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POWER PURCHASE AGREEMENT

This agreement entered into on this day the seventh day of June 2007 at Thiruvananthapuram, BETWEEN, the Kerala State Electricity Board, a body constituted under Electricity (Supply) Act, 1948 and having its corporate office at Vydyuti Bhavanam, Pattom, Thiruvananthapuram (hereinafter referred to as "the Board" which expression shall, unless repugnant to the subject or context include its successors, legal heirs and /or assignees as well) of the first part, AND M/s Viyyat Power Private Limited, a company incorporated under Companies Act 1956 having its registered office at 63 - B, Pocket III, Mayur Vihar, Phase I, New Delhi (hereinafter referred to as the "Company" which expression shall when the context so admits or implies be deemed to include its successors, legal heirs and/or assignees as well) of the second part.

Signature



Signature

CHIEF ENGINEER (CORPORATE PLANNING)
K.S.E.BOARD, VYDYUTHI BHAVANAM
PATTOM, THIRUVANANTHAPURAM-695 017



WHEREAS:

- A. In pursuance of the Government of India policy regarding participation of the private sector in development of renewable hydel projects the Government of Kerala (GOK) has proposed to encourage and facilitate the development of Small Mini Hydel projects as captive and independent power projects to exploit the hydel potential and develop low cost generation sources within the state.
- B. Government of Kerala vide Government order No. G.O (MS) 02/2003/PD dated 16th January, 2003 allowed private sector participation in generation of power through Small/Mini/Micro hydel schemes.
- C. Power Department, Government of Kerala invited competitive proposals from eligible persons for implementing the Project and in response thereto, Power Department received proposals from several persons including the Company for implementing the Project
- D. Power Department after evaluating the aforesaid proposals, accepted the proposal submitted by the Company / the Consortium and issued Letter of Allotment dated 09.07.2004 (LOA) to the Company/the Consortium.
- E. In accordance with the terms of the proposal submitted by the Company, the Company is incorporated as a special purpose vehicle to implement the Project and Power Department has agreed to grant to the Company, the Concession.
- F. Board is now desirous of purchasing the power generated by the Company.

NOW, THEREFORE, in view of the foregoing promises and in consideration of the mutual covenants and agreements hereinafter setforth, the Board and the Company (each together with their respective successors and assigns) intending to be legally bound, HEREBY AGREE AS FOLLOWS

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ARTICLE 1

DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

Where ever the following terms appear in this agreement, whether in the singular or in the plural, present or past tense, they shall have the meaning stated below, unless repugnant to the context:

- (a) **"Agreement"** means this agreement including all appendices, exhibits and schedules together with any amendments thereto as may be made by mutual consent of both the parties in writing.
- (b) **"Authorised Agency"** means any agency duly authorized by Government for the purpose.
- (c) **"Auxillary Power Consumption"** means the difference between the number of units (Kwh) generated by the Project as measured at the generator terminals at each generator unit and the number of units (kwh) as measured at the Delivery Point including transformation losses (which shall be limited to 1% of energy generated).
- (d) **"Billing Date"** means the 5th day after the Metering Date.
- (e) **"Billing year"** shall mean the period beginning on the Commercial Operation Date and ending at 12.00 midnight of March 31st of the following year. Thereafter each successive billing year shall begin on April 1st and end on March 31st of the following year, except that the final billing year shall end on the date of expiry of the term or on termination of this agreement, whichever is earlier.
- (f) **"BOOT"** means Built, Own, Operate and Transfer the project in accordance with the prudent utility practices as per the terms and conditions set forth in this agreement and implementation agreement.
- (g) **"BOOT Period"** shall have the meaning assigned to it in the Implementation agreement:
- (h) **"Business Day"** shall be construed as a reference to a day (other than a Sunday) on which the commercial bank and Board are open for business in Thiruvananthapuram.
- (i) **"Commission"** means The Kerala State Electricity Regulatory Commission.
- (j) **"Change in Law"** shall have the meaning ascribed to it in the Implementation Agreement.

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(k) **"Check Meter"** means any meter and/or metering device of accuracy class equivalent to the Main Meter installed and maintained by the Board at the cost of the Company at the interconnecting point in the Company's switchyard with metering facilities at 66 kV side to measure the delivery and receipt of energy and power for the purpose of checking the Main Meter.

(l) **"Clearances"** shall mean the clearances as mentioned in Schedule 5.

(m) **"Commercial Operation Date (COD)"** shall mean with respect to each generating unit, the date on which such generating unit marks entry into commercial service and with respect to the Project the date on which the Project marks commercial operation pursuant to the Performance Tests demonstrated by the Company before Board or any other agency authorized by GOK pursuant to the Article 4.

(n) **"Day"** shall mean 24 (twenty four) hours period beginning at 0.00 Hrs Indian Standard Time and ending at 24.00 Hrs on the same day.

(o) **"Date of Completion"** means the CoD.

(p) **"Delivered Energy"** means the total energy delivered and metered at the interconnection point as specified in clause 3.1(b).

(q) **"Design Energy"** means the energy to be generated by the Project in a year as detailed in the hydrology study contained in the approved Techno - Economic Feasibility Report (TEFR).

(r) **"Despatch Instructions"** means the instruction from control centre of State Load Despatch Centre in accordance with Prudent Utility Practices and this Agreement to schedule and control the generation at the Project in order to commence, increase, decrease or cease the energy delivered to the Board grid system.

(s) **"Dispute"** shall have the meaning ascribed thereto in Article 15 hereof.

(t) **"Delivery Point"** shall be the point in the project switchyard at 66 kV level at which interconnection is made between the Interconnection Facilities of the Company and the Grid System of the Board.

(u) **"Due date of Payment"** means the 10th day after Billing Date.

(v) **"Electricity Act 2003" or "Act 2003"** means Electricity Act 2003

(w) **"Evacuation System"** shall mean transmission facilities built from the interconnection point in the company's switch yard at 66kV up to the existing transmission line of KSEB at Iruttukanam which will be constructed by the company and transferred to KSEB . Operation and maintenance of the line will be done by KSEB.



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- (x) **"Equity"** means the amount spent on Project Cost equal to the sum of:
- i) Paid up capital and premium contributed by the promoters, the public or any other persons towards the share capital of the Company
 - ii) Any portion of loan, debenture or other obligation converted as equity.
 - iii) Any other contributions by the promoters or others, as approved by the Government / Board, where no interest or other similar remuneration is charged to the Board/ Government.

No part of any such amount referred to in this definition shall be Equity unless it is exclusively used in connection with the Project cost. The amount of Equity shall be calculated as of the date of such investment or advance and shall be calculated in the applicable currency in which Equity contribution was paid.

- (y) **"Financial Close"** means the signing of the Financing Documents for Project financing and the fulfillment of all conditions precedent to the initial availability of funds thereunder and the receipt of commitments for such Equity as required by the Company in order to satisfy the requirements of the Lenders, provided however that the Company has immediate access to funds (subject to giving the required draw down notices) regarded as adequate by the Company and on terms regarded as satisfactory by the Company.

- (z) **"Force Majeure"** shall have the meaning set forth in Article 13 hereof.

- (aa) **"Government"** shall mean the Government of Kerala.

- (ab) **"Generating Unit"** means one set of hydro turbine generator and auxiliary equipment and facilities forming part of the project.

- (ac) **"Grid Code"** means the State Grid code specified by the Commission from time to time.

