (shortfall from the monthly benchmark energy) on a monthly basis, but not allowing the quid pro quo of the 10% bonus payment also on monthly basis.

The petitioner therefore asks NEPRA state explicitly in the tariff determination that bonus energy payments should also be made on monthly basis. If this is not agreed, then any shortfall energy payments should also be referred for payment at the end of year. It is proposed to allow payments of bonus energy on a monthly basis in the same manner as the payment of benchmark energy is made are made by the Power Purchaser under the EPA. For each month, the benchmark energy and the bonus energy (if produced) shall be determined and paid by the purchaser.

4.6.2 INCORPORATION OF INDEXATION, ESCALATIONS AND COST ADJUSTMENTS

It is understood by the Project Company that the reference Tariff is approved along with the aforementioned indexations, escalations and cost adjustments.

Therefore, for the approval purposes, NEPRA shall determine the Reference Tariff and shall side by side approve / allow the indexation, escalations and cost adjustments. At any given time, the payable tariff shall be after incorporation of indexations, escalations and cost adjustments in the Reference Tariff as applicable at that time.

4.7 TARIFF ASSUMPTIONS

The following have been assumed while calculating the Reference Generation Tariff and Changes in any of these assumptions will result in changes in the Reference Generation tariff.

- I. Debt: Equity ratio is assumed to be 75:25.
- II. 50% Local – 50% Foreign of Debt has been assumed to be financed through banks and financial institutions.
- III. Interest rate for debt is assumed in local currency at 6-Month KIBOR plus 3.0% Spread), to be indexed semi-annually.
- IV. A constant ROE of 17% (IRR based) is assumed (net of 7.5% withholding tax on dividends) over 20 years. The ROE DC shall be accrued at time of COD according to the actual schedule of equity disbursement.
- V. Exchange Rate (PKR /USD) is taken @ PKR 103.00 per USD at October 24th, 2014.
- VI. All Taxes (Federal, Provincial, Local or district), stamp duties and levies etc which are not factored in the tariff calculation shall be treated as pass through items, in term of EPA.
- VII. No customs duties and income tax have been considered for imports. Any changes in the customs duties or any other duty or tax on import of equipment and material will be treated as “pass through” to the Power Purchaser. Similarly, customs duties on spare parts after COD will be “pass through” to the Power Purchaser.
- VIII. No withholding tax has been considered in the Off-Shore Contract with Vestas. Any additional tax, if levied, will be “pass through” to the Power Purchaser.
- IX. 7.5% withholding tax on dividend is assumed. Any changes in the aforesaid withholding tax regime will be “pass through” to the Power Purchaser. General Sales Tax and all other taxes will also be treated as a “pass through”
- X. Usually, the Zakat deduction on dividends (Currently @ 2.5%), as required to be deducted under Zakat Ordinance, is considered as “pass through”. However, for a foreign investors, the deduction of Zakat will be exempted in this Project.
- XI. Sindh Infrastructure Development Surcharge @0.85% of the imports for the Project has been assumed.
- XII. Sindh Sales Tax @15% on EPC Contract, O&M Contract and all Services agreements has been assumed.
- XIII. The return on Equity or the construction and commissioning period shall be adjusted on IRR basis at the time of COD according to the actual Equity disbursement during such period
- XIV. The Power Purchaser / NTDC shall be exclusively responsible for the financing of construction, operation and maintenance of the interconnection and Transmission lines as per the prevailing policy at the time of tariff determination.
- XV. Main Energy meter and electronic recorder for continuous recording of readings will be provided by NTCD at its own cost.
- XVI. Financing Terms are as yet based on the initial discussion with the financial institutions and hence are subject to final negotiations once tariff has been determined by NEPRA and the EPA / IA are signed. This will include mainly the debt-equity ratio, Grace period and loan repayment terms, benchmark index (KIBOR) and the

spread margin of the financial institution. Any changes from the assumptions in our Financial Model may be subsequently reflected at Commercial Operation Date in the True Up of Tariff.

- XVII. Insurance during Construction costs are considered based on the proposal received. Premium rate for the insurance arrangements will be finalized at the time of financial closure.
- XVIII. No hedging cost is assumed for exchange rate fluctuation during construction and all cost overruns resulting from variations in the exchange rate during construction shall be included in the Project Cost.
- XIX. Project contingency and maintenance reserves are not included in Reference Generation Tariff Calculations. If required by Lenders, these will be adjusted accordingly in the Reference Generation Tariff.
- XX. The payments to Workers Welfare Fund and Workers Profits Participation fund have not been accounted for in the Project budget and have been assumed to be reimbursed at actual by the Power Purchaser.
- XXI. Any incentives given to any other Wind IPP shall also be given to the Project Company.
- XXII. The power purchaser be directed to purchase and pay all bonus energy (as defined in be Policy 2006) on a monthly basis; and
- XXIII. Term financing could subsequently be raised in USD or in Euro. If our efforts are successful then the financial costs would come down substantially. We request NEPRA to note that at the appropriate time we may be permitted to request for a revision in tariff rates.
- XXIV. We request NEPRA to note that to cover political risk in Pakistan the international bankers need to take out an insurance cover from insurance company. The cost of this insurance may be reflected in the revision of the tariff at the appropriate time.

5. CERTIFICATE OF INCORPORATION



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

CERTIFICATE OF INCORPORATION

(Under section 32 of the Companies Ordinance, 1984 (XLVII of 1984))

Company Registration No. 00000011193/20050707

I hereby certify that ZEPHYR POWER (PRIVATE) LIMITED is this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and that the company is limited by Shares.

Given under my hand at Karachi this 7th day of July two thousand and five.

Fee Rs. 27,500/- (Twenty Seven Thousand Five Hundred Only)



ATTESTED
M. U. ABRO
ADVOCATE
NOTARY PUBLIC
KARACHI

(TAHIR MAJID)

ADDITIONAL REGISTRAR OF COMPANIES

S.No. 203. OF 8/7/2005

[Handwritten signature]

THE COMPANIES ORDINANCE, 1984
(COMPANY LIMITED BY SHARES)

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

ZEPHYR POWER (PRIVATE) LIMITED



ATTESTED
M. U. ABRO
ADVOCATE
NOTARY PUBLIC
KARACHI

M. U. Abro

THE COMPANIES ORDINANCE, 1984

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ZEPHYR POWER (PRIVATE) LIMITED

- I. The name of the Company is ZEPHYR POWER (PRIVATE) LIMITED.
- II. The Registered Office of the Company will be situated in the Province of Sindh, Pakistan.
- III. The objects for which the Company is established are:
 1. To set up, promote and develop projects and activities based on renewable energy namely wind, solar, tidal, hydel, biomass and any other form of renewable energy.
 2. To develop the facilities required or associated with Wind Farm Projects and activities and establishment of WIGs
 3. To acquire, purchase, lease sites, obtain land leases, licenses, rights of way, any such assets necessary and required for development and operation of renewable energy projects and activities. These may be for wind, solar, tidal, hydel, biomass or for any other form of renewal energy.
 4. To undertake, acquire analysis of data on wind, solar, hydel, tidal, biomass and any other form of renewable energy. Acquisition of data may include a performance of metrological analysis, energy assessment and their validation, it may also include any other form of analysis of data
 5. To carry out project design engineering, construction and development of renewable power projects
 6. To generate electricity from all sources, sun, wind, waves, hydel, thermal, including co generation, whether fuelled by gas, mineral oil, coal, biomass or otherwise.
 7. To transmit electricity through high voltage or low voltage underground cables, overhead lines etc. from power generating stations to grid stations etc.



ATTEST
M. U. USMAN
ADVOCATE
NOTARY PUBLIC
KARACHI



8. To distribute electricity to public and private utilities, commercial establishments, hospitals, factories, households etc;
9. To own, construct, operate and maintain power stations, power transmission and distribution systems, gas and petroleum pipe lines.
10. To buy, sell or otherwise deal in electricity, gas, petroleum products and other fuels;
11. To undertake operation, maintenance and management of renewable energy wind farms, solar farms and individual wind Turbine Generators, Solar stations for the company and/or for any other parties;
12. To assemble and/or manufacture components of renewable energy projects including wind turbines, blades, towers, transformers, cables, sub-stations, monitoring instruments, solar panels, solar units and all equipment associated with renewable power including wind and solar.
13. To undertake electrification and connections.
14. To undertake measures for energy conservation and environmental protection.
15. To represent as agent and distributor for renewable energy equipment for wind, solar, turbines, generators, transmission, solar panels, solar units, all ancillary equipment and related services for renewable energy.
16. To undertake and provide consultancy on all aspects of renewable power projects.
17. To engage in sale, lease, retrofitting and reconditioning of renewable power projects, WIGs, solar cells plant, equipment and software.
18. To engage in identifying wind, solar and other renewable energy development opportunities, prospecting for sites, selecting sites, wind site monitoring and developing the facilities and services required to generate electricity from wind and deliver it to the point of interconnection.
19. To sell electricity pursuant to Power Purchase Agreement to NEDCO/KESC/WAPDA or any other Government Authority and also pursuant to Wheeling and Power Purchase Agreements with third parties.
20. To undertake engineering, financing, construction, operations and management of the renewable properties, projects acquired, and activities.
21. To arrange interconnections with the local electrical grid or third parties and undertaking necessary for metering and protection measures.
22. To carry out reconditioning of non-performing renewable power project, and to improve the efficiency of the same;
23. To promote renewable power generation projects, participate in various opportunities to own and establish renewable power projects either through joint ventures or through other arrangements with third parties;
24. To procure wind turbines, solar cells, plants and the associated hardware from or on behalf of third parties as required, on terms agreed between the relevant parties;



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25. To enter into Power Purchase and Wheeling Agreements for the facilities or through special purpose entities to be established by the company on terms designed to maximize prospects of contract awards and to ensure financial viability of projects.
26. To develop land, undertake agriculture, aquaculture, grazing, and/or farming of crops, grasses, trees, fish, crustaceans, salt, horticulture, fruit, dairy, poultry, and/or raising of cattle and/or similar objects or related activities. Also trading in products related to the above.
27. To carry on business of the assembly, manufacture, sub-contracting under license or otherwise, repair, purchase, sale of all types and kinds of electronic and electric products, goods, equipment, machinery, instruments, apparatus, appliances, *inter alia* wireless receiving and transmitting equipment, radio sets to direction and ranging, sonars, lasers, infra-red, X-Ray, photographic, computers, radars, television and any other goods generally or specifically functioning electronically, electrically, or any products ancillary to the electronic or electrical industries such as power supplies battery charges, fuses, voltage regulators, audio amplifiers, timer circuits or by any other inventions present and future.
28. To obtain concessions, leases, rights, privileges, permissions, and patent rights, and the like, periodical or otherwise, which may be conducive to the interest of business of the Company from any Governments, States, Municipalities, Local Boards, Trust and other authorities, supreme or otherwise, to enter into arrangements in any connection therewith and to carry on, use, exercise, subject and comply with such rights, privileges, concessions, permissions and arrangements.
29. To purchase or otherwise acquire or take on lease any land or building or both in Pakistan or outside, and to work and construct on such lands for sale, lease, hire or otherwise, building houses, sheds and structures necessary and suitable for or auxiliary to the purposes mentioned in the preceding sub-clauses and to provide machinery, engines and apparatus requisite for the construction of such factories and workshops, and to do and perform all such acts and things as may be necessary and conducive to the attainment of the above objects or any of them.
- To acquire or undertake the whole or any part of the business property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property or property or assets for the purpose of this Company.
- To enter into partnership or into any agreements for sharing profits, union of interest, reciprocal concessions, amalgamation or cooperation with any persons, corporation or company, in Pakistan or in any other part of the world, carrying on or about to carry on or engaged in any business, or transaction which this Company is authorized to carry on, or engage in any business transaction capable of being conducted so as, directly or indirectly to benefit this Company and to take or otherwise acquire and hold shares or stock in societies of and to subsidize or otherwise assist any such company, and to sell, hold, re-issue with or without guarantee or otherwise deal in such share or securities and to form, constitute or promote any other company or companies for the purpose of acquiring all or any of the other property rights and liabilities of the company or of any other purpose which may seem, directly or indirectly, calculated to the benefit of the Company.

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To raise and borrow money from any part of the world and secure the payment of money by such means upon such terms and conditions and such manner as may be determined, and particularly by the creation or issue of bond, mortgage hypothecation debentures, debenture stock or other securities either perpetual or terminable and charged specifically or by way of floating charge or otherwise upon all or any part of the undertaking, properties and rights of the company (either present or future or both) including its uncalled capital, or not entitled to any charges, and to redeem, purchase or pay off any such securities and to remunerate any trustees appointed in connection with any such securities, at discount, premium or otherwise and in such manner as may be thought fit and with or without any special rights, privileges or conditions, as redemption, surrender, drawings, allotment of shares conversion into shares, attending and voting at meetings of the Company, appointment of directors or otherwise and so that any such securities may be made assignable free of equities between the company, any person or persons and so that upon an issue of debentures stock, debentures may, if thought fit, be issued to the Trustees as part of the security.