- (ad) **"Grid System"** means Board's network of transmission and distribution through which the Delivered Energy is evacuated and distributed.

- (ae) **"Implementation Agreement"** shall mean the agreement dated 10.12.2004 entered into between the Government of Kerala and the Company for this Project.

- (af) **"Infirm Energy"** means energy generated prior to the date of Commercial Operation Date of each generating unit and metered at the Delivery Point.

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- (ag) **"Installed capacity"** shall mean the capacity of the Project at the generating terminals guaranteed by the Company to the Board and for the Project shall be such as to get a nominal capacity of 3 MW at 0.9 pf.
- (ah) **"Interconnection Facilities"** shall mean all facilities installed by the Company to enable the Board's Grid System to receive the Delivered Energy from the Project at the Delivery Point including the transformer and the associated equipments, relay and switching equipments, protective devices and safety equipments and transmission lines from the Project to the Delivery Point.
- (ai) **"Inter connection Point"** shall mean gantry point in the project switch yard at 66kV level from where the evacuation system starts.
- (aj) **"Kerala State Electricity Grid code"** means the State Grid Code as approved by the commission.
- (ak) **"Regional Power Committee"** means the committee established by resolution by the Central Government for a specific region for facilitating the integrated operation of the power system in the region.
- (al) **"State Load Despatch Centre"** shall include Load Despatch Centre of the Board till the constitution of State Load Despatch Centre as defined in the Electricity Act 2003.
- (am) **"Material Adverse Effect"** means a material adverse effect on the ability of Company to exercise any of its rights or perform/discharge any of its duties/obligations under and in accordance with the provisions of this Agreement
- (an) **"Maintenance Outage"** shall mean an interruption or reduction of the generating capability of the Project for purpose of performing work on specific components which work should not in the reasonable opinion of the Company be postponed until the next Scheduled Outage and shall be scheduled and allowed by the Board.
- (ao) **"Main Meter"** shall mean ABT compatible SEM of 0.2-class accuracy and with applicable IEC/BIS standards installed by the Company to record the delivery and receipt of Electricity.
- (ap) **"Meters"** shall mean Main and Check Meters
- (aq) **"Metering Date"** for a billing period shall mean the first working day of each calendar month
- (ar) **"Metering Point"** means the point located at the interconnection point at which the energy delivered is metered.
- (as) **"MVAR"** means Megavars

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- (at) "MW" means Megawatts
- (au) "MWh" means Megawatt hour.
- (av) "National Electricity Policy" means Policy notified by the Central Government in compliance with section - 3 of Act-2003.
- (aw) "Nominal Capacity" with respect to a generating unit means the net generating unit capacity of 1.5MW, at 0.9 pf at the Delivery Point and with respect to the Project the net generating capacity of 3.0MW of 0.9 pf at the Delivery Point under the Project Site condition and frequency variation between 47.5 Hz and 51.5 Hz (at 40°C and at 80% relative humidity) as furnished by the manufacturer/supplier in the purchase contract with the Company and after deduction of auxiliary consumption.
- (ax) "Operation and Maintenance Expenses" means annual amount, for the operation and maintenance of the Project including insurance charges.
- (ay) "Performance Tests" shall mean the tests specified in Schedule 2.
- (az) "Project" shall mean the design, financing, construction, operation and maintenance of the hydro electric power station proposed to be established by the Company at Iruttukanam comprising of 2 units to get a nominal capacity of 3MW at 0.9 power factor.
- (aaa) "Project Facilities" shall mean buildings, diversion structure, dam/weir, water conductor systems, forebay, powerhouse, switchyard, tail race, all energy producing equipment and its auxiliary equipment, switch gear, transformer, protection equipment, access road, evacuation line upto Delivery Point and the like necessary to deliver the electrical energy of the power house to the Board at the Delivery Point.
- (aab) "Project Site" shall mean the real estate particulars whereof are set out in Schedule 8 on which the Project is to be implemented and the Project facilities are to be provided by the Company in accordance with this Agreement
- (aac) "Prudent Utility Practices" mean those practices, methods, techniques and standards as changed from time to time that are generally accepted internationally for use in Electric Utility and Power Generation industries (taking into account conditions in India), and used in prudent Electric Utility engineering and operations to design, engineer, construct, test, operate and maintain equipments lawfully, safely, efficiently and economically, as applicable to the power station of the size, service and type of the Project and that generally conform to the manufacturer's operation and maintenance guidelines.
- (aad) "Prudent Electrical Practices" means the use of equipment, practices and methods, as required to comply with applicable Codes, Standards



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and Regulations in India to protect the Board System, Employees, Agents and customers from malfunctioning by the Project and to protect the project and company's employees and Agents from malfunctioning by the Board grid system.

- (aae) **"Schedule Outage"** means a planned interruption or reduction of the generating capability of a unit or the power station that:
- (i) is not a Maintenance Outage.
 - (ii) has been scheduled and allowed by the Board in accordance with Article 7.5.
 - (iii) is for inspection, testing, preventive maintenance, corrective maintenance, repairs, replacement or improvements.
- (aaf) **"Substitution Agreement"** shall mean the Substitution Agreement to be entered into between the Government, the Lenders and the Company.
- (aag) **"Synchronisation Date"** shall mean the date on which electric energy is generated and delivered in the Board system for commissioning, testing and initial startup.
- (aah) **"System Emergency"** emergency in the grid system of Board due to failure of system consequent on shortfall in capacity out of technical constrain or otherwise.
- (aai) **"Tariff"** shall mean as defined in Article 8
- (aa) **"Tariff Year"** shall mean the period commencing from July 1st till June 30th of the following year.
- (aak) **"Tariff Policy"** means Tariff Policy notified by the Central Government in compliance with section - 3 of Act-2003.
- (aal) **"Technical Limits"** shall mean the limits and constraints described in Schedule 3, relating to operation and maintenance and dispatch of power from the Project.
- (aam) **"Termination"** means the early termination of this Agreement pursuant to the Termination Notice or otherwise in accordance with the provisions of this Agreement but shall not unless the context otherwise requires include the expiry of this Agreement due to efflux of time in the normal course.
- (aan) **"Termination Date"** means the date specified in the Termination Notice as the date on which the Termination occurs
- (aao) **"Termination Notice"** means the notice of Termination by either Party to the other Party in accordance with the applicable provisions of this Agreement.

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(aap) "Termination Payment" means the amount payable by the Government to the Company under the Agreement upon termination.

(aaq) "Tested Capacity" shall mean the capacity of the plant determined pursuant to the Performance Tests.

1.2 Interpretation

In this Agreement, unless the context otherwise requires,

- (a) any reference to a statutory provision shall include such provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder;
- (b) references to Applicable Law shall include the laws, Acts, Ordinances, Rules, regulations, notifications, guidelines or byelaws which have the force of law in any State or Union Territory forming part of the Union of India;
- (c) the words importing singular shall include plural and vice versa, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organisations or other entities (whether or not having a separate legal entity);
- (d) any terms which are used but not defined under this Agreement shall have the meaning ascribed thereto under the Implementation Agreement entered into between the Government of Kerala and the Company.
- (e) the headings are for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this Agreement;
- (f) references to "construction" include investigation, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction;
- (g) any reference to any period of time shall mean a reference to that according to Indian Standard Time;
- (h) any reference to day shall mean a reference to a calendar day;
- (i) any reference to month shall mean a reference to a calendar month;
- (j) the Annexure and the Schedules to this Agreement form an integral part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;

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- (k) any reference at any time to any agreement, deed, instrument, Concession or document of any description shall be construed as reference to that agreement, deed, instrument, Concession or other document as amended, varied, supplemented, modified or suspended at the time of such reference;
- (l) references to recitals, Articles, sub-articles, clauses, or Schedules in this Agreement shall, except where the context otherwise requires, be deemed to be references to recitals, Articles, sub-articles, clauses and Schedules of or to this Agreement;
- (m) any agreement, consent, approval, authorisation, notice, communication, information or report required under or pursuant to this Agreement from or by any Party or the Government and/or the Independent Auditor shall be valid and effectual only if it is in writing under the hands of the party or Secretary (Principal) of the concerned Department or Independent Auditor or their duly authorised representative as the case may be, in this behalf and not otherwise;
- (n) Unless otherwise stated, any reference to any period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include both such days or dates.