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To procure the incorporation, registration or other recognition of the Company in any country, to acquire shares or securities in any Company anywhere having objects similar to those of the Company and to enter into partnership or joint ventures with any local or foreign Company having similar objects.

To represent as agents for

- (a) any type and make of plants and machinery
- (b) any company having objects similar to those of the company
- (c) procuring commodities, materials and products required or used in energy and industrial production, manufacture and supply
- (d) to work as trading company or as agent or as distributor for all the aforesaid purposes.

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To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company, and the wives, widows, families, dependents or connections of such employees and to grant pensions, gratuities, charitable aid and allowances and to make payment towards insurance to any person or persons who have served the Company, or to the wives, widows, children or other relations of such persons and to form and constitute provident and benefit funds for the benefit of any person engaged by the Company, and to take all such measures and do all such things as are necessary for the aforesaid.

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To do all or any of the things or matters aforesaid in any part of Pakistan and either as principals, agents distributors, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either along or in conjunction with others.

37

To do all such other things as in the opinion of the company are or may be incidental or conducive to the attainment of the above objects or any of them. PROVIDED THAT the company shall not engage in banking or the business of an investment, leasing or insurance company or any unlawful business and nothing in this Clause shall be construed as permitting the company to engage in such business.

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(a) none of the objects set forth in any sub clause of the Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company;

(b) none of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this clause as through each such sub-clause contained the objects of a separate, distinct and independent company.

(c) In this Clause, "company", except where used in reference to the Company, shall include any partnership or other body of persons, whether incorporated, domiciled or resident in Pakistan or elsewhere, "person" shall include any company as well as any other legal or natural person; "securities" shall include any full, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, notes, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, "other" and "otherwise" shall not be construed *quodammodo* where a wider construction is possible.

(d) To create any depreciation fund, reserve fund, sinking fund, or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for any other purposes conducive to the interest of the Company.

(e) The company shall not engage in banking business, business of an investment company, non-banking Finance Corporation, leasing company and insurance company, business of managing agency or any unlawful business and nothing in object clauses shall be construed to entitle company to engage in such business directly or indirectly. The company shall not launch multilevel marketing, pyramid and ponzi schemes.

(f) Notwithstanding anything stated in any object clause, the company shall obtain such other approval or license from the competent authority, as may be required under any law for time being in force, to undertake a particular business.

(g) The liability of the members is limited.


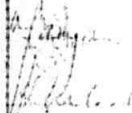
(h) The authorized capital of the company is Rs 5,000,000 (Five Million Rupees) divided into 500 shares of Rs.10,000/- (Ten Thousand Rupees) each with powers to increase or reduce and consolidate the capital for the time being into several ordinary classes and to attach thereto such qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations, of the company and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may for the time being be provided for by Articles of Association of the Company in force for the time being.



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Where the several persons whose addresses are subscribed below are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the company, set opposite our respective names:

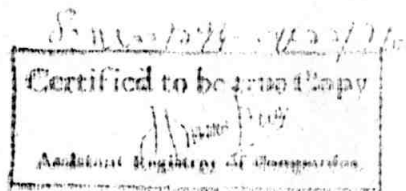
Names and Addresses and Description of Subscribers	Father's / Husband Name	Nationality	Profession	Number of Shares taken by each of Subscribers	Signature of the Subscriber
Mr. Zia Khaleeli 174, Mohammad Ali Co-operative Housing Society, Karachi NIC: 42201-0590424-5	Abbas Khaleeli (Late)	Pakistani	Business (Power Projects)	01 (ONE)	
Mrs. Maryam Khaleeli 174, Mohammad Ali Co-operative Housing Society, Karachi NIC: 42201-0590424-5	W/o. Zia Khaleeli	Pakistani	Business (Power Projects)	01 (ONE)	
Total			(Two)	02	



Dated the 18th day of June 2005

Witness to above signatures.

MUHAMMAD HANIF
NIC NO. 42301-9940741-9
C/O. Z. I. AL HANI & CO
111-112, PERHIS
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THE COMPANIES ORDINANCE, 1984

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

ZEPHYR POWER (PRIVATE) LIMITED

The Regulation contained in Table "A" of the First Schedule of the Companies Ordinance, 1984 (hereinafter referred to as the Ordinance) shall be the regulation of this company so far as these are applicable to private companies and are not amended or substituted by Articles herein after contained or have been given hereunder.



SHARE CAPITAL

2. The Authorized Capital of the company is Rs. 5,000,000 divided into 500 Ordinary Shares of Rs. 10,000/- each, with the company having the power to increase, consolidate, sub-divide, reduce or otherwise reorganize the capital of the company.

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3. Subject to the provisions of the Ordinance and these Articles, the share in the capital of the company for the time being shall be under the control of the directors, who may allot or otherwise dispose off them to such persons, in such proportion and on such terms and conditions either at premium or at par or (subject to the provisions of the Ordinance) at a discount at such time as they may from time to time think fit.

PRIVATE COMPANY

The company is a Private Company and accordingly:

- (a) No invitation shall be issued to the public to subscribe for any share or Debenture-stock of the company,
- (b) The number of the members of the company (exclusive of persons in the employment of the company) shall be limited to fifty. Provided that, for the purpose of this provisions where two or more persons hold one or more shares in the company jointly they shall be treated as a single member, and
- (c) The right to transfer the share of the company shall be restricted in manner hereinafter appearing.

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TRANSFER OF SHARES

- 5 The shares in the capital of the company shall be held (subscribed for, allotted to, transferred and paid for in full) in the following manner:
- 6 The Shares shall be under the control of the board of directors of the company who may allot or otherwise dispose off the same to such persons, firms or corporations on such terms and conditions as BOD may decide.
- 7 Subject to the provisions of these Articles, shares shall be transferable and following stipulations shall apply to the transfer of shares:

(a) Any share may be transferred by a member to any member of his family including his son, daughter, wife, husband or brother and any share of a deceased member may be transferred by his executors or administrators to the son, daughter, wife, or husband of such deceased member and shares standing in the name of the trustees of the Will of any deceased member may be transferred upon any change of the trustees for the time being of such Will.

(b) Subject to the provision of sub-clause (a) of this article the member proposing to transfer any shares (hereinafter called the proposing transferor) shall give notice in writing (hereinafter called a transfer notice) to the company that he desires to transfer the same.

(c) Subject to any direction which may be made otherwise by the company by Special Resolution within the period of thirty days from the receipt of a transfer notice as aforesaid the company shall offer to each of the existing members of the company respectively such number of the shares included in the transfer notice as is prorata or as nearly as may be to the holding of each member respectively on the footing that if each member desires to purchase any or all of such number of the said shares at the fair value he shall within five days of the offer be entitled to apply for the purchase and transfer of the same and the Proposing Transferor shall be bound, upon payment to him of fair value of such shares, to transfer the share to the members applying. For the purpose of this Article a member (including a company member) shall be entitled to apply either personally for the purchase and transfer of the shares offered to him hereunder or by procuring the application and payment thereof by a national or nationals of Pakistan of his own choice within a period of forty five days after the offer or such longer period as a proposing transferor may accept.

(d) In case any member shall not have applied for the purchase and transfer of any or all of the shares to which he is entitled, the company shall subject to any direction given by the company by Special Resolution, within thirty days of the date at which the offer closed, offer the untaken share to such of the members as have applied for the purchase and transfer of all of the share to which they were entitled by the term of the original offer subject as aforesaid proportion to the holding (including the shares bought on the original) of each member and subject as aforesaid they shall be entitled within forty-five days of the offer to apply for the purchase and transfer of a prorata number of the said untaken shares and subject as aforesaid the proposing transferor shall be bound, upon payment to him of the fair value of such shares to transfer the shares to the members or member applying.



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(e) If the proposing transferor shall fail to execute a transfer in respect of any shares so sold he shall be deemed to have executed such transfer. The company shall thereupon cause of the names of the members who have purchased the shares to be entered in the Register as holders of such shares and thereafter the validity of the proceedings shall not be questioned by any persons.

(f) In case no member shall apply for any of the shares included in the transfer notice or any shares are untaken after compliance with the foregoing provisions of this Article, including any direction given by the company in General Meeting, the proposing transferor shall have the right (which right shall endure for the period of one year from the date of the transfer notice) to sell and dispose off his shares to any person and at any price and to apply for registration of the same and the company shall subject as otherwise provided by these Articles be bound to give effect to the transfer of such shares accordingly. If on the expiry of the period of one year from the date of the transfer notice the right conferred by this sub-clause on a transfer shall not have been exercised, all the provisions of these Articles shall apply to any subsequent transfer.

(g) For the purpose of this clause, the fair value of the shares shall be such sum, if any, as the auditors for the time being of the company shall certify as the fair value thereof provided that it is expressly declared that the fair value shall not include anything for goodwill but it shall be (1) the amount of capital paid up thereon plus (2) a sum bearing the same proportion to the value as appearing in the company's last balance sheet of any reserve fund or other fund of the company as the capital paid up on all shares of the company for the time being issued plus or minus as the case may be (3) a sum bearing the same proportion to the value as appearing in the company's last balance sheet of any balance in the profits and loss account consisting or representing undivided profits or losses as the capital paid up on shares to the total capital paid up on all the shares of the company for the time being issued.

Subject to the provisions of Article 5, every share specified in any transfer notice to the company pursuant to Article 14 hereof, shall be offered to the member in the following manner:

(a) The shares proposed to be transferred shall be offered to the other share-holders in proportion to their respective holding of the shares of the company or as near thereto as practical or in such proportions amongst them as may be mutually agreed upon amongst the shareholders of the company, inter se;

(b) If the shares so offered for sale or any part thereof are not taken up by the other shareholder of the company within a period of thirty days of such offer in writing, the shares or the remainder of them, which may not have been taken up by the shareholders, may be offered to other persons by the offerer as provided for below.

(c) If the shares offered for sale are not taken up by any of the shareholders referred to in sub-clauses (a) and (b) above, the directors shall be entitled to offer them for sale to any outsider as unanimously approved by them.

(d) If the Directors are not able to sell the shares to any outsider within thirty days from receiving intimation advising them about the sale of the shares or any part thereof not being effected in spite of



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compliance with the procedure mentioned in sub clauses (a) to (c) above the proposing transferor shall be entitled to sell the shares to any outsiders at any price who may purchase such shares from the proposing transferor and in that event the directors shall not be entitled to refuse or reject transfer of the shares to name or names of such outsider who may have purchased the share from the proposing transferor.

9. The instrument of transfer of any share shall be deposited at the registered office of the company against official receipt and shall be accompanied by the certificate of shares transferred and such other evidence (if any) as the Board may require to prove the title of the intending transferor or his right to transfer the shares.
10. The instrument of transfer of any share shall be signed both by the transferor and transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be registered, the registration whereof is necessary for the purpose of ensuring that the number of members does not exceed the limit prescribed in Article 4.

TRANSMISSION OF SHARES

- 11a. On the death, bankruptcy or liquidation of any member he shall be deemed to have served upon the company immediately before his death, bankruptcy or liquidation a transfer notice under Article 5 hereof in respect of all the shares held by him at the time of his demise, bankruptcy or liquidation, and thereupon all the provisions of these Articles as to transfer of shares shall have effect, and the personal representatives, trustee or liquidator, as the case may be, shall be deemed to be the proposing transferor.
- b. If the directors of the company are not satisfied of the bona fides of the legal heirs of a deceased member or if there is any dispute about the heirs they shall require the legal heirs to produce heirship certificate issued by a competent court of law.

GENERAL MEETING

- 12a. Annual General Meeting of the company shall be held in accordance with the provisions of Sec 159 of the Companies Ordinance, 1984.
- 12b. The directors may call an Extra Ordinary Meeting whenever they think fit.
13. Twenty one day's notice of every general meeting, ordinary or extra ordinary meeting and by whosoever called specifying the date, place and hour of the Meeting, and with a statement of the business to be transacted at the Meeting and in case it is proposed to pass a special resolution, the intention to propose such resolution as a special resolution thereto shall be given to the persons entitled under and in the manner provided for by the ordinance and these articles.
14. With the consent of the members entitled to receive notice of a meeting or to attend and vote thereat, a meeting may be called by a shorter notice or in any manner they think fit.
15. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein provided three or more members entitled to vote and present in person or by proxy shall be quorum.



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16. Subject to any special terms, as to voting upon which any shares may from time to time be held and to the provisions of the Articles, upon a show of hands every member present in person or by agent duly authorized under a power of attorney or by proxy shall have one vote.
17. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney in the usual common form or any form approved by the directors. No person shall act as a proxy unless he is a member of the company.

DIRECTORS

18. The number of directors (excluding alternate directors) shall not be less than two, nor more than eight. The number of directors shall not fall below the minimum of two.

The first directors of the company shall be:

1. MR. ZIA KHALEEL
2. MRS. MARYAM KHALEEL



19. The election and removal of any of the directors shall be made in accordance with the provisions of the Companies Ordinance, 1984.

A director may with the approval of the directors appoint in writing an alternate director to act for him during his absence from Karachi, and such appointed director shall be deemed to be a director and may exercise and perform all such powers, discretions and duties as his appointor could without his absence, have exercised or performed.

20. The qualification of the director shall be holding in his own name a minimum number of shares for the face value of Rs. 10,000/.

21. The remuneration of the directors shall from time to time be determined by the company at general meeting. Any director required to perform the duty of Managing Director, Chief Executive or any other specific duties shall be paid such additional remuneration, allowances and perquisites as may be fixed by the company in general meeting. The remuneration payable to a director for attending meeting of the board shall not exceed Rs. 100.

22. The directors shall have power at any time and from time to time to appoint any person a Director to fill a casual vacancy in the office of Director or, but any Director so appointed shall hold office only until the next following election in ordinary meeting of the company and shall be eligible for re-election.

23. The continuing directors may act notwithstanding any vacancy in their body, but if their number falls below the minimum fixed, the directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the company, act so long as the number is below the minimum and they may so act notwithstanding the absence of necessary quorum under the provision of article 25.

24. Subject to the provision of the Ordinance, a director may vote in respect of any contract or arrangement in which he is interested.

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26. A director of this company may be or become a director of any company promoted by this company in which he may be interested as a vendor, member or otherwise and no such director shall be accountable for any benefits received as director or member of such company.
27. Questions arising at any meeting shall be decided by a majority of votes. The Chairman of the board shall have a second or casting vote.
28. The quorum at meeting of the directors shall be as may from time to time be determined by the company in general meeting but until otherwise determined two directors present shall be a quorum.
29. The directors may from time to time appoint a Chief Executive of the company, for such terms and at such remuneration as they may fit.
30. The directors may entrust to and confer upon a Chief Executive and/or Executive Director any of the power exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any such powers.
31. The directors may, from time to time at their discretion, borrow from the member or other persons and may (subject to the provisions of the Ordinance) themselves advance any sum or sums of money for the company.
32. The directors may secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds perpetual or redeemable debenture, or debenture stock, on any mortgage or charge or of the security on the undertaking of the whole or any part of the property of the company (both present and future).
33. No loan or guarantee or security of any loan shall be made directly or indirectly by the company to or on behalf of any member of the company unless the same shall have been approved unanimously by the board of the company.



CHIEF EXECUTIVE

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The day to day affairs of the company shall be conducted by a Chief Executive appointed by the Directors in such manner as laid down in section 198 and 199 of the ordinance. Such Chief Executive shall, if he is not already a director of the company be deemed to be its director entitling him to all the rights and privileges and subject to all liabilities of that office. A Chief Executive shall receive such remunerations (whether by way of salary commission, participation in profits, allowances, pre-requisites etc. or partly or one or partly in another) as the Directors may determine. If a managing director is appointed, he shall be the Chief Executive of the company.

THE SEAL

35. The directors shall provide a common seal for the purpose of the company. The seal shall never be used except by or under the authority of the directors and in the presence of one of the two directors at least, and such other person nominated by the board for this purpose, who shall sign every instrument to which the seal is affixed.

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ACCOUNTS

36. The directors shall cause true account to be kept of (a) all sums of moneys received and expended by the company and the matters in respect of which such receipts and expenditure take place (b) all sales, purchases of goods or services by the company, and (c) the assets, capital and liabilities of the company, and generally of all its commercial, financial and other affairs, transactions and engagements, and of all other matters necessary for showing the true financial state and condition of the company, and the accounts shall be kept in English in such books and in such manner as the directors may deem fit, and the books of the account shall be kept at the office or such other places as the directors think fit and shall be open to inspection by the directors.

AUDIT

37. Once at least in every year the accounts of the company shall be balanced and audited and the correctness of the profit and loss account and balance sheet ascertained and certified by an auditor in accordance with the provisions of the Ordinance.

WINDING-UP

38. If the company shall be wound up and the assets available for distribution among the members, as such, shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so as that as nearly as may be the losses shall be borne by the member in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up in the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst the member in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this article is to be without prejudice to the rights of the holders of shares, issued upon special terms and conditions.

39. If the company shall be wound up whether voluntarily or otherwise the liquidators may (subject the provisions of the Ordinance) with the sanction of a special resolution divide among the members in specie or kind any part of the company and may with the like sanction vest any part of the assets of the company in trustees upon such trust for the benefit of the members or any of them as the liquidators, with the like sanction shall think fit.

INDEMNITY

40. In connection with carrying on the business of the company every director, chief executive, auditors, secretary and other officers of the company shall be indemnified by the company from all losses and expenses occasioned by any error of judgment or oversight on his part damage or execution of his duties of office or in relation thereto unless the same happens through his own dishonesty or his own wilful acts and defaults.

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We the several persons whose names and addresses are subscribed below are desirous of being formed into a Private Company in pursuance of these Article of Association and we respectively agree to take the number of shares in the capital of the company, set opposite our respective names:

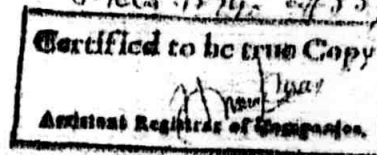
Names and Addresses and Description of Subscribers	Father's / Husband Name	Nationality	Profession	Number of Shares taken by each of Subscribers	Signature of the Subscriber
Mr. Zia Khaleeli 5/7-E, Mohammad Ali Co-Operative Housing Society, Karachi. NIC: 42201-0590424-5	Abbas Khaleeli (Late)	Pakistani	Business (Power Projects)	01 (ONE)	<i>[Signature]</i>
Mrs. Maryam Khaleeli 5/7-E, Mohammad Ali Co-Operative Housing Society, Karachi. NIC: 42201-0508081-4	W/o. Zia Khaleeli	Pakistani	Business (Power Projects)	01 (ONE)	<i>[Signature]</i>
Total				(Two) 02	



Dated the 5th day of June 2005

Witness to above signatures.

MOHAMMAD HANIF,
NIC NO. 42301-9940343-9
C/O. Z. LAKHANI & CO
241-J-B/2, PECHS
KARACHI.



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6. MEMORANDUM AND ARTICLES OF ASSOCIATION

7. COMMERCIAL PROPOSAL FOR ZEPHYR POWER (PVT.) LIMITED

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Monday, 03 November 2014

Zephyr Power (Pvt) Limited
68-B, Sindhi Muslim Housing Society
Karachi-74400
Pakistan.

Attention: Mr. Zia Khaleeli

Commercial Proposal for Zephyr Power (Pvt) Limited

Dear Mr. Khaleeli,

Vestas Australian Wind Technology Pty Ltd (Vestas) is pleased to submit this commercial proposal (the Proposal) to Zephyr Power (Pvt) Limited (Zephyr) in relation to the 50MW wind farm project located in Gharo, District Thatta, Province Sindh, Pakistan (the Project). The Proposal sets out Vestas' technical solution and the key commercial parameters associated with the supply, erection, commissioning and on-going maintenance of the Project. In developing the Proposal, Vestas has taken into account the critical requirements for the project, the unique attributes of the site, and our commitment to deliver upon our value proposition of:

- Low cost of energy – achieving a low cost of energy by combining high production output with cost competitive project construction and operation & maintenance costs.
- Business case certainty – proven turbine technology combined with a track record of successful project delivery and lifetime maintenance support from Denmark's leading wind farm service provider.
- Sustainability – putting safety above all else, meeting quality standards, and taking responsibility for our environmental footprint.
- Partnership – working with you in the spirit of trust and shared success, because we believe that superior results and value are achieved this way.

Vestas will deliver the Project under an EPC contracting structure. This structure allows Vestas to effectively manage the project delivery whilst providing a single point of communication and accountability to Zephyr. Transport, Crane, Civil & Electrical works sub-contractors will be carefully selected and managed by Vestas to ensure smooth integration into the works and that quality and safety standards are maintained. By choosing Vestas, Zephyr can be certain that this project will be delivered on-time, on-budget and to the expected levels of performance by our highly professional and highly skilled personnel.

Page 1 of 5

Vestas Australia

Vestas Australian Wind Technology Pty Ltd Level 4, 312 St Kilda Road, Southbank, Victoria 3004, Australia Tel: +61 3 8698 7300, vestas-australia@vestas.com, www.vestas.com Company Reg. No.: ABN 80089653878



In developing the Proposal, Vestas has undertaken an initial assessment of the site data provided by Zephyr and can confirm that the V100-2MW turbines are the best suited solution for the Project. As part of the Proposal, we have included a service proposal based upon our full-scope (2+8) 10 Year AOM4000 service package, with an additional 10 year extension option open for negotiation.

1. Vestas EPC Project Scope

At a summary level, the Vestas EPC Proposal includes the following scope:

- 25 x V100-2 MW wind turbines generators (WTGs);
- 80m, three section tubular steel towers and anchor cages (imported);
- Vestas Online® Business SCADA system (SCADA);
- Transportation of towers, blades, hubs, nacelles and balance of plant components from production facilities to site;
- Installation and commissioning of the WTGs, SCADA and wind farm substation equipment including labour and cranes;
- 2-year Defects Liability Period on WTGs and SCADA equipment;
- Civil and Electrical Balance of Plant.

2. Vestas Operations and Maintenance Scope - AOM4000

Vestas is able to offer a modern wind turbine service agreement based on carefree inventory control of WTG parts over the life time of the agreement. We have included in our offer a full-scope (2+8) 10 Year service package with 95% time-based annual availability guarantee on WTGs, hence ensuring your wind capture percentage. This proposal reflects our confidence in the technology and our ability to support it throughout its life.

At a summary level, the AOM 4000 Package includes:

- Warranty Period Operations and Maintenance Agreement (Years 1 and 2);
- Operations and Maintenance Agreement (Years 3 to 10);
- 95% WTG time-based availability guarantee;
- Scheduled and Unscheduled Maintenance of WTGs;
- Scheduled BOP Maintenance;
- Remote monitoring and reset service of WTGs;
- Vestas Condition Monitoring System (CMS);
- Remote surveillance with Vestas Turbine Watch™;
- Connection to the Vestas Melbourne Operations Centre;
- Monthly reporting;
- O&M manual updates;



- Access and utilisation of specialist tools;
- Site Administration and management of Health, Safety and Environment; and
- Provision of consumables.

3. Vestas Pricing Proposal

3.1. EPC Project Pricing

Vestas is pleased to provide an EPC price to Zephyr. This is based upon and should be interpreted in conjunction with the relevant terms, conditions and specifications, which for the purpose of the Proposal are:

- The EPC Agreement initialled by Vestas on 31 October 2014 (the EPC Agreement);
- The Service Agreements initialled by Vestas on 31 October 2014 (the Service Agreements);
- The Owner's Requirements [insert date] (the Owner's Requirements); and
- The Construction Schedule dated [insert date] (the Construction Schedule).

The EPC Price is the sum of the two nominated currencies listed in the following table:

EPC Project Scope	USD	PKR	*Total USD
25 x V100-2.0 MW on 80m tower	77,978,013	3,400,210,000	110,960,050

*The total value for project delivery will be the sum of the PKR & USD currencies provided.

*Total in USD is an estimate only based on the current exchange rates PKR/USD on 31.10.2014.

The milestones comprising the EPC Pricing are set out in the Payment Schedule attached at Annexure 1.

Please note that the specific payment dates are not referenced in the Payment Schedule given the uncertainty of timing of specific activities within the Project at this stage.

3.2. Preliminary Works

In order to achieve the Time for Completion of 16 months, preliminary works will be performed during the two month period prior to Notice to Commence (as defined by the EPC Agreement) and in accordance with Annexure 14 of the Owner's Requirements as follows:

- detailed geotechnical investigations;
- preparation of a hydrological study for the site;
- preparation of a topographical survey of the site,

The cost of the Preliminary Works will not exceed USD300,000 as set out in the EPC Agreement.

3.3. Vestas Operations and Maintenance pricing

The pricing in this section of the Proposal relates to the Operations and Maintenance scope and is as follows:

<u>Years</u>	<u>O&M price/Year</u>
1-2	USD 1.050 million
3-5	USD 2.375 million
6-10	USD 2.625 million

4. Vestas Price Validity

The Vestas pricing offer contained herein is valid for acceptance through to 30 June 2015 and is further conditional on the final contractual terms and conditions negotiated and agreed between the parties in the EPC Agreement and Service Agreements.

5. Exclusions

The items outside of the Vestas EPC Project Scope and Vestas Operations and Maintenance Scope include, but are not limited to the following:

- LC Confirmation charges;
- L/C establishment and maintenance charges;
- Escrow account establishment and maintenance charges;
- Owner Imported Equipment Charges
- Site Security during O&M period
- Civil works maintenance during O&M period

Further exclusions are set out in the EPC Agreement and Service Agreements.