1.3 Measurements and Arithmetic Conventions

All measurements and calculations shall be in metric system and calculations done to 2 decimal places, with the third digit of 5 or above being rounded up and below 5 being rounded down.

1.4 Ambiguities and Discrepancies

In case of ambiguities or discrepancies within this Agreement, the following shall apply:

- (a) between two Articles of this Agreement, the provisions of specific Articles relevant to the issue under consideration shall prevail over those in other Articles;
- (b) between the written description of the Drawing and the specifications and standards, the latter shall prevail;
- (c) between the dimension scaled from the Drawing and its specific written dimension, the latter shall prevail;
- (d) between any value written in numerals and that in words, the latter shall prevail.

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ARTICLE 2

TERM OF AGREEMENT AND CONDITIONS PRECEDENT

2.1 Term of Agreement:

This Agreement shall be valid for the entire BOOT Period under the Implementation Agreement;

Provided that in the event of Termination, the term of this Agreement shall mean and be limited to the period commencing from date of this Agreement and ending with the Termination Date.

2.2 Conditions Precedents

The obligations of Board and the Company under this Agreement shall become effective except for infirm energy as provided in relevant articles on fulfilment of conditions specified in clauses a and b below:

a) Obligations of the Company:

The Company shall have:

- (i) Achieved COD as per the Implementation Agreement.
- (ii) Received all Clearances, statutory or otherwise required to execute and operate the Project; and
- (iii) Obtained approval of the Kerala State Electricity Regulatory Commission (KSERC) for the terms of this Agreement.

Note:

The Company shall promptly inform the Board the date on which the conditions precedent pursuant to Article 2.2 has been fulfilled.

b) Obligations of the Board

The Board shall have obtained all approvals, consents and licenses that are required to enable the Board to enter into this Agreement.

2.3 Non Fulfilment of Conditions Precedent:

Non fulfilment of the conditions precedent or refusal to waive the conditions precedent which are not fulfilled on completion of 36 months from date of Financial Close of the Project unless extended by mutual agreement are grounds for termination of the Agreement by either Party.

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ARTICLE 3

RESPONSIBILITIES OF THE COMPANY AND THE BOARD

3.1 Responsibilities of Company

- a) The Company shall operate the Project in a safe manner and shall comply with the statutory/regulatory measures applicable to the operation of the Project promulgated by the Government of Kerala /Government of India.
- b) The Company shall generate power at 3.3kV, stepped up to 66kV and transmitted to the inter connecting point. The net power generated after deductions for Auxiliary Power Consumption will be transmitted over the line.
- c) The Company undertakes to maintain the Interconnection Facilities upto Delivery Point in accordance with the specification and requirements as notified to the Company by the Board at its own cost and in accordance with Prudent Utility Practices. The transmission line from the interconnection point to the nearby Board's power system, constructed at the cost of the company and handed over to KSEB, shall be maintained by the Board.
- d) The Company shall at its own cost and expense purchase and maintain by due re-instatement or otherwise such insurance as may be necessary till the expiry of this Agreement.
- e) The Company shall operate and maintain the Project during the term of the Agreement, in accordance with:
1. Implementation Agreement;
 2. Prudent Utility Practices;
 3. All applicable laws and directives;
 4. The manuals, instructions and manufacturer's guidelines supplied by construction contractors, manufacturers of equipments/suppliers etc;
 5. Despatch Instructions; and
 6. Guaranteed capacity.
- f) The Company shall give four months advance notice to the Board intimating the readiness of each generating unit to be electrically synchronised for the first time and connected to the inter- connecting point.
- g) The Company shall give Board 60 days notice before COD of each generating unit/Project.
- (h) The Company shall ensure that reactive power corresponding to active power generation pumped into Board grid system corresponding to a power factor of 0.9 based on the design parameters as approved in the TEFRR.
- (i) The Company undertakes that in case of emergency in Board's evacuation System, it will back down the generation till such time normalcy is restored. Board and the Company would abide by the decision of SLDG regarding

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scheduling of generation. Board and the Company realise that stoppage of generation for long duration due to such exigencies will be rare.

- (j) The Company shall submit the Financing Documents to the Board within 30 days of the signing thereof.
- (k) The Company shall prepare the Operation and Maintenance schedule consistent with the Implementation Agreement of units and get it approved by the Board within 60 days before each Tariff Year.

3.2 Responsibilities of Board

- (a) The Board will provide all possible assistance to the Company in its initiatives in obtaining all way-leaves required for construction, installation, operation and maintenance of the Project including:
 - i) Access to the project;
 - ii) Transmission facilities for the export of energy to the Board Grid system;
 - iii) Pipelines for water;
 - iv) Other utility supplies and communication links and
 - v) Supply of construction power to the Project shall be billed at appropriate tariff.
- (b) The Board shall give the Company 15 days notice regarding the readiness of the Interconnection Facility at the switching sub station/grid for the full evacuation and utilisation of energy/power from the Project.
- (c) The Board shall off take all the electricity made available by the Company at the Delivery Point subject to system constraints and Force Majeure conditions.

3.3 Mutual Covenants

Each party will duly pay all rents, taxes, cesses, fees, revenues, assessments, duties, other outgoing and other amounts owed by it and will observe all the rules and regulations pertaining to the same, and will not do or omit to do or suffer to be done anything which could reasonably be expected to adversely affect or prejudice the interest and rights of the other party in any manner whatsoever.

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ARTICLE 4

COMMISSIONING AND ENTRY INTO COMMERCIAL SERVICE

4.1 Performance Test to establish Entry into Commercial Service

The Company shall, at least 7 days prior to the Date of Completion, give the Board notice of and shall invite Board's representatives or any other agency authorized by Government to attend the Performance Tests.

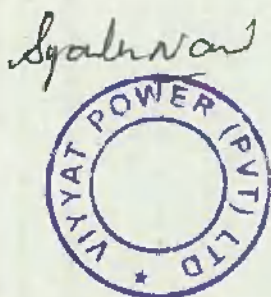
4.2 Certificate of Commercial Operation

The Board or authorized agency of Government shall issue Certificate of Commercial Operation of the Project to the Company on successful completion of the Performance Tests.

For the purposes of this clause each of the generating unit and/or the Project shall be deemed to enter into commercial service after the Company has demonstrated fourteen day's operation with a minimum of one day's continuous operation of such generating unit and/or the Project and during such period it achieves the Tested Capacity of at least ninety percent (90%) of the Nominal Capacity for a minimum period of twenty four (24) consecutive hours within the electrical and hydrological system characteristics, the functional specifications, as specified in Schedule 4 and Technical Specification specified in Schedule 3.