Vestas Australia

Page 4 of 5

Vestas Australian Wind Technology Pty Ltd Level 4, 312 St Kilda Road, Southbank, Victoria 3004, Australia Tel: +61 3 8698 7300, vestas-australia@vestas.com, www.vestas.com Company Reg. No.: ABN 80089653878

6. Conditions


The Proposal is non-binding, indicative and is subject to the following conditions:

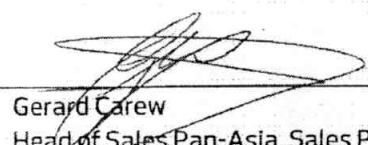
- This offer is non-transferrable to any third party;
- Final agreement on the contractual terms of the EPC Agreement and Service Agreements initialled on 31 October 2014;
- WTG Supply subject to turbine availability;
- Final prices are to be settled in multi-currency, with final currencies and split subject to final cost structure;
- PKR/USD values presented are based on currency rate of 1PKR= 0.0097USD. Vestas reserves the right to adjustments during the validity of this Proposal;
- All items not included in Vestas' scope of works have to be provided or performed by Zephyr in a timely fashion in accordance with Vestas' minimum requirements.
- AOM Prices are subject to yearly CPI indexation;
- Pricing excludes any items outside the Scope;
- Proposal validity up to 30 June 2015.

Please note that this Proposal including the pricing above is Confidential and may not be transmitted or otherwise disclosed to any third party without the express written authorisation of Vestas.

We trust that Vestas will come up to your expectations and we look forward to further engagement and ultimately working with you to deliver a safe and successful project.

Yours sincerely,


Imran Shafiq
Director of Sales, South Asia
Vestas Asia Pacific & China


Gerard Carew
Head of Sales Pan-Asia, Sales PAN-ASIA
Vestas Asia Pacific & China

Annexure 1 Payment Schedule


Vestas Australia

Vestas Australian Wind Technology Pty Ltd Level 4, 312 St Kilda Road, Southbank, Victoria 3004, Australia Tel: +61 3 8698 7300, vestas-australia@vestas.com, www.vestas.com Company Reg. No.: ABN 80089653878

8. DEBT FINANCING LETTER OF INTENT ("LOI")

8.1 UNITED BANK LIMITED

✓

August 15, 2014

Mr. Zia Khaleeli
Chief Executive
Zephyr Power (Pvt.) Limited
Karachi.

Dear Sir,

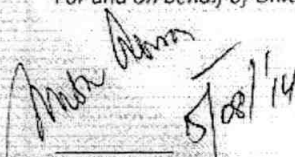
Expression of Interest – Setting up of a 50 MW Wind based Power Project ('Project') at Gharo, Sindh by Zephyr Power (Pvt.) Limited ('ZPL' or the 'Project Company')

This is with reference to our various meetings and discussions with you on the above. We understand that Zephyr Power (Pvt.) Limited is planning to setup a 50 MW (Gross) Wind Power Project at Gharo, Sindh. We further understand that the capital cost of the Project is currently estimated at USD 125 Million which is expected to be funded through a debt to equity ratio of 75:25. The Project debt is expected to be arranged either through a combination of foreign and local currency financing or entirely through local currency financing.

In this connection, we are pleased to express United Bank Limited's ('UBL') in-principle interest in providing Structuring along with Debt Arrangement services for the Project debt, including but not limited to participation in the said Project debt, subject to internal approvals.

Please note that our interest in assisting the Project Company for debt arrangement and participation in Project debt is based on our best assessment of the Project, given the currently available limited information and may not be construed as a commitment on part of UBL or any of its subsidiaries or affiliates to arrange the required financing, or any part thereof, at this point in time. Our final decision to arrange the Project debt, will amongst other things, be subject to: a) satisfactory due-diligence of the Project Company, key stakeholders and the Project, including but not limited to financial, technical, insurance, and legal considerations, b) evidence of the satisfactory contractual arrangements being in place *inter-alia* concessionary framework (as applicable) and those with respect to supply of equipment and the works, c) completion and presentation of bankable feasibility of the Project, d) formal internal credit approvals of all participating institutions, including UBL, and f) the execution of definitive agreement(s) between UBL (along with other participants, if applicable) and Project Company pertaining to the provision of Debt Arrangement services.

For and on behalf of United Bank Limited


Zeeba Ansar
Regional Corporate Head – South
Corporate Banking Group
Email: Zeeba.Ansar@ubl.com.pk
Phone: +9221 99033 2135

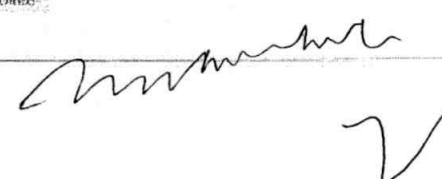

Saeed Iqbal
EVP & Group Head
Investment Banking Group
Email: Saeed.Iqbal@ubl.com.pk
Phone: +9221 3 241 0043

Head Office: Investment Banking Group, 8th Floor, State Life Building # 1, I.I. Chundrigar Road, Karachi-Pakistan.

UAN: 111-825-888, www.ubl.com.pk

Pakistan ■ UAE ■ USA ■ UK¹ ■ Bahrain ■ Oman² ■ Qatar ■ Iran ■ China³ ■ Kazakhstan³ ■ Yemen ■ Switzerland¹

1 Subsidiary Branch 2 Associated Company 3 Representative Office



9. AEDB LETTERS

9.1 ENERGY OUTPUT VERIFICATION

W



B/3/1/ZPPL/07

7 November, 2014

✓ Mr. Zia Khalili
Chief Executive
68-B, Sindhi Muslim Housing Society,
Karachi-74400
Ph. 021-4315646

Subject: **VERIFICATION OF POWER PRODUCTION ESTIMATES FOR 50MW
ZEPHYR POWER PVT LTD WIND POWER PROJECT AT
BHANBHORE-GHARO**

Reference is the AEDB standard practice for verification of power production estimates at IPP wind farm site for the approval of project feasibility study.

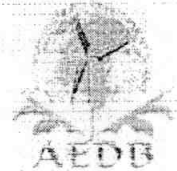
2. Alternative Energy Development Board (AEDB) has received the revised project feasibility study from Zephyr Power Pvt Ltd for the development of 50MW wind power project in Bhabhore, district Thatta Sindh. As per the standard practice for the approval of project feasibility study, AEDB verifies the power production estimates calculated by the IPP through internationally renowned laboratory DTU/ Risoe National Laboratory, Denmark. After internal review of project feasibility study at AEDB, the technical information, as per the submitted feasibility study by company, for calculating the production numbers at the project site was sent to DTU/ Risoe for verification.

3. AEDB has received the verification report from DTU/Risoe. The production estimates are verified against the AEDB established benchmark wind speeds for Gharo region. The annual benchmark energy production at the Zephyr Power wind farm site verified by DTU/Risoe is 174.3 GWh (p50) using 25 x Vestas V100/2MW WTGs. These production estimates are verified at annual benchmark wind speed for Gharo region i.e. 7.3 m/s at 80m height above ground. The results of the calculations at different probability/confidence level calculated by DTU/Risoe are shown in the table below (Summary of the report is attached as Annex 'A').

✓




Government of Pakistan
Alternative Energy Development Board (AEDB)
Ministry of Water & Power
2nd Floor, OPF Building, G-5/2, Islamabad
Tel: 051- 9222378, Fax: 051- 9222379



Benchmark wind speed 7.3 ms^{-1}		25 wind turbines Vestas 100/2MW hub height 80 meters, air density 1.171 kgm^{-3}		
		GPPL mast Period 2006-2010	Gharo mast period 2003-2007	Zephyr mast period 2006-2009
Net AEP without technical losses (GWh)	P50	188.5	193.7	187.7
	P70	174.6	176.4	173.9
	P90	154.6	151.5	154.0
Net AEP with technical losses (GWh)	P50	169.7	174.3	169.0
	P70	157.2	158.7	156.5
	P90	139.2	136.3	138.6

4. Alternative Energy Development Board considers the power production numbers verified by Risoe as the lower bound and believes that the production numbers should not be lower than the DTU/Risoe calculated figure of 174.3 GWh at Zephyr Power wind farm site using 25x Vestas V100/2MW WTGs.


(Naeem Memon)
Director (Wind-II)

Copy to:

1. The Registrar NEPRA, NEPRA Tower Attaturk Avenue (East), Sector G-5/1, Islamabad.
2. Director General (EM), AEDB.
3. PS to CEO, AEDB. (for information please)





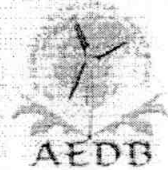
Summary of the Report

The report is a verification of the energy yield for the benchmark wind speed values developed for Gharo region. Due to the unavailability of bankable wind data and for the fast track development of Wind Energy in the country the Government of Pakistan has introduced an innovative idea of establishing the benchmark wind speed values and has taken the risk of variability of wind speed values in different regions (Gharo & Jhimpir), so that the independent power producers may not feel the risk of unavailability of reliable wind data. Keeping it in consideration the power production estimates are verified against the Benchmark wind speed values.

Using data from the Gharo meteorological mast for the period 2003-2007, GPPL mast wind data of 2006-2010 and Zephyr Power site wind data 2006-2009 resulted in an estimate of the annual energy yield from the 25 Vestas V100/2MW wind turbines in the Zephyr Power Pvt Ltd wind farm shown in the table below. The net Annual Energy Production (AEP) without technical losses includes losses to wake effects between the turbines in the Zephyr Power wind park as well as from the neighboring wind turbines. The net AEP with technical losses accounts for the availability of the wind turbines with 95% cut-out losses due to high temperature 1.5% electrical losses with 3% and auxiliary consumption 1%. The total reduction due to technical losses is $0.95 \times 0.985 \times 0.97 \times 0.99 = 0.90$ or 10%. The calculations are carried out with hub heights 80 meters. The calculations by DTU/Risoe are performed for an air density of 1.171 kgm^{-3} i.e wind farm site air density.



Government of Pakistan
Alternative Energy Development Board (AEDB)
Ministry of Water & Power
2nd Floor, OPF Building, G-5/2, Islamabad
Tel: 051- 9222378, Fax: 051- 9222379



Benchmark wind speed 7.3 ms^{-1}		25 wind turbines Vestas 100.2MW hub height 80 meters, air density 1.171 kgm^{-3}		
		GPPL mast Period 2006-2010	Gharo mast period 2003-2007	Zephyr mast period 2006-2009
Net AEP without technical losses (GWh)	P50	188.5	193.7	187.7
	P70	174.6	176.4	173.9
	P90	154.6	151.5	154.0
Net AEP with technical losses (GWh)	P50	169.7	174.3	169.0
	P70	157.2	158.7	156.5
	P90	139.2	136.3	138.6

✓

9.2 AEDB LETTER FOR EXTENSION OF LOS

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Government of Pakistan
Alternative Energy Development Board (AEDB)
Ministry of Water & Power
2nd Floor, OPF Building, G-5/2, Islamabad
Tel: 051- 9222378, Fax: 051- 9222379



B/3/1/ZPPL/07

15th May 2014

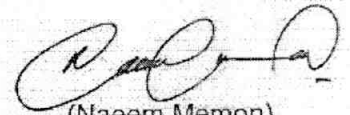
✓ Mr. Zia Khalili
Chief Executive
68-B, Sindhi Muslim Housing Society,
Karachi-74400
Ph. 021-4315646

Subject: **EXTENSION IN THE VALIDITY PERIOD OF LOS ISSUED TO M/S ZEPHYR POWER (PVT.) LIMITED (ZPPL) FOR THE DEVELOPMENT OF 50 MW WIND POWER PROJECT IN GHARO, DISTRICT THATTA, SINDH**

This is with reference to M/s Zephyr Power (Pvt.) Ltd. letter No. nil dated 13th November 2013 regarding the extension in the validity period of LOS issued to M/s ZPPL for the development of 50MW wind power project.

2. AEDB hereby grants an extension up to 31st December, 2014 in the Required Financial Closing Date (RFCD) as stipulated in the Letter of Support (LOS) issued to M/s ZPPL on 17th January, 2013.

3. M/s ZPPL is now required to achieve Financial Closing for its 50 MW wind power project by 31st December, 2014, the "Extended Required Financial Closing Date". All other terms and conditions of the LOS shall remain the same. Further to it, M/s ZPPL is required to submit the milestones with timelines for achievement of Financial Close of its 50 MW wind power project.


(Naeem Memon)
Director (Wind-II)

Copy to:

- Chairman, National Electric Power Regulatory Authority (NEPRA), Islamabad.
- Managing Director, NTDC, Lahore.
- Secretary Energy, Energy Department, Government of Sindh.
- Director (F&A), AEDB, Islamabad.
- Incharge AEDB Sub Office Karachi, Karachi.
- PS to CEO, AEDB (for information).

2

10 NATIONAL TRANSMISSION AND DESPATCH COMPANY ("NTDC")

10.1 GRID INTERCONNECTION STUDY SUBMISSION LETTER

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NATIONAL TRANSMISSION & DESPATCH CO. LTD

General Manager (CPPA) NTDC

No. GM/CPPA/CE-II/MT-IV/ZPPL/ 6933-37

Dated: 05.10.2014

General Manager Planning (Power) NTDC
5th Floor, PIA Tower, Edgerton Road,
Lahore.

Subject: Electrical Grid Studies for 50 MW Wind Power Project by
M/s Zephyr Power (Pvt) Limited (ZPPL) near Gharo, Sindh

Final Grid Interconnection Study Report for 50 MW Wind Power Project furnished by
M/s Zephyr Power (Pvt) Limited (ZPPL) vide letter dated 14.10.2014 prepared by
M/s Power Planners International (PPI) is attached herewith for your review and
approval.

DA/As above


(Engr. MANSOOR NASIR) 31/10/2014
CE-II (Procurement) CPPA/NTDC

CC:

- i. Chief Executive Officer AEDB, 2nd Floor, OPF Building G-5/2, Islamabad.
- ✓ ii. Mr. Zia Khaleeli, Chief Executive, M/s Zephyr Power (Pvt) Limited, 68-B,
Sindhi Muslim Housing Society, Karachi-74400.
- iii. M/s Power Planners International (PPI), 66-H/2, WAPDA Town, Lahore.
- iv. PA to GM (CPPA) NTDC, 229-WAPDA House, Lahore.
 - Master File

GM(CPPA)	229-WAPDA House, Lahore, Pakistan	TEL:+ 42 99203515, Fax:+92 42 99201179	gmcppa@ntdc.com.pk
CE-II(CPPA)	6 th Floor PIA Tower Egerton Road Lahore	TEL:+ 42 99201489, Fax:+92 42 99201488	ce2cppa@gmail.com




12. TARIFF APPLICATION FEES PAY ORDER

 KASB Bank <small>Shahrah-e-Faisal Branch, Shahrah-e-Faisal Branch, Karachi-Pakistan</small>		DATE 07/11/14	
A/C PAYEE ONLY Payable at any KASB Bank Branch		P.O. NO. 1311460	P.O. 1311460
ON DEMAND PAY TO THE ORDER OF		AMOUNT PKR *****551,808.00	
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY A/C ZEPHYR PVT LTD			
AMOUNT PKR FIVE HUNDRED FIFTY ONE THOUSAND EIGHT HUNDRED AND EIGHT ONLY			
Valid only for six months 10.00.2014		for KASB BANK LIMITED	
Authorised Signature		Authorised Signature	
"1311460"0650018"		"000"	

W


ZEPHYR POWER (PVT.) LIMITED

OVERVIEW & INSTRUCTIONS

-  Blue font indicates manual inputs that may be changed
-  Black font indicates the result of a formula
-  Green font indicates reference to another sheet

OVERVIEW OF SHEETS:

Model Summary
Assumptions
 Financial Model Assumptions
 V100 Output Assumptions
Financial Model
 Income Statement
 Balance Sheet
 Statement of Cash Flows
Schedules
 Debt & Interest Schedule
 Tariff Schedule
 Depreciation Schedule
Analysis
 Returns and Credit Analysis
 Debt Coverage Analysis



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13.2.1 MODEL SUMMARY

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ZEPHYR POWER (PVT.) LIMITED

Scenario Analysis

1	Circular Reference
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1	Model Considerations
---	----------------------

1	Tariff Driver
---	---------------

1	P50
2	P75
3	P90

IRR	17.00%
-----	--------

17.0%	P50
17.0%	P75
17.0%	P90

TR	0.1474
----	--------

0.14737	P50
0.14737	P75
0.14737	P90

13.2.2 FINANCIAL MODEL ASSUMPTIONS

A handwritten mark, possibly a signature or initials, consisting of a stylized 'W' followed by a checkmark-like stroke.

June 30, 2014

Negotiated Tariff		
50.0 MW Generation Capacity (Vestas 1.8/2.0), 10 Yr Debt		
P50	P70	P90

	1	2	3
Financial Model Inputs			
Equity %	25.0%	25.0%	25.0%
Debt %	75.0%	75.0%	75.0%
Debt Portion 1	50.0%	50.0%	50.0%
Debt Portion 2	50.0%	50.0%	50.0%
Debt Borrowing Allowed Spread			
Debt Portion 1 (Foreign - LIBOR)	5.20%	5.20%	5.20%
Debt Portion 2 (Local - KIBOR)	3.00%	3.00%	3.00%
Debt Borrowing Allowed Spread			
Debt Portion 1 (Foreign - LIBOR)	0.32%	0.32%	0.32%
Debt Portion 2 (Local - KIBOR)	10.19%	10.19%	10.19%
Debt Borrowing Interest Rate			
Debt Portion 1	5.52%	5.52%	5.52%
Debt Portion 2	13.19%	13.19%	13.19%
Cash Interest Rate	0.5%	0.5%	0.5%
Income Tax Rate	0.0%	0.0%	0.0%
COE Discount Rate	10.0%	10.0%	10.0%
Withholding Tax Rate	7.5%	7.5%	7.5%
EV/EBITDA Multiple	6.00	6.00	6.00
Salvage Value	0.0%	0.0%	0.0%
Project Period (years)	20.00	20.00	20.00
Exchange Rate (Rs./\$)	103.00	103.00	103.00
Debt Loan Period (years)			
Debt Portion 1	10.00	10.00	10.00
Debt Portion 2	10.00	10.00	10.00
Debt Service Coverage Ratio (DSCR) Requirement	1.25	1.25	1.25
DSCR Probability Requirement	P90	P90	P90
Loan Payments Annually	4.00	4.00	4.00
Loan Grace Period (years)	2.00	2.00	2.00
Interest During Construction (IDC) Period	17.00	17.00	17.00
Total Project Cost			
Total Engineering, Procurement, & Construction (EPC) Costs			
Offshore Portion	77,978,013	77,978,013	77,978,013
Onshore Portion	32,982,037	32,982,037	32,982,037
Total EPC Costs (ex L/C Commitment)	110,960,050	110,960,050	110,960,050
L / C Commitment	1,200,000	1,200,000	1,200,000
Total EPC Costs	112,160,050	112,160,050	112,160,050
Total Non-EPC Costs			
Project Development Costs			
Government Permits, Licenses and Charges			
Company Incorporation / Capitalization Fee (SECP)	10,000	10,000	10,000
Registration Fees (AEDB)	100	100	100
Project Facilitation Fee	10,000	10,000	10,000
Letter of Intent ("LOI") Charges (AEDB)	25,000	25,000	25,000
Land Charges			
Land Lease Agreement (AEDB)	211,667	211,667	211,667
Stamp Duty	0	0	0
Feasibility Study Charges			
Grid Interconnection Study (NTDC)	2,326	2,326	2,326
Initial Environmental Examination (GOS)	175	175	175
Tariff Application / Revised Application Fee (NEPRA)			
Sinovel	4,845	4,845	4,845
Vestas	5,518	5,518	5,518

Generation License ("GL") / Revised GL Fees (NEPRA)			
Sinovel	16,948	16,948	16,948
Vestas	2,759	2,759	2,759
Annual GL Fees	16,766	16,766	16,766
Performance Guarantee (AEDB)			
Letter of Support ("LOS")			
EPA & IA Legal Fees	50,000	50,000	50,000
Government Permits and License Charges Sub Total	356,104	356,104	356,104

Project Studies			
Feasibility Study			
Wind Measuring Mast	50,000	50,000	50,000
Initial Environmental Examination	3,198	3,198	3,198
Wind Assessment Report Study	102,951	102,951	102,951
RISOE			
Sinovel	9,138	9,138	9,138
Vestas (V90 & V100)	4,160	4,160	4,160
Grid Interconnection Study			
Sinovel	12,791	12,791	12,791
Vestas (V90 & V100)	25,000	25,000	25,000
Soil Investigation/Geotechnical Study	44,975	44,975	44,975
Topographic	0	0	0
Hydrology Study			
Survey and Demarcation of Land	95,867	95,867	95,867
Datum Point (Mean Sea Level Study)	4,625	4,625	4,625
Ornithology (Bird Impact) Study (required by lenders)	6,500	6,500	6,500
Project Studies Sub Total	359,205	359,205	359,205

Development Charges			
Development Advisory Charges	500,000	500,000	500,000
Feasibility Study	350,000	350,000	350,000
Financial Model	150,000	150,000	150,000
Development Charges Sub Total	1,000,000	1,000,000	1,000,000

Fixed Assets			
Transportation	100,000	100,000	100,000
Equipment	13,000	13,000	13,000
Facility Expenditure	25,000	25,000	25,000
Connectivity	300,000	300,000	300,000
Fixed Asset Sub Total	438,000	438,000	438,000

Corporate and Administrative Costs			
CEO Remuneration	878,933	878,933	878,933
Staff Salaries	283,677	283,677	283,677
Depreciation	0	0	0
Office Rent	65,067	65,067	65,067
Utilities	17,199	17,199	17,199
Office Supplies	11,771	11,771	11,771
Repairs & Maintenance	22,202	22,202	22,202
Equipment Inspection	0	0	0
Communication Link Costs	0	0	0
Other Admn Expenses	58,255	58,255	58,255
Corporate and Administrative Sub Total	1,337,104	1,337,104	1,337,104

Office and Site Security Sub Total	4,357	4,357	4,357
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Travel Expenditures			
Conveyance / Travel	261,643	261,643	261,643
Travel Expenditure Sub Total	261,643	261,643	261,643

Legal and Financial Advisory / Consultancy			
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Investor Consultancy			
Investor Lawyer	100,000	100,000	100,000
Investor Engineer	100,000	100,000	100,000
Project Development & Execution Advisor			
Development / Finance Consultancy Charges	100,000	100,000	100,000
Equity	490,000	490,000	490,000
Debt	880,000	880,000	880,000
Development Advisory Charge			
Tax Advisor	12,458	12,458	12,458
Auditor Advisor	28,740	28,740	28,740
Owners Lawyer	100,000	100,000	100,000
Owners Technical Advisor	110,000	110,000	110,000
Owners Construction Advisor / Engineers	375,847	375,847	375,847
Legal and Financial Advisory / Consultancy Sub Total	2,297,045	2,297,045	2,297,045
Bank Charges			
LOI Bank Guarantee	0	0	0
Performance ("PG") Guarantee	4,542	4,542	4,542
LC Charges (Sellers)	0	0	0
Bank Charges Sub Total	4,542	4,542	4,542
Total Project Development Costs	6,058,000	6,058,000	6,058,000
Financial Charges			
Total Project Cost	150,672,104	150,672,104	150,672,104
Interest During Construction	8,369,129	8,369,129	8,369,129
Financial Charges	4,044,073	4,044,073	4,044,073
Total Project Cost (ex IDC & FC)	138,258,902	138,258,902	138,258,902
Total Debt (ex IDC and FC)	103,694,177	103,694,177	103,694,177
Total Charges (%)			
Arrangement Fees	2.04%	2.04%	2.04%
Lender Fees	1.31%	1.31%	1.31%
Commitment Fees	0.28%	0.28%	0.28%
Agency, Monitoring and Security Trustee Fees	0.08%	0.08%	0.08%
L / C Commission	0.19%	0.19%	0.19%
Total Charges (%)	3.90%	3.90%	3.90%
NEPRA Allowed Fees (%)	3.00%	3.00%	3.00%
Total Financial Charges	1 4,044,073	4,044,073	4,044,073
Total Financial Charges Allowed Per NEPRA	2 3,110,825	3,110,825	3,110,825
Total Financial Costs	1 4,044,073	4,044,073	4,044,073
Interest During Construction ("IDC") Cost			
Total Debt Outstanding	113,004,078	113,004,078	113,004,078
Debt Portion 1 (Foreign - LIBOR)	56,502,039	56,502,039	56,502,039
Debt Portion 2 (Local - KIBOR)	56,502,039	56,502,039	56,502,039
Borrowign Rate			
Debt Portion 1 (Foreign - LIBOR)	5.52%	5.52%	5.52%
Debt Portion 2 (Local - KIBOR)	13.19%	13.19%	13.19%
Insurance During Construction			
EPC Cost %	1.35%	1.35%	1.35%
Total Insurance During Construction	1,497,961	1,497,961	1,497,961
Interest During Construction (IDC) Period	17.00	17.00	17.00
Calc for IDC	1.42	1.42	1.42

Six (6) Drawdowns

Debt Portion 1 (Foreign - LIBOR)	6.00	6.00	6.00
Debt Portion 2 (Local - KIBOR)	6.00	6.00	6.00

Estimated Drawdown Schedule

Debt Portion 1 (Foreign - LIBOR)			
0.00	736,410	736,410	736,410
0.25	606,455	606,455	606,455
0.50	476,501	476,501	476,501
0.75	346,546	346,546	346,546
1.00	216,591	216,591	216,591
1.25	86,636	86,636	86,636
Sub Total	2,469,139	2,469,139	2,469,139