4.3 Provisional Certificate of Commercial Operation:

- a. If due to non-availability of water, the Performance Tests cannot be carried out by the Company, the Board may issue a Provisional Certificate of Commercial Operation of the Project to the Company after carrying out the tests that are possible to be conducted with the available water.
- b. The Provisional Certificate shall be valid for a period of 12 months from the date of issue or upto the date on which the Performance tests are conducted, whichever is earlier. Board shall purchase the energy generated from the Project as per the sixth year tariff as set forth in sub article 8.2 if it achieves COD after 69 month; or otherwise as per the tariff set forth in sub article 8.5 for a period of 12 months from the date of issuance of Provisional Certificate subject to the condition that the Company has to establish a Bank Guarantee towards the provisional payments made by Board till the declaration of Commercial Operation
- c. In the event of the Performance Tests demonstrating that the Company has not satisfied the parameters set out in sub-article 4.2, then the Provisional Certificate shall stand cancelled. In such an event the power generated by the Company shall be deemed to be Infirm Power and the tariff shall be the tariff applicable for Infirm



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Power, which is Rs 0.25/ unit. The additional payment made by the Board shall be adjusted against Bank guarantee submitted by the Company as per clause (b).

4.4 Shortfall in Nominal Capacity

If the Tested Capacity is less than the Nominal Capacity, the Company shall endeavour to bring the capacity to Nominal Capacity within a period of sixty days. If the Company fails to do so, the Tested Capacity after the period of sixty days shall be treated as Guaranteed Capacity. The Tariff shall thereafter be reduced on pro rata basis for the short fall in capacity below 100%.

4.5 Excess of Nominal Capacity

If the Tested Capacity is more than the Nominal Capacity, the Board shall accept the Tested Capacity as the Plant capacity and the Tested Capacity shall be deemed to be Nominal Capacity for all purposes of this Agreement.

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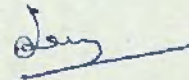
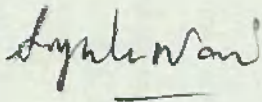
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ARTICLE 5**SALE AND PURCHASE OF ENERGY**

5.1 From and after the COD of the Project/generating unit, the Company agrees to sell and the Board agrees to purchase the entire energy made available by the Company at the delivery point as per the Tariff given in the Article 8 during the term of this agreement or till the termination date in the event of termination.

5.2 Tariff for Infirm Energy:

The Infirm Energy shall - be metered at the Delivery Point as per provisions under Article 3.1(b) and Article 6 and delivered at the Inter Connection point/grid. The Board shall pay for the metered Infirm Energy at the tariff as mentioned in Article 8.3.



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ARTICLE 6

METERING

- 6.1 The Company shall install Meters at the Interconnection Point in accordance with relevant standards.
- 6.2 ABT compatible SEM shall be capable of measuring and recording the following parameters for various time/frequency blocks as per Prudent Utility Practices.
- a. Active Energy (kWh) and Reactive Energy (kVARh)
 - b. Instantaneous voltage, current, power factor
 - c. Frequency
 - d. Maximum demand in kVA/kW for each demand period and for the total period since the last reset.
 - e. kWh/kVARh since last reading
 - f. Real time and time of day metering; and
 - g. Number of resets
 - h. The Active energy (kWh) during each successive 15 minutes block
 - i. Net cumulative active energy
 - j. Average frequency during each successive 15 minutes block
 - k. Reactive Var
 - l. Reactive Varh shall be integrated in 2 registers
Av.RMS Voltage >103%
Av.RMS Voltage < 97%
- 6.3 The Parties shall undertake a joint reading of the Meters on the date of synchronisation, on COD, and subsequently on the first working day of every month at pre-appointed time as settled between the Parties.
- 6.4 All Meters shall be jointly inspected, calibrated and sealed by authorised representatives on behalf of the Board as well as the Company and shall not be interfered with except in the presence of the authorised representatives of both the Parties
- 6.5 The Meters shall be tested for accuracy semi annually and shall be treated as working satisfactorily so long as the errors are within the limits prescribed for meters of the class as per readings of the Main Meters recorded jointly by the parties will form the basis for billing, so long as the results of the half-yearly checks thereof are within the prescribed limits
- 6.6 If during the half-yearly test check or annual calibration as per Clause 6.5 above, the Main Meter is found to have errors beyond permissible limits but the Check Meter is working normally, consumption shall be revised based on the consumption recorded by the Check Meter. The Main Meter shall be recalibrated immediately and billing thereafter shall be as per Main Meter.
- 6.7 If during the half yearly or annual calibration, both the Meters are found to have errors beyond permissible limits, the bill shall be revised from the date

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of previous calibration by applying correction equivalent to the percentage of error beyond the permissible limit on the consumption registered by the main meter.

- 6.8 All the tests on the Meters shall be conducted by the representatives of both the Parties and the results and corrections so arrived at mutually will be recorded in writing and will be applicable and binding on both the Parties.
- 6.9 The calibration and the maintenance of the Meters shall be done by the Board at the cost of the Company.
- 6.10 If tampering of metering cubicle or Energy Meters at the Company's Power Plant is detected, the Board has the option to withdraw from the PPA and also take the action under applicable laws and Board's supply regulations.

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ARTICLE 7

PLANT OPERATION AND MAINTENANCE

7.1 **Operating Procedures**

7.1.1 Not later than one hundred and twenty (120) days before the Scheduled Synchronization Date of the Project, the Board shall provide the Company with a draft Operating Procedure dealing with all operation interfaces between Board and the Company including, but not limited to,

- a) the method of day-to-day communication between the Board and the Company;
- b) safety co-ordination;
- c) clearances and switching practices;
- d) scheduling and despatch;
- e) capacity and energy reporting;
- f) operating log;
- g) incident reporting;
- h) testing of the Interconnection and Transmission Facilities;
- i) testing (including Performance Tests) and monitoring of the Units;
- j) Reactive Power support;

7.1.2 The Operating Procedures shall be consistent with the following, it being clearly understood that in the event of inconsistency between two or more of the following, the order of priority as between them shall be the order in which they are placed, with 'applicable law' being the first:

- (a) Applicable law;
- (b) the Grid Code;
- (c) the terms and conditions of this Agreement;
- (d) the Functional Specifications;
- (e) the Technical Specifications; and
- (f) Prudent Utility Practices.

7.1.3 Within sixty (60) days after receiving the draft, submitted by the Board pertaining to the Operating Procedures, the Company shall notify the Board in writing of its objections, if any, to the drafts received and the deletions, amendments or additions that it requires, and both Parties shall meet to discuss the draft Operating Procedures and to try to reach agreement on the Operating Procedures and suggested deletions, amendments and additions. If the Parties have failed to reach agreement within twenty (20) days after the Board's receipt of the Company's notice pursuant to this Article, the matter shall be resolved in accordance with Article 15.

7.1.4 Any Party may from time to time propose amendments to the Operating Procedures in any manner consistent with Article 7.1.2 by giving written notice to the other Party stating the reasons for the proposed amendment. The process in Article 7.1.3 shall apply if one Party objects within sixty (60) days to any proposed amendment.



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7.1.5 The Operating Procedures shall take effect on the date agreed by the Parties or, if there is no objection to the proposed Operating Procedures, the expiry of the sixty (60) day objection period or such later date as shall be set out in the draft Operating Procedures which have been circulated.