Debt Portion 2 (Local - KIBOR)			
0.00	1,759,646	1,759,646	1,759,646
0.25	1,449,120	1,449,120	1,449,120
0.50	1,138,595	1,138,595	1,138,595
0.75	828,069	828,069	828,069
1.00	517,543	517,543	517,543
1.25	207,017	207,017	207,017
Sub Total	5,899,990	5,899,990	5,899,990

Capital Interest During Construction ("IDC") Cost	8,369,129	8,369,129	8,369,129
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Duties and Taxes

Sind Infrastructure Development Surcharge			
% of Off Shore Price	0.85%	0.85%	0.85%
Total Sind Infrastructure Development Surcharge	662,813	662,813	662,813

Sind Sales Tax

Taxable Charges			
EPC	110,960,050	110,960,050	110,960,050
Non EPC	8,240,473	8,240,473	8,240,473
Total Taxable Charges	119,200,523	119,200,523	119,200,523
% Tax	15.00%	15.00%	15.00%
Sind Sales Tax	17,880,079	17,880,079	17,880,079

Total Duties and Taxes	18,542,892	18,542,892	18,542,892
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Total Non-EPC Costs	38,512,054	38,512,054	38,512,054
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Project Cost	150,672,104	150,672,104	150,672,104
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Summary of EPC Costs

Engineering, Procurement, & Construction (EPC)			
Offshore Portion	77,978,013	77,978,013	77,978,013
Onshore Portion	32,982,037	32,982,037	32,982,037
Total EPC	110,960,050	110,960,050	110,960,050
Letter of Credit (LC) confirmation charges	1,200,000	1,200,000	1,200,000
Total (EPC Cost)	112,160,050	112,160,050	112,160,050

Project Development	6,058,000	6,058,000	6,058,000
Financial Charges	4,044,073	4,044,073	4,044,073
Insurance During Construction	1,497,961	1,497,961	1,497,961
Interest During Construction ("IDC")	8,369,129	8,369,129	8,369,129
Duties and Taxes	18,542,892	18,542,892	18,542,892
Total	38,512,054	38,512,054	38,512,054

Total Project EPC Cost	150,672,104	150,672,104	150,672,104
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uity Capital	37,668,026	37,668,026	37,668,026
bt Capital	113,004,078	113,004,078	113,004,078
bt Portion 1	56,502,039	56,502,039	56,502,039
bt Portion 2	56,502,039	56,502,039	56,502,039
ations & Maintenance (O&M)			
n Operating Cash Amount	250,000	250,000.00	250,000.00
o&M Adjustment Factor	100%	100%	100%
Annual Administrative Costs			
Facility Costs			
Office Building Rent	20,000	20,000	20,000
Telephone, etc.	5,000	5,000	5,000
Utilities	12,000	12,000	12,000
Total Annual Facility Costs	37,000	37,000	37,000
Payroll / Allied Expenditures			
Central Office			
CEO	125,000	125,000	125,000
Director Finance	125,000	125,000	125,000
Electrical Engineer	25,000	25,000	25,000
Mechanical Engineer	25,000	25,000	25,000
Commercial Manager	20,000	20,000	20,000
Accounts Manager	20,000	20,000	20,000
Accountant	10,000	10,000	10,000
IT Manager	12,000	12,000	12,000
Admin Manager	10,000	10,000	10,000
Personnel Assistant	6,000	6,000	6,000
Telephone Operator	3,000	3,000	3,000
Outdoor Assistant	3,000	3,000	3,000
Peon	2,000	2,000	2,000
Security Guards	6,000	6,000	6,000
Total Head Office	392,000	392,000	392,000
Site Office			
Liaison Officer	9,000	9,000	9,000
Security Guards	54,000	54,000	54,000
Total Site Office	63,000	63,000	63,000
Total Payroll / Allied Expenditures	455,000	455,000	455,000
Fixed Assets			
Fixed Assets	20,000	20,000	20,000
Total Fixed Assets	20,000	20,000	20,000
Vehicle Fuel and Maintenance			
Fixed Assets	35,000	35,000	35,000
Total Vehicle Fuel and Maintenance	35,000	35,000	35,000
Travel Expenditures			
Domestic			
Air Transportation	13,000	13,000	13,000
Car Transportation	12,000	12,000	12,000
Residence	40,000	40,000	40,000
Total Domestic Travel	65,000	65,000	65,000
International Travel			
Air Transportation	10,000	10,000	10,000
Residence and Sustenance	20,000	20,000	20,000
Total International Travel	30,000	30,000	30,000

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Total Travel Expenditures		95,000	95,000	95,000
Local Annual O&M Expense		642,000	642,000	642,000
Misc		10%	0.10	10%
Total Local Annual O&M Expense (inc. Misc)		706,200	706,200	706,200
Annual Inflation		0%	0%	0%
Total O&M Contract				
Local				
	1	706,200	706,200	706,200
	2	706,200	706,200	706,200
	3	706,200	706,200	706,200
	4	706,200	706,200	706,200
	5	706,200	706,200	706,200
	6	706,200	706,200	706,200
	7	706,200	706,200	706,200
	8	706,200	706,200	706,200
	9	706,200	706,200	706,200
	10	706,200	706,200	706,200
	11	706,200	706,200	706,200
	12	706,200	706,200	706,200
	13	706,200	706,200	706,200
	14	706,200	706,200	706,200
	15	706,200	706,200	706,200
	16	706,200	706,200	706,200
	17	706,200	706,200	706,200
	18	706,200	706,200	706,200
	19	706,200	706,200	706,200
	20	706,200	706,200	706,200
Foreign				
	1	1,207,500	1,207,500	1,207,500
	2	1,207,500	1,207,500	1,207,500
	3	2,731,250	2,731,250	2,731,250
	4	2,731,250	2,731,250	2,731,250
	5	2,731,250	2,731,250	2,731,250
	6	3,018,750	3,018,750	3,018,750
	7	3,018,750	3,018,750	3,018,750
	8	3,018,750	3,018,750	3,018,750
	9	3,018,750	3,018,750	3,018,750
	10	3,018,750	3,018,750	3,018,750
	11	3,018,750	3,018,750	3,018,750
	12	3,018,750	3,018,750	3,018,750
	13	3,018,750	3,018,750	3,018,750
	14	3,018,750	3,018,750	3,018,750
	15	3,018,750	3,018,750	3,018,750
	16	3,018,750	3,018,750	3,018,750
	17	3,018,750	3,018,750	3,018,750
	18	3,018,750	3,018,750	3,018,750
	19	3,018,750	3,018,750	3,018,750
	20	3,018,750	3,018,750	3,018,750
Insurance Cost				
% of EPC Costs		1.35%	1.35%	1.35%
Total Insurance Costs		1,497,961	1,497,961	1,497,961
Plant Capacity Factor				
Project Life (yrs)		20	20	20
System Annual Degradation		0.0%	0.0%	0.0%

Net Electricity (kWh) Calculation

Gross Electricity (kWh)

Vestas	1	181,300,000	164,400,000	139,900,000
RISOE	2	193,749,999	176,400,000	151,500,000

Gross Electricity (kWh) - For Calc

	2	193,749,999	176,400,000	151,500,000
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System Efficiency

Machine Availability	95.0%	95.0%	95.0%
High Temperature Cut-Out Losses	98.5%	98.5%	98.5%
Electrical Losses	97.0%	97.0%	97.0%
Auxiliary Consumption	99.1%	99.1%	99.1%
Total Efficiency	90.0%	90.0%	90.0%

Total Net Electricity (kWh)

Theoretical Project Net Electricity \ GWH	174,279,752	158,673,282	136,275,523
90 (For DSCR Analysis)	174,279,752	174,279,752	174,279,752
	136,275,523	136,275,523	136,275,523

Project Size (kW)

Plant Capacity Factor	50,000	50,000	50,000
	39.8%	36.2%	31.1%

gotia Tariff

Return on Equity (ROE) - Gross	18.38%	18.38%	18.38%
Return on Equity (ROE) - Net	17.00%	17.00%	17.00%

Return on Equity During Construction ("ROEDC")

Target IRR	17.00%	17.00%	17.00%
Equity Capital (Post FC)	37,668,026	37,668,026	37,668,026
Total Project Development Costs	6,058,000	6,058,000	6,058,000
Total Financial Costs	4,044,073	4,044,073	4,044,073
Total Initial Engagement Charges	4,077,782	4,077,782	4,077,782
Total Equity Capital (Post FC)	27,565,953	27,565,953	27,565,953

Number of Drawdowns

ROEDC Calc	5.00	5.00	5.00
	1.42	1.42	1.42

Time of Payments

0.00	3,414,982	3,414,982	3,414,982
0.25	1,093,449	1,093,449	1,093,449
0.50	859,139	859,139	859,139
0.75	624,828	624,828	624,828
1.00	390,518	390,518	390,518
1.25	156,207	156,207	156,207

Return on Equity During Construction ("ROEDC")

Adjustment to Achieve Targeted ROE	6,539,123	6,539,123	6,539,123
Adjusted Return on Equity During Construction ("ROEDC")	100%	100%	100%
	6,539,123	6,539,123	6,539,123
	0.0000		

Equity During Construction (NT Calc)

Equity During Construction (Rs. / Kwh)	0.62	0.62	0.62
Equity During Construction (\$ / Kwh)	0.006	0.006	0.006
17% Rounding Calc	109.2%	109.2%	109.2%
Equity During Construction (\$ / Kwh) (in Model)	0.007	0.007	0.007

13.2.3 VESTAS 2.0 MW V100 OUTPUT ASSUMPTIONS

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ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS
Vestas V100 Output Assumptions

Prediction of Energy Output	1 Year (%)	1 Year (GWh/Year)	10 Year (%)	10 Year (GWh/Year)
P99	58.10	105.30	58.50	106.20
P95	70.30	127.50	70.70	128.20
P90	76.90	139.40	77.20	139.90
P85	81.30	147.40	81.50	147.80
P80	84.80	153.80	85.00	154.10
P75	87.80	159.30	88.00	159.50
P70	90.50	164.20	90.70	164.40
P65	93.10	168.70	93.10	168.90
P60	95.40	173.00	95.50	173.10
P55	97.70	177.20	97.80	177.30
P50	100.00	181.30	100.00	181.30

13.2.4 INCOME STATEMENT

Income Statement

	-1	0	1	2	3	4	5	6	7	8	9	10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Full Year Units of Electricity Generated	0	0	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752
Negotiated Tariff ("NT", \$ / kWh)	0.0000	0.0000	0.1675	0.1678	0.1769	0.1773	0.1777	0.1798	0.1803	0.1809	0.1815	0.1823
Revenues from Sale of Tariff (\$)	0	0	29,197,953	29,250,986	30,833,423	30,898,511	30,970,790	31,338,655	31,428,115	31,527,817	31,639,058	31,763,310
NT Revenue True-Up	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	0	0	29,197,953	29,250,986	30,833,423	30,898,511	30,970,790	31,338,655	31,428,115	31,527,817	31,639,058	31,763,310
Operations and Maintenance ("O&M") Expenditures												
O&M Contract Expenditure												
O&M Expenditures (Local)	0	0	706,200	706,200	706,200	706,200	706,200	706,200	706,200	706,200	706,200	706,200
O&M Expenditures (Foreign)	0	0	1,207,500	1,207,500	2,731,250	2,731,250	2,731,250	3,018,750	3,018,750	3,018,750	3,018,750	3,018,750
Total O&M Expenditures	0	0	1,913,700	1,913,700	3,437,450	3,437,450	3,437,450	3,724,950	3,724,950	3,724,950	3,724,950	3,724,950
Insurance Expenditures	0	0	1,497,961	1,497,961	1,497,961	1,497,961	1,497,961	1,497,961	1,497,961	1,497,961	1,497,961	1,497,961
Total O&M Expenditures	0	0	3,411,661	3,411,661	4,935,411	4,935,411	4,935,411	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911
EBITDA	0	0	25,786,292	25,839,326	25,898,012	25,963,100	26,035,380	26,115,744	26,205,204	26,304,906	26,416,148	26,540,399
Interest Income	0	0	625	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Interest Expense	0	0	10,340,694	9,687,239	8,963,440	8,160,686	7,269,240	6,278,082	5,174,739	3,945,081	2,573,104	1,040,668
Book Depreciation	0	0	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605
Pre Tax Income	0	0	7,912,618	8,619,731	9,402,217	10,270,060	11,233,785	12,305,306	13,498,110	14,827,470	16,310,688	17,967,376
Less: Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
Less: Withholding Tax	0	0	593,446	646,480	705,166	770,254	842,534	922,898	1,012,358	1,112,060	1,223,302	1,347,553
Net Income	0	0	7,319,171	7,973,251	8,697,051	9,499,805	10,391,251	11,382,408	12,485,752	13,715,409	15,087,387	16,619,823
Maximum Dividend Allocation Calc												
Net Income	0	0	7,319,171	7,973,251	8,697,051	9,499,805	10,391,251	11,382,408	12,485,752	13,715,409	15,087,387	16,619,823
Depreciation	0	0	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605
Debt Repayment	0	0	(7,303,011)	(7,956,466)	(8,680,266)	(9,483,019)	(10,374,465)	(11,365,623)	(12,468,966)	(13,698,624)	(15,070,601)	(16,603,037)
Total Max Dividend Allocation	0	0	7,549,766	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391
Cash On Hand Requirements	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Cash On Hand Beginning of Period	0	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Cash Adjustment	0	0	7,299,766	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391

'HYR POWER (PVT.) LIMITED
ANCIAL SCENARIO ANALYSIS
me Statement
the Period Ending June 30,
ount in \$ million)

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13.2.5 STATEMENT OF CASH FLOWS

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PHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS

Statement of Cashflows

for the Period Ending June 30,

(Amount in \$ million)

	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	20 2036
Operating Activities										
Income (Loss)	15,527	15,527	15,527	15,527	15,527	15,527	15,527	15,527	15,527	15,527
Investment Activity										
Depreciation	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605
Net Flow From Operating Activities	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132
Investing Activities										
Net MW Wind Power Project	0	0	0	0	0	0	0	0	0	0
Net Flow From Investing	0	0	0	0	0	0	0	0	0	0
Financing Activities										
Proceeds from Additional Paid up Capital	0	0	0	0	0	0	0	0	0	0
Long Term Debt Issuance	0	0	0	0	0	0	0	0	0	0
Long Term Debt Repayment	0	0	0	0	0	0	0	0	0	0
Dividend Payment to Equity Investors	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)
Net Flow From Financing Activities	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)	(7,549,132)
Change in Cash & Equivalents	0	0	0	0	0	0	0	0	0	0
Net Balance (Beginning of Period)	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Net Balance (End of Period)	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000

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13.2.6 BALANCE SHEET

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ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS

Balance Sheet

For the Period Ending June 30,
(amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<u>Assets</u>												
Cash / Cash Equivalents	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gross PPE	75,336,052	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104
Accumulated Depreciation	0	0	7,533,605	15,067,210	22,600,816	30,134,421	37,668,026	45,201,631	52,735,237	60,268,842	67,802,447	75,336,052
Net PPE	75,336,052	150,672,104	143,138,499	135,604,894	128,071,289	120,537,683	113,004,078	105,470,473	97,936,868	90,403,263	82,869,657	75,336,052
Total Assets	75,336,052	150,672,104	143,388,499	135,854,894	128,321,289	120,787,683	113,254,078	105,720,473	98,186,868	90,653,263	83,119,657	75,586,052
<u>Liabilities and Shareholders' Equity</u>												
Long Term Debt	56,502,039	113,004,078	105,701,067	97,744,602	89,064,336	79,581,317	69,206,851	57,841,228	45,372,262	31,673,638	16,603,037	(0)
Total Liabilities	56,502,039	113,004,078	105,701,067	97,744,602	89,064,336	79,581,317	69,206,851	57,841,228	45,372,262	31,673,638	16,603,037	(0)
Shareholders Equity	18,834,013	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026
Retained Earnings	0	0	19,406	442,266	1,588,927	3,538,341	6,379,201	10,211,218	15,146,579	21,311,598	28,848,594	37,918,026
Total Shareholders' Equity	18,834,013	37,668,026	37,687,432	38,110,292	39,256,953	41,206,367	44,047,227	47,879,245	52,814,606	58,979,624	66,516,620	75,586,052
Total Liabilities and SE	75,336,052	150,672,104	143,388,499	135,854,894	128,321,289	120,787,683	113,254,078	105,720,473	98,186,868	90,653,263	83,119,657	75,586,052
Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS
Balance Sheet
for the Period Ending June 30,
Amount in \$ million)

	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	20 2036
Assets										
Cash Equivalents	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
PPE	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104	150,672,104
Accumulated Depreciation	82,869,657	90,403,263	97,936,868	105,470,473	113,004,078	120,537,683	128,071,289	135,604,894	143,138,499	150,672,104
PPE	67,802,447	60,268,842	52,735,237	45,201,631	37,668,026	30,134,421	22,600,816	15,067,210	7,533,605	(0)
Net Assets	68,052,447	60,518,842	52,985,237	45,451,631	37,918,026	30,384,421	22,850,816	15,317,210	7,783,605	250,000
Liabilities and Shareholders' Equity										
Long Term Debt	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0
Total Liabilities	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0
Shareholders' Equity	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026	37,668,026
Retained Earnings	30,384,421	22,850,816	15,317,210	7,783,605	250,000	(7,283,605)	(14,817,210)	(22,350,816)	(29,884,421)	(37,418,026)
Total Shareholders' Equity	68,052,447	60,518,842	52,985,237	45,451,631	37,918,026	30,384,421	22,850,816	15,317,210	7,783,605	250,000
Total Liabilities and SE	68,052,447	60,518,842	52,985,237	45,451,631	37,918,026	30,384,421	22,850,816	15,317,210	7,783,605	250,000
Check	0.00	0.00	0.00	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

13.2.7 DEBT AND INTEREST SCHEDULE

W

Debt & Interest Schedule
For the Period Ending June 30,
(amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Debt Portion 2												
Quarter 1			1	5	9	13	17	21	25	29	33	37
Opening balance	0	28,251,020	56,502,039	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795
Repayment	0	0	700,187	797,211	907,680	1,033,456	1,176,660	1,339,708	1,525,350	1,736,716	1,977,370	2,251,372
Interest	0	0	1,863,155	1,766,131	1,655,662	1,529,886	1,386,682	1,223,633	1,037,992	826,626	585,971	311,970
Closing Balance	0	28,251,020	55,801,852	52,762,477	49,301,940	45,361,881	40,875,853	35,768,202	29,952,790	23,331,544	15,792,800	7,209,423
Quarter 2			2	6	10	14	18	22	26	30	34	38
Opening balance	0	28,251,020	55,801,852	52,762,477	49,301,940	45,361,881	40,875,853	35,768,202	29,952,790	23,331,544	15,792,800	7,209,423
Repayment	0	0	723,276	823,499	937,610	1,067,534	1,215,461	1,383,885	1,575,649	1,793,984	2,042,574	2,325,611
Interest	0	0	1,840,066	1,739,843	1,625,731	1,495,808	1,347,881	1,179,456	987,693	769,358	520,768	237,731
Closing Balance	0	28,251,020	55,078,576	51,938,978	48,364,330	44,294,347	39,660,392	34,384,316	28,377,141	21,537,560	13,750,226	4,883,812
Quarter 3			3	7	11	15	19	23	27	31	35	39
Opening balance	0	28,251,020	55,078,576	51,938,978	48,364,330	44,294,347	39,660,392	34,384,316	28,377,141	21,537,560	13,750,226	4,883,812
Repayment	0	0	747,126	850,654	968,528	1,102,736	1,255,540	1,429,519	1,627,606	1,853,141	2,109,928	2,402,298
Interest	0	0	1,816,216	1,712,688	1,594,814	1,460,606	1,307,801	1,133,823	935,736	710,201	453,414	161,044
Closing Balance	0	28,251,020	54,331,451	51,088,324	47,395,802	43,191,612	38,404,852	32,954,797	26,749,536	19,684,419	11,640,298	2,481,514
Quarter 4		0	4	8	12	16	20	24	28	32	36	40
Opening balance	0	28,251,020	54,331,451	51,088,324	47,395,802	43,191,612	38,404,852	32,954,797	26,749,536	19,684,419	11,640,298	2,481,514
Repayment	0	0	771,762	878,704	1,000,465	1,139,098	1,296,942	1,476,657	1,681,276	1,914,248	2,179,503	2,481,514
Interest	0	0	1,791,580	1,684,637	1,562,877	1,424,243	1,266,400	1,086,684	882,066	649,094	383,839	81,828
Closing Balance	0	28,251,020	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795	(0)
Total												
Opening balance	0	28,251,020	56,502,039	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795
Repayment	0	0	2,942,351	3,350,069	3,814,283	4,342,823	4,944,603	5,629,770	6,409,880	7,298,089	8,309,376	9,460,795
Interest	0	0	7,311,016	6,903,299	6,439,084	5,910,544	5,308,764	4,623,597	3,843,487	2,955,278	1,943,992	792,572
Closing Balance	28,251,020	56,502,039	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795	(0)
Total												
Opening balance	0	56,502,039	113,004,078	105,701,067	97,744,602	89,064,336	79,581,317	69,206,851	57,841,228	45,372,262	31,673,638	16,603,037
Repayment	0	0	7,303,011	7,956,466	8,680,266	9,483,019	10,374,465	11,365,623	12,468,966	13,698,624	15,070,601	16,603,037
Interest	0	0	10,340,694	9,687,239	8,963,440	8,160,686	7,269,240	6,278,082	5,174,739	3,945,081	2,573,104	1,040,668
Closing Balance	56,502,039	113,004,078	105,701,067	97,744,602	89,064,336	79,581,317	69,206,851	57,841,228	45,372,262	31,673,638	16,603,037	(0)
Cash Balances												
Average Balances	0	0	125,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Interest Rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Interest Income	0	0	625	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

Debt & Interest Schedule
For the Period Ending June 30,
(amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Debt Portion 2												
Quarter 1			1	5	9	13	17	21	25	29	33	37
Opening balance	0	28,251,020	56,502,039	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795
Repayment	0	0	700,187	797,211	907,680	1,033,456	1,176,660	1,339,708	1,525,350	1,736,716	1,977,370	2,251,372
Interest	0	0	1,863,155	1,766,131	1,655,662	1,529,886	1,386,682	1,223,633	1,037,992	826,626	585,971	311,970
Closing Balance	0	28,251,020	55,801,852	52,762,477	49,301,940	45,361,881	40,875,853	35,768,202	29,952,790	23,331,544	15,792,800	7,209,423
Quarter 2			2	6	10	14	18	22	26	30	34	38
Opening balance	0	28,251,020	55,801,852	52,762,477	49,301,940	45,361,881	40,875,853	35,768,202	29,952,790	23,331,544	15,792,800	7,209,423
Repayment	0	0	723,276	823,499	937,610	1,067,534	1,215,461	1,383,885	1,575,649	1,793,984	2,042,574	2,325,611
Interest	0	0	1,840,066	1,739,843	1,625,731	1,495,808	1,347,881	1,179,456	987,693	769,358	520,768	237,731
Closing Balance	0	28,251,020	55,078,576	51,938,978	48,364,330	44,294,347	39,660,392	34,384,316	28,377,141	21,537,560	13,750,226	4,883,812
Quarter 3			3	7	11	15	19	23	27	31	35	39
Opening balance	0	28,251,020	55,078,576	51,938,978	48,364,330	44,294,347	39,660,392	34,384,316	28,377,141	21,537,560	13,750,226	4,883,812
Repayment	0	0	747,126	850,654	968,528	1,102,736	1,255,540	1,429,519	1,627,606	1,853,141	2,109,928	2,402,298
Interest	0	0	1,816,216	1,712,688	1,594,814	1,460,606	1,307,801	1,133,823	935,736	710,201	453,414	161,044
Closing Balance	0	28,251,020	54,331,451	51,088,324	47,395,802	43,191,612	38,404,852	32,954,797	26,749,536	19,684,419	11,640,298	2,481,514
Quarter 4		0	4	8	12	16	20	24	28	32	36	40
Opening balance	0	28,251,020	54,331,451	51,088,324	47,395,802	43,191,612	38,404,852	32,954,797	26,749,536	19,684,419	11,640,298	2,481,514
Repayment	0	0	771,762	878,704	1,000,465	1,139,098	1,296,942	1,476,657	1,681,276	1,914,248	2,179,503	2,481,514
Interest	0	0	1,791,580	1,684,637	1,562,877	1,424,243	1,266,400	1,086,684	882,066	649,094	385,839	81,828
Closing Balance	0	28,251,020	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795	0
Total												
Opening balance	0	28,251,020	56,502,039	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795
Repayment	0	0	2,942,351	3,350,069	3,814,283	4,342,823	4,944,603	5,629,770	6,409,880	7,298,089	8,309,376	9,460,795
Interest	0	0	7,311,016	6,903,299	6,439,084	5,910,544	5,308,764	4,623,597	3,843,487	2,955,278	1,943,992	792,572
Closing Balance	28,251,020	56,502,039	53,559,688	50,209,620	46,395,337	42,052,513	37,107,910	31,478,140	25,068,260	17,770,171	9,460,795	0
Total												
Opening balance	0	56,502,039	113,004,078	105,701,067	97,744,602	89,064,336	79,581,317	69,206,851	57,841,228	45,372,262	31,673,638	16,603,037
Repayment	0	0	7,303,011	7,956,466	8,680,266	9,483,019	10,374,465	11,365,623	12,468,966	13,698,624	15,070,601	16,603,037
Interest	0	0	10,340,694	9,687,239	8,963,440	8,160,686	7,269,240	6,278,082	5,174,739	3,945,081	2,573,104	1,040,668
Closing Balance	56,502,039	113,004,078	105,701,067	97,744,602	89,064,336	79,581,317	69,206,851	57,841,228	45,372,262	31,673,638	16,603,037	0
Cash Balances												
Average Balances	0	0	125,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Interest Rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Interest Income	0	0	625	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250