7.1.6 The Parties shall comply with the Operating Procedures

7.2 Operation and Maintenance of the Power Station

7.2.1 The Company shall be responsible at its own expense for ensuring that the Power Station is operated and maintained in accordance with all legal requirements, including the terms of all Consents and Prudent Utility Practices so as to meet its obligations under this Agreement, including without limitation its obligations under Article 3.1, and so as not to have an adverse effect on the Grid System.

7.2.2 The Company shall be responsible at its own expense for obtaining and keeping in force all Consents required for the operation of a Unit, the Power Station and the Project in accordance with this Agreement throughout its Operating Period.

7.2.3 The Company shall ensure that sufficiently competent and qualified personnel are always on hand at the Power Station to enable a Unit to be operated twenty four (24) hours a day, seven (7) days a week throughout the year, it being understood that this shall not create an obligation on the Board to absorb all the Electrical Output that is capable of being generated if the Units are run in such manner and shall also not affect the ability of the Board to Dispatch the Power Plant. In relation to employing personnel the Company shall meet any applicable laws, rules, regulations and requirements in force from time to time in India.

7.3 Inspections

7.3.1 The Board shall have the right to designate, from time to time in a written notice to the Company, up to five (5) of their representatives including dependent Engineer, who shall be responsible for inspecting the Power Station for the purpose of verifying the Company's compliance with this Article 7 and who shall have access to the Power Station, in the case of Board:

- a) on no more than two (2) occasions in a Tariff Year, upon giving not less than twenty four (24) hours notice of the inspection to the Company;
- b) on occasions when the Company has reported partial or full outage, to verify the other conditions reported by the Company which in the reasonable opinion of the Board may affect the output of a Unit and / or the Power Station in the next twenty four (24) hours, by giving one (1) hour notice; and
- c) at any other time for good cause, upon giving such notice as maybe reasonable in the circumstances; subject, in all cases, to their complying with all reasonable safety precautions and standards.

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7.3.2 In the exercise of any of its right under Article 7.3.1, the Board shall ensure that their representatives do not knowingly interfere with the proper operation or maintenance of the Power Station.

7.4 Dispatch Procedures

7.4.1 The Parties shall comply with the Dispatch Procedures, which should be mutually agreed among parties not later than 60 days before the Scheduled Commercial Operation Date of the first unit. The Dispatch Procedures to be agreed to shall at all times be consistent with the Applicable Laws including Grid Code

7.4.2 The Company may at any time and Board may, in respect of the Dispatch Procedures in so far as relevant to them, at any time, after the Commercial Operations Date propose revisions to the Dispatch Procedures by giving the written notice of the proposed changes and the reasons for the proposed changes.

7.4.3 Within thirty (30) days of receiving any proposed change to the Dispatch Procedures pursuant to Article 7.4.2, the Party receiving the notice shall have thirty (30) days within which to notify the Party suggesting such changes whether or not it agrees to the proposed changes in which event:

if the change is agreed, the revised Dispatch Procedures shall become the Dispatch Procedures between the Board and Company for the purposes of this Agreement upon the date specified in the proposal or, if no date is so specified upon the expiry of the thirty (30) day notice period;

if the change is not agreed, the Party receiving the notice shall provide a written list of its objections to such revised Dispatch Procedures and Article 7.4.4 shall apply; and

if the Party receiving the notice fails to respond within such thirty (30) day period it will be deemed to have agreed to the proposed change.

7.4.4 If a Party objects to any revised Dispatch Procedures proposed under Article 7.4.2, both the receiving Party and the issuing Party shall consider the objections in good faith with a view to reaching agreement on how to revise the Dispatch Procedures.

7.4.5 If the Board and the Company reach agreement on the revised Dispatch Procedures within twenty (20) days after the list of objections was provided pursuant to Article 7.4.3, they shall become the Dispatch Procedures for the purposes of this Agreement with effect from the date specified in the agreement. If they fail to reach agreement within that period the matter shall be resolved in accordance with Article 15.

7.4.6 Notwithstanding the foregoing provisions of this Article 7.4, no change shall be made to the Dispatch Procedures if the revised Dispatch Procedures would be inconsistent or incompatible with the following, it being clearly understood that in the event of inconsistency between two or more of the

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following, the order of priority as between them shall be the order in which they are placed, with 'applicable law' being the first:

- a) Applicable law;
- b) the Grid Code;
- c) the terms and conditions of this Agreement;
- d) the Functional Specifications;
- e) the Technical Specifications; and
- f) Prudent Utility Practices.

7.5 Scheduled Outages

7.5.1 Not later than April 30 in each year (or by such other date as the Board may jointly from time to time prescribe for the submission of outage plans from generating companies connected to the Grid System), the Company shall submit to the Board in writing its firm proposals for the Scheduled Outages to be taken in the next Tariff Year and its provisional proposals for Scheduled Outages in each of the next two (2) succeeding Tariff Years.

7.5.2 Unless otherwise requested to do so by the Board, the Company shall always plan to take Scheduled Outages only during any three months acceptable to the Board. Further, without the prior consent of the Board, the Company shall not take Scheduled Outages for both the Units of the Power Station, at the same time:

Provided that, after giving a notice of not less than two (2) years, the Board shall have the right to jointly replace the above months with any three other months.

7.5.3 Within two (2) months after receiving the Company's proposals, the Board shall notify the Company in writing whether its proposed Scheduled Outages for the forthcoming one (1) Tariff Year are acceptable and, if not, and after discussing the matter with the Company, they shall indicate the periods that would be acceptable, which shall be:

- (a) of the same duration as the periods requested by the Company;
- (b) within the time limits required by any legal requirement relating to routine maintenance;
- (c) within the time limits required or recommended by the manufacturer or supplier of the plant which is to undergo maintenance; and
- (d) at the same point in time.

7.5.4 The Company may only object to a Scheduled Outage proposed by the Board on the grounds that it would be inconsistent with the requirements of Article 7.5.3. Unless the Company objects in writing within twenty (20) days after receiving the proposal, it shall be deemed to have agreed to the Scheduled Outages proposed jointly by the Board. If the Company does object to a proposed Scheduled Outage within that period and the Parties cannot reach agreement within ten (10) days after the Company's objection was sent to the Board, the matter shall be resolved in accordance with Article 15.

7.5.5 The Scheduled Outages accepted by the Board or agreed to by the Company pursuant to Article 7.5.4 shall be confirmed to the extent that they relate to

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the next Tariff Year and shall be provisional to the extent that they relate to subsequent Tariff Years. Provisionally confirmed Scheduled Outages, may be changed, by any Party for good cause.

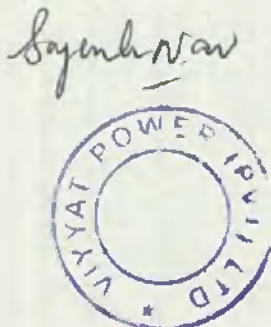
- 7.5.6 In an Emergency, a Board may require the Company to use its best efforts to reschedule a confirmed Scheduled Outage (including one which has already begun) to a more convenient time and shall compensate the Company for all additional costs which it reasonably incurs in rescheduling the Scheduled Outage.
- 7.5.7 The Board shall also jointly give notice to the Company of their maintenance program for the Interconnection and Transmission Facilities and shall use their reasonable endeavours to coordinate such maintenance with the Scheduled Outages approved pursuant to this Article 7.5 so as to minimise any disruption to the operation of the Project.
- 7.5.8 The Company shall not declare any Unit available in any Settlement Period when it was scheduled to be undergoing a Scheduled Outage except to the extent that the availability of the Interconnection and Transmission Facilities is sufficient to allow the Board to utilise the full amount of the Power Station's Declared Capacity and the Board, in their sole discretion, choose to accept the Electrical Output made available during such Settlement Period.

7.6 Maintenance Outages

- 7.6.1 Whenever the Company needs a Maintenance Outage it shall advise the Board in accordance with the Operating Procedures of the nature of the work to be carried out, the estimated time required to complete it and the latest time by which in the Company's opinion the work should begin consistent with Prudent Utility Practices (which shall be not earlier than forty eight (48) hours after the time when the Company advised the Board of the need for the Maintenance Outage).
- 7.6.2 After discussing the matter with the Company, the Board shall jointly advise the Company regarding when the requested Maintenance Outage is scheduled to begin (which shall be not later than the latest time indicated by the Company). The Company shall use its reasonable endeavours consistent with Prudent Utilities Practices to take the relevant Unit out of service at the scheduled time.
- 7.6.3 The Board may jointly require the Company to schedule a Maintenance Outage in accordance with Articles 7.6.1 and 7.6.2 to remedy any impairment of a Unit's ability to meet its Contracted Operating Characteristics.

7.7 Coordinating Committee

No later than one hundred and twenty days (120) days prior to the Scheduled Synchronisation Date of the First Unit, the Parties shall establish a committee (the "Co-ordinating Committee") which shall be responsible for the co-ordination of the commissioning and operation of the Interconnection and Transmission Facilities and the Power Station and their coordination



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with the Grid System. The Co-ordinating Committee shall comprise four (4) members of which two (2) shall be appointed by the Company (one or more of which shall be employees of the Operator), two (2) of which shall be appointed by Board.

- 7.7.2 Without limitation to the generality of Article 7.7.1, the powers and duties of the representatives of the Co-ordinating Committee shall include:
- a) the co-ordination of the respective programmes of the Parties for the construction and commissioning of the Interconnection and Transmission Facilities and each of the Units and agreement where necessary upon the respective commissioning procedures;
 - b) discussion of the steps to be taken on the occurrence of a Force Majeure Event, or a shutdown or reduction in capacity for any other reason, either of the Interconnection and Transmission Facilities or the Power Station;
 - c) the co-ordination of the maintenance programme of the Interconnection and Transmission Facilities and the Units and / or the Power Station whether scheduled or otherwise;
 - d) the co-ordination of forecasts or requirements from the Power Station;
 - e) consultation on the insurance programme to be undertaken by the Company for the purposes of this Agreement including in respect of the Insurances;
 - f) the development of any revisions to the Dispatch Procedures;
 - g) the development of the Operating Procedures;
 - h) safety matters affecting the Parties or their contractors;
 - i) clarification of plans for an Emergency developed by the Board including for recovery from a local or widespread electrical blackout or voltage reduction in order to effect load curtailment;
 - j) the review and revision of protection schemes and devices; and
 - k) any other mutually agreed matters affecting the operation of the Interconnection and Transmission Facilities or the Power Station.
- 7.7.3 The Co-ordinating Committee may agree upon procedures for the holding of meetings, the recording of meetings and the appointment of subcommittees:
- 7.7.4 Provided that the Board shall nominate the chairman of the co-ordinating committee.
All decisions at any meeting of the Co-ordinating Committee shall be made with the unanimous agreement of all persons present at such meeting:
- 7.7.5 Any matters not resolved by such unanimous agreement or resolution shall be determined in accordance with Article 15.
- 7.7.6 The Co-ordinating Committee shall have the option, by mutual agreement between the members of the Co-ordinating Committee, to co-opt any other member(s) from relevant bodies such as Lenders (or any agent, trustee or representative acting on their behalf).

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7.7.5 Except to the extent that any decision is inconsistent with the following, it being clearly understood that in the event of inconsistency between two or more of the following, the order of priority as between them shall be the order in which they are placed, with 'applicable law' being the first:

- (a) applicable law;
- (b) the Grid Code;
- (c) the terms and conditions of this Agreement;
- (d) the Functional Specifications;
- (e) the Technical Specifications; and
- (f) Prudent Utility Practices.

The Parties shall comply with the unanimous decisions of the Co-ordinating Committee in relation to matters within its competence or those that may referred to it.

7.8 Maintenance of Records

7.8.1 Each Party shall keep complete and accurate records and all data required by each of them for the purposes of proper administration of this Agreement including, without limitation, an accurate and up to date operating log at the Power Station with records of:

- (a) meter records and other records needed to reflect real and reactive power production for each Settlement Period and Electrical Output of the Power Station on a continuous real time basis;
- (b) records of Available Capacity and Declared Capacity;
- (c) the results of any tests;
- (d) changes in operating status, Scheduled Outages, Maintenance Outages and Forced Outages (and any other restrictions or limitations affecting Available Capacity);
- (e) any unusual conditions found during inspections; and
- (f) records or primary and secondary fuel receipts, consumption and stocks.

7.8.2 All records maintained pursuant to this Article 7.8.1 shall be maintained for minimum of sixty (60) months after the creation of such records or data. Provided that, the Parties shall not dispose of or destroy any such records after such sixty (60) month period without thirty (30) days' prior written notice to the other parties or at any time during the continuation of any dispute in respect of any matter to which such records relate.

7.8.3 Every Party shall have the right, upon reasonable prior notice, to examine the records and data of the other Parties relating to this Agreement or the operation and maintenance of the Power Station at any time during normal office hours.

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ARTICLE 8

TARIFF

8.1 Tariff Period shall be reckoned from COD of the first generating unit and thereafter shall be continued till the end of BOOT period.

8.2 The single part tariff shall be for two tariff periods as given below:

a) Period I: 6th to 18th year of BOOT period

b) Period II: 19th to 30th year of BOOT period.

For Period I, the tariff shall be as given below: (Outcome of the bid process)

Years	6*	7	8	9	10	11	12	13	14	15	16	17	18
Tariff (Rs/ Kwh)	1.08	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70

For Period II, the tariff shall be Rs. 2.07/ kWh. (Outcome of the bid evaluation)

* Note 1: 6th year tariff is meant only for the months 70 to 72 (both months inclusive) from 03-09-2004, the date stipulated for signing of the Implementation Agreement.

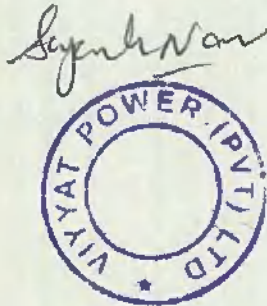
8.3 In respect of the sale of Infirm Energy if any to the Board the Board shall pay a tariff of Rs 0.25 / kWh.

8.4 The tariff pursuant to sub article 8.2 shall be for the total annual generation from the plant as long as the Tested Capacity of the plant is above the specified rating of the Board.

8.5 In the event Company achieved COD prior to 69th month from 03-09-2004, (the intended date for signing of the Implementation Agreement) , the period I and period II will be shifted back to coincide with the date of COD and the tariff for the end of the BOOT period shall be determined in such a way that the levelised tariff will not exceed the quoted levelised tariff of Rs.2.40 for the entire BOOT period.