13.2.8 **TARIFF SCHEDULE**

W

ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS

Tariff Schedule

For the Period Ending June 30,
(amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Negotiated Tariff (\$ / kWh)												
O&M Expenditures												
Operations and Maintenance (Local)	0.0000	0.0000	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041
Operations and Maintenance (Foreign)	0.0000	0.0000	0.0069	0.0069	0.0157	0.0157	0.0157	0.0173	0.0173	0.0173	0.0173	0.0173
Insurance	0.0000	0.0000	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086
Return on Equity	0.0000	0.0000	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367
Return on Equity (during construction)	0.0000	0.0000	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066
Withholding Tax (@7.5%)	0.0000	0.0000	0.0034	0.0037	0.0040	0.0044	0.0048	0.0053	0.0058	0.0064	0.0070	0.0077
Debt Capital Repayment	0.0000	0.0000	0.0419	0.0457	0.0498	0.0544	0.0595	0.0652	0.0715	0.0786	0.0865	0.0953
Debt Interest Repayment	0.0000	0.0000	0.0593	0.0556	0.0514	0.0468	0.0417	0.0360	0.0297	0.0226	0.0148	0.0060
Negotiated Tariff ("NT", \$ / kWh)	0.0000	0.0000	0.1675	0.1678	0.1769	0.1773	0.1777	0.1798	0.1803	0.1809	0.1815	0.1823
Negotiated Tariff ("NT", \$ / kWh)	0.0000	0.0000	0.1675	0.1678	0.1769	0.1773	0.1777	0.1798	0.1803	0.1809	0.1815	0.1823
NPV (\$)	1.25											
Levelized Tariff (\$/kWh)	0.1474											

ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS

Tariff Schedule

For the Period Ending June 30,
(amount in \$ million)

	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	20 2036
Negotiated Tariff (\$ / kWh)										
O&M Expenditures										
Operations and Maintenance (Local)	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041
Operations and Maintenance (Foreign)	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Insurance	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086	0.0086
Return on Equity	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367	0.0367
Return on Equity (during construction)	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066	0.0066
Withholding Tax (@7.5%)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Capital Repayment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Interest Repayment	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	0.0000	0.0000
Negotiated Tariff ("NT", \$ / kWh)	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733
Negotiated Tariff ("NT", \$ / kWh)	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733	0.0733
NPV (\$)										
Levelized Tariff (\$/kWh)										

ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS

Tariff Schedule

For the Period Ending June 30,
(amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Negotiated Tariff (Rs. / kWh)												
O&M Expenditures												
Operations and Maintenance (Local)	0.0000	0.0000	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174
Operations and Maintenance (Foreign)	0.0000	0.0000	0.7136	0.7136	1.6142	1.6142	1.6142	1.7841	1.7841	1.7841	1.7841	1.7841
Insurance	0.0000	0.0000	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853
Return on Equity	0.0000	0.0000	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845
Return on Equity (during construction)	0.0000	0.0000	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770
Withholding Tax (@7.5%)	0.0000	0.0000	0.3507	0.3821	0.4168	0.4552	0.4979	0.5454	0.5983	0.6572	0.7230	0.7964
Debt Capital Repayment	0.0000	0.0000	4.3161	4.7023	5.1301	5.6045	6.1313	6.7171	7.3692	8.0959	8.9068	9.8125
Debt Interest Repayment	0.0000	0.0000	6.1114	5.7252	5.2974	4.8230	4.2961	3.7104	3.0583	2.3316	1.5207	0.6150
Tariff Rate	0.000	0.000	17.256	17.287	18.223	18.261	18.304	18.521	18.574	18.633	18.699	18.772
NPV (Rs)	129.23											
Levelized Tariff (Rs/kWh)	15.18											

ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS

Tariff Schedule

For the Period Ending June 30,
(amount in \$ million)

	11	12	13	14	15	16	17	18	19	20
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Negotiated Tariff (Rs. / kWh)										
O&M Expenditures										
Operations and Maintenance (Local)	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174	0.4174
Operations and Maintenance (Foreign)	1.7841	1.7841	1.7841	1.7841	1.7841	1.7841	1.7841	1.7841	1.7841	1.7841
Insurance	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853	0.8853
Return on Equity	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845	3.7845
Return on Equity (during construction)	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770	0.6770
Withholding Tax (@7.5%)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Capital Repayment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Interest Repayment	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	0.0000	0.0000
Tariff Rate	7.548	7.548	7.548	7.548	7.548	7.548	7.548	7.548	7.548	7.548

NPV (Rs)

Levelized Tariff (Rs/kWh)

13.2.9 DEPRECIATION SCHEDULE

W

PHYR POWER (PVT.) LIMITED
 FINANCIAL SCENARIO ANALYSIS
 Depreciation Schedule
 for the Period Ending June 30,
 Amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	2
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Book Value Depreciation												
At B Depreciation	75,336,052	150,672,104	150,672,104	143,138,499	135,604,894	128,071,289	120,537,683	113,004,078	105,470,473	97,936,868	90,403,263	82,869,657
Less: Annual Depreciation	0	0	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605
Closing Balance	75,336,052	150,672,104	143,138,499	135,604,894	128,071,289	120,537,683	113,004,078	105,470,473	97,936,868	90,403,263	82,869,657	75,336,052

PHYR POWER (PVT.) LIMITED
 FINANCIAL SCENARIO ANALYSIS
 Depreciation Schedule
 for the Period Ending June 30,
 Amount in \$ million)

	11	12	13	14	15	16	17	18	19	20
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Book Value Depreciation										
At B Depreciation	75,336,052	67,802,447	60,268,842	52,735,237	45,201,631	37,668,026	30,134,421	22,600,816	15,067,210	7,533,605
Less: Annual Depreciation	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605	7,533,605
Closing Balance	67,802,447	60,268,842	52,735,237	45,201,631	37,668,026	30,134,421	22,600,816	15,067,210	7,533,605	(0)

13.2.10 RETURN AND CREDIT ANALYSIS

W

ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS

Returns Analysis

(amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	10
	6/1/13	6/1/14	6/1/15	6/1/16	6/1/17	6/1/18	6/1/19	6/1/20	6/1/21	6/1/22	6/1/23	6/1/24
RETURNS CALCULATION												
Equity Investment	(18,834,013)	(18,834,013)	0	0	0	0	0	0	0	0	0	0
Equity During Construction		(6,539,123)	0	0	0	0	0	0	0	0	0	0
Cash Flows from 50 MW Wind Power Project	0	0	7,299,766	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391
Terminal Value												
EBITDA	0	0	0	0	0	0	0	0	0	0	0	0
EV/EBITDA Multiple	0	0	0	0	0	0	0	0	0	0	0	0
Terminal Value (\$)	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flows		(44,207,149)	7,299,766	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391	7,550,391
Project Equity IRR		17.0%										

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ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS
Returns Analysis

(amount in \$ million)

	11 6/1/25	12 6/1/26	13 6/1/27	14 6/1/28	15 6/1/29	16 6/1/30	17 6/1/31	18 6/1/32	19 6/1/33	20 6/1/34
RETURNS CALCULATION										
Equity Investment	0	0	0	0	0	0	0	0	0	0
Equity During Construction	0	0	0	0	0	0	0	0	0	0
Cash Flows from 50 MW Wind Power Proje	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132
Terminal Value										
EBITDA	0	0	0	0	0	0	0	0	0	7,549,141
EV/EBITDA Multiple	0	0	0	0	0	0	0	0	0	6
Terminal Value (\$)	0	0	0	0	0	0	0	0	0	45,294,845
Net Cash Flows	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	7,549,132	52,843,977
Project Equity IRR										

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13.2.11 DEBT COVERAGE ANALYSIS

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ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS
Debt Coverage Analysis

(amount in \$ million)

	-1	0	1	2	3	4	5	6	7	8	9	10
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
x CREDIT RATIOS CALCULATION												
Total Debt / EBITDA			2.0 x	1.8 x	1.6 x	1.4 x	1.2 x	1.0 x	0.8 x	0.5 x	0.3 x	0.0 x
Net Debt / EBITDA			2.0 x	1.8 x	1.6 x	1.4 x	1.2 x	1.0 x	0.8 x	0.5 x	0.3 x	0.0 x
EBITDA / Interest Expense			8.5 x	9.3 x	10.3 x	11.5 x	13.3 x	15.8 x	19.7 x	26.6 x	42.0 x	107.0 x
x DEBT SERVICE COVERAGE RATIO ("DSCR") ANALYSIS												
Negotiated Tariff ("NT", \$ / kWh)			\$0.168	\$0.168	\$0.177	\$0.177	\$0.178	\$0.180	\$0.180	\$0.181	\$0.182	\$0.182
GWh	P50		174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752
GWh	P90		136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523
Revenue (P50)			29,197,952.9	29,250,986.4	30,833,422.9	30,898,511.1	30,970,790.4	31,338,654.6	31,428,114.8	31,527,816.8	31,639,058.2	31,763,509.8
Revenue (P90)			22,830,915.6	22,872,384.3	24,109,747.6	24,160,642.3	24,217,160.1	24,504,806.1	24,574,758.3	24,652,718.8	24,739,702.4	24,836,659.1
Total O&M Expenditures			3,411,661	3,411,661	4,935,411	4,935,411	4,935,411	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911
EBITDA (P50)			25,786,292	25,839,326	25,898,012	25,963,100	26,035,380	26,115,744	26,205,204	26,304,906	26,416,148	26,540,399
EBITDA (P90)			19,419,255	19,460,724	19,174,337	19,225,232	19,281,749	19,281,895	19,351,848	19,429,808	19,516,792	19,613,948
Debt Charge												
Repayment			7,303,011	7,956,466	8,680,266	9,483,019	10,374,465	11,365,623	12,468,966	13,698,624	15,070,601	16,603,037
Interest			10,340,694	9,687,239	8,963,440	8,160,686	7,269,240	6,278,082	5,174,739	3,945,081	2,573,104	1,049,668
Total Debt Charge			17,643,705	17,643,705	17,643,705	17,643,705	17,643,705	17,643,705	17,643,705	17,643,705	17,643,705	17,643,705
DSCR Requirement												
Bank Requirement			1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x
P50			1.46 x	1.46 x	1.47 x	1.47 x	1.48 x	1.48 x	1.49 x	1.49 x	1.50 x	1.50 x
P90			1.10 x	1.10 x	1.09 x	1.09 x	1.09 x	1.09 x	1.10 x	1.10 x	1.11 x	1.11 x
DSCR Shortfall			0.15 x	0.15 x	0.16 x	0.16 x	0.16 x	0.16 x	0.15 x	0.15 x	0.14 x	0.14 x
Coverage Shortfall			\$2,635,377	\$2,593,908	\$2,880,295	\$2,829,400	\$2,772,882	\$2,772,736	\$2,702,784	\$2,624,823	\$2,537,840	\$2,440,683

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ZEPHYR POWER (PVT.) LIMITED
FINANCIAL SCENARIO ANALYSIS
Debt Coverage Analysis

(amount in \$ million)

	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	20 2036
CREDIT RATIOS CALCULATION										
Total Debt / EBITDA	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x
Net Debt / EBITDA	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x
EBITDA / Interest Expense	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
DEBT SERVICE COVERAGE RATIO										
Negotiated Tariff ("NT" \$ / kWh)	\$0.073	\$0.073	\$0.073	\$0.073	\$0.073	\$0.073	\$0.073	\$0.073	\$0.073	\$0.073
GWh	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752	174,279,752
GWh	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523	136,275,523
Revenue (P50)	12,772,051.5	12,772,051.5	12,772,051.5	12,772,051.5	12,772,051.5	12,772,051.5	12,772,051.5	12,772,051.5	12,772,051.5	12,772,051.5
Revenue (P90)	9,986,920.3	9,986,920.3	9,986,920.3	9,986,920.3	9,986,920.3	9,986,920.3	9,986,920.3	9,986,920.3	9,986,920.3	9,986,920.3
Total O&M Expenditures	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911	5,222,911
EBITDA (P50)	7,549,141	7,549,141	7,549,141	7,549,141	7,549,141	7,549,141	7,549,141	7,549,141	7,549,141	7,549,141
EBITDA (P90)	4,764,010	4,764,010	4,764,010	4,764,010	4,764,010	4,764,010	4,764,010	4,764,010	4,764,010	4,764,010
Debt Charge										
Repayment	0	0	0	0	0	0	0	0	0	0
Interest	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0
Total Debt Charge	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0
DSCR Requirement										
Bank Requirement	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x
P50	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
P90	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
DSCR Shortfall	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Coverage Shortfall	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

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