8.6 **Purchase of Reactive Energy by the Board:**

The Board shall purchase reactive power supplied to the Grid System by the Company during "no load conditions" at 50% of ABT ruling rate or 2 paise per kVARh with COD as base date and an annual escalation of 5%, which ever is lower.



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ARTICLE 9

BILLING AND PAYMENTS

9.1 Monthly Bills

The Company shall furnish a bill to the Board on Billing Date in such a form as may be mutually agreed by the Board and the Company for the billing month. Each bill for a billing month shall be payable by the Board on the Due Date of Payment.

9.2 Billing

The monthly bill will be assumed as undisputed unless the Board informs the company within 5 days of receipt that the bill is disputed with the reasons thereof. In any event the Board shall pay the Bill on the Due Date of Payment and in the event of resolution of dispute the same shall be resolved in accordance with sub article 9.5.

9.3 Billing of Infirm Energy

The Company shall submit to the Board a separate Bill for Infirm Energy metered at the Interconnecting Point at Company's switchyard within 15 (fifteen) days from COD of each generating unit. The tariff for Infirm Energy shall be as per sub article 8.3 of this Agreement.

9.4 Billing for Energy Purchased by the Company

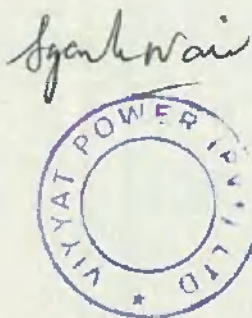
Energy consumed by the Company from the Board for consumption or during maintenance / shutdown period of the power plant shall be billed by the Board on monthly basis at the appropriate tariff.

9.5 Supplementary Bill

The adjustments, if any, on account of any additional claims or errors in the billing for a month shall be made through supplementary bills and shall also be paid / adjusted with the next month's bill.

9.6 Payment

Board shall make payments of the amounts due in Indian Rupees on or before Due Date of Payment. On the first default of payment by the Board, the Board shall open an irrevocable, confirmed revolving Letter of Credit (LC) in favour of the Company. The initial value of the LC shall be the value payable for the preceding 3 months.



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9.7 Late Payments:

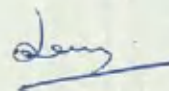
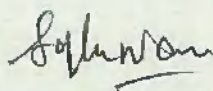
Late payments i.e. payments after the due date of payment shall bear interest at a rate equal to State Bank of India prime lending rate of interest per annum for the period of the delay.

9.8 Rebate for Prompt Payment

If the Company opts for early payment within 5 days of the billing date and if the Board pays the amount due within 5 days of the billing date then a rebate of 2.5 % shall be given to the Board by the Company.

9.9 Retention Money:

- i) The Board shall withhold a sum equal to 25% of each Payment made to the Company during two years immediately preceding the expiry of this Agreement (hereinafter referred to as the "Retention Amount").
- ii) The Retention Amount shall be held in trust by the Board for the Government and shall be returned by the Board upon certification by the Government that the Company has complied with the transfer Requirements in Article 9 of the Implementation Agreement or appropriated to the extent required towards the costs reimbursable by the Company in terms of Article 9 of the Implementation Agreement.



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ARTICLE 10

INSURANCE

10.1 Insurance:

The Company shall at its cost and expense, purchase and maintain by re-instatement or otherwise, during the Operations Period insurance against:

- (i) loss, damage or destruction of the Project Facilities, at replacement value;
- (ii) the Company's general liability arising out of the License,
- (iii) liability to third parties;
- (iv) Fire Protection coverage insurance; and
- (v) any other insurance that may be necessary to protect the Company, its employees and its assets against loss, damage, destruction, business interruption or loss of profit including insurance against all Force Majeure Events that are insurable.

10.2 Evidence of Insurance

The Company shall provide annually to the Government/Board copies of all insurance policies (or appropriate endorsements, certifications or other satisfactory evidence of insurance) obtained by the Company in accordance with this Agreement and as per the Implementation Agreement signed by the company and the Government.

10.3 Validity of Insurance

The Company shall from time to time promptly pay insurance premium, keep the insurance policies in force and valid throughout the agreement period and furnish copies thereof to the Government/Board. The insurance policy shall not be cancelled or terminated unless 10 days' clear notice of cancellation is provided to the Board in writing.

Provided that if at any time the Company fails to obtain or maintain in full force and effect any or all of the insurance required under this Agreement, the Government/Board may at its option (but not being obliged to do so) obtain and maintain such insurance and all sums incurred by the Government/Board therefore shall be reimbursed by the Company to the Government/Board together with interest thereon at 5 % p.a over SBI PLR from the date the respective sums were incurred by the Government/Board, within 7 days from the receipt of claim in respect thereof made by the Board.

10.4 Application of Insurance Proceeds

Subject to the provisions of the Financing Documents and unless otherwise provided herein, the proceeds of all insurance policies received shall be promptly applied by the Company towards repair, renovation, restoration or re-instatement of the Project Facilities or any part thereof which may have been damaged or destroyed. The Company may designate the Lenders as the loss payees under the insurance policies or assign the insurance policies in their favour as security for the financial assistance provided by them to the Project. The Company shall carry out such repair, renovation, restoration or re-instatement to the extent possible in such manner that the Project Facilities after such repair, renovation, restoration or re-instatement be as far as possible in the same condition as it were prior to such damage or destruction, except for normal wear and tear.

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ARTICLE 11
PROTECTION SYSTEM

- 11.1 The Company shall be responsible for designing protection system of the entire equipment for safe operation of the Project/Project Facilities as per the Prudent Utility Practices.
- 11.2 The Company shall ensure that the protective relays for the Project Facilities shall be suitably graded and co-ordinated with the Board's relays as may be required by the Board.
- 11.3 The company shall design, construct, test, control, operate and maintain the project in accordance with,-
- Prudent Utility Practices; and
 - Prudent Electrical Practices

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ARTICLE 12

REPRESENTATION AND WARRANTIES

12.1 Representation and Warranties of the Company

The Company represents and warrants to the Board that:

- (a) the Company duly organised and validly existing under laws of India and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions hereof;
- (b) this agreement constitutes valid, legal and binding obligation of the Company, enforceable in accordance with the terms hereof, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditor's rights generally to the extent that the remedies of specific performance, injunctive relief and other forms of equitable relief are subject to equitable defences; the discretion of the court before which any proceeding thereof may be brought and the principles of Equity in general;
- (c) there are no actions, suits or proceedings pending or to the Company's knowledge threatened, against or affecting the company before any court or administrative body or arbitral tribunal that might materially adversely affect the ability of the Company to meet and carry out its obligations under this Agreement; and
- (d) the execution and delivery by the Company of this Agreement has been duly authorised by all requisite corporate or partnership action, and will not contravene any provision of, or constitute a default under any other agreement or instrument to which it is a party or by which it or its property may be bound.

12.2 Representations and Warranties of Board

Board represents and warrants to the Company that:

- (a) the Board is a statutory body duly constituted under the Electricity (Supply) Act, 1948, as amended, and validity existing under the laws of India and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions hereof;
- (b) this Agreement constitutes the valid legal and binding obligation of the Board, enforceable in accordance with the terms hereof except as the enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditor's rights generally to the extent that the remedies of specific performance, injunctive relief and other forms of equitable

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relief are subject to equitable defences, discretion of the court before which any proceeding thereof may be brought and the principles of Equity in general;

- (c) There are no actions, suits or proceedings pending or to the Board's knowledge threatened, against or affecting the Board before any court or administrative body or arbitral tribunal that might materially adversely affect the ability of the Board to meet and carry out its obligations under this Agreement; and
- (d) the execution and delivery by the Board of this Agreement has been duly authorised by all requisite corporate action and will not contravene any provision of, or constitute a default under any other agreement or instrument to which it is a party or by which it or its property may be bound.

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ARTICLE 13

FORCE MAJEURE

13.1 Force Majeure Events

As used in this Agreement, Force Majeure Event means any of the Non-Political Events or the Political Events as set out in sub-articles 13.2 and 13.3 respectively including the impact/consequence thereof which:

- (a) is beyond the control of the Party claiming to be affected thereby (the "Affected Party"),
- (b) causes a Material Adverse Effect and prevents the Affected Party from performing or discharging its obligations under this Agreement, and
- (c) the Affected Party has been unable to overcome or prevent despite exercise of due care and diligence.

13.2 Non-Political Events

Any of the following events which prevents the Affected Party from performing any of its obligations for a continuous period of not less than 7 days from the date of its occurrence, shall constitute a Non-Political Event:

- a) earthquake, flood, inundation, landslide;
- b) storm, tempest, hurricane, cyclone, lightning, thunder or other extreme atmospheric disturbances;
- c) fire caused by reasons not attributable to the Company or the Contractor or any of the employees or agents of the Company or the Contractor;
- d) acts of terrorism;
- e) strikes, boycotts, labour disruptions or any other industrial disturbances not arising on account of the acts or omissions of the Company or the Contractor;
- f) war, hostilities (whether war be declared or not);
- g) invasion, act of foreign enemy, rebellion, riots, weapon conflict or military actions, civil war;
- h) ionising radiation, contamination by radio activity from nuclear fuel, any nuclear waste, radioactive toxic explosion;
- i) volcanic eruptions;

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- j) any other events of like nature; and
- k) any failure or delay of a contractor caused by any of the aforementioned Non-Political Events, for which no offsetting compensation is payable to the Company by or on behalf of the contractor.

13.3 Political Events

Following event shall constitute Political Event:

- (a) Change in Law
- (b) any failure or delay of a contractor caused by any of the aforementioned political event, no offsetting compensation is payable to the company by or on behalf of the contractor.

13.4 Obligations of the Parties

(a) Obligation to Intimate

- (i) As soon as practicable and in any case within 7 days of the date of occurrence of a Force Majeure Event or the date of knowledge thereof, the Affected Party shall intimate the other Party of the Force Majeure Event setting out, inter alia, the following in reasonable detail:
 - (ia) the nature and extent of the Force Majeure Event and classification of the same as political/non political,
 - (ib) the estimated Force Majeure Period;
 - (ic) the nature of and the extent to which, performance of any of its obligations under this Agreement is affected by the Force Majeure Event;
 - (id) the measures which the Affected Party has taken or proposes to take to alleviate/mitigate the impact of the Force Majeure Event and to resume performance of such of its obligations affected thereby ; and
 - (ie) any other relevant information concerning the Force Majeure Event, and /or the rights and obligations of the Parties under this Agreement.
- (ii) As soon as practicable and in any case within 5 days of intimation by the Affected Party in accordance with the preceding clause (i), the Parties shall meet, hold discussions in good faith and where necessary conduct physical inspection/survey of the Project / Project Facilities in order to



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- (iia) finalise the classification of Force Majeure event mentioned in item (ia) of clause (i) above;
 - (iib) assess the impact of the underlying Force Majeure Event;
 - (iic) to determine the likely duration of Force Majeure Period; and
 - (iid) to formulate damage mitigation measures and steps to be undertaken by the Parties for resumption of obligations the performance of which shall have been affected by the underlying Force Majeure Event.
- (iii) The Affected Party shall during the Force Majeure Period provide the other Party with regular (not less than weekly) reports concerning the matters set out in the preceding clause (ii) as also any information, details or document, which the other Party may reasonably require.

(b) Performance of Obligations

If the Affected Party is rendered wholly or partially unable to perform any of its obligations under this Agreement because of a Force Majeure Event (Political/Non Political), it shall be excused from performance of such obligations to the extent to which it is unable to perform the same on account of such Force Majeure Event provided that:

- (i) the excuse from performance shall be of no greater scope and of no longer duration than is necessitated by the Force Majeure Event;
- (ii) the Affected Party shall make all reasonable efforts to mitigate or limit damage, if any, caused or is likely to be caused to the Project Facilities as a result of the Force Majeure Event and to restore the Project Facilities, in accordance with the Good Industry Practice and its relative obligations under this Agreement;
- (iii) the Affected Party shall take all remedial measures including duly prosecuting and exhausting all such remedies available to the Affected Party under the Applicable Laws;
- (iv) when the Affected Party is able to resume performance of its obligations under this Agreement, it shall give to the other Party written notice to that effect and shall promptly resume performance of its obligations hereunder;

The Affected Party shall continue to perform such of its obligations which are not affected by the Force Majeure Event and which are capable of being performed in accordance with this Agreement.



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(c) Compensation

In the event of any loss sustained which is quantified by the Company and accepted by Government due to a Political Force Majeure as aforesaid for a period which may extend from 120 days to 365 days at a stretch during a current year /two consecutive years, article 6.4 (c) of Implementation Agreement shall apply.

13.5 If a Force Majeure event which is a non political event continues or is in the reasonable judgement of the parties likely to continue beyond a period of 120 days or a political force majeure event subsist for a period exceeding 160 days, the following shall apply:

- (a) If the Board is the aggrieved party, it shall approach the Government
- (b) If the Company is aggrieved party, article 6.5 of Implementation Agreement shall apply.

13.6 Liability for other losses, damages etc.

Save and except as expressly provided in this Article 13, no Party hereto shall be liable in any manner whatsoever to the other Party in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event.

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ARTICLE 14

EVENTS OF DEFAULT AND TERMINATION

14.1 Events of Default

a) Company Event of Default

Any of the following events shall constitute an event of default by the Company ("Company Event of Default") unless such event has occurred as a result of a Board Event of Default or a Force Majeure Event.

(i) If the Project is designed, constructed or completed in a manner that materially deviates from the provisions of the Techno Economic Feasibility Clearance or in a manner that deviated from Prudent Utility Practices.

(ii) if the Company wilfully or recklessly fails in material respect to operate and maintain the Project in accordance with Prudent Utility Practices or as per the requirements of this Agreement;

(iii) failed to construct the transmission lines for connectivity to the grid.

(iv) if the Company does not comply with Despatch Instructions.

(v) Any representation made or warranties given by the Company under this Agreement is found to be false or misleading.

(vi) The Company has otherwise been in Material Breach of any of its other obligations under this Agreement.

(b) Board Event of Default

Any of the following events shall constitute an event of default by Board ("Board Event of Default"), unless caused by a Company Event of Default or a Force Majeure Event:

(i) Board is in breach of any of its obligations under this Agreement except those for which specific remedy has been provided elsewhere, and has failed to cure such breach within 30 (thirty) days of receipt of notice thereof issued by the Company.

(ii) Board has repudiated this Agreement or otherwise expressed its intention not to be bound by this Agreement.

(iii) Board has failed to make payment of undisputed amount of the monthly bills of three consecutive operational months (90 days), within the date of payment in respect of the monthly bill for third such consecutive month.

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(iv) Board has delayed the payment of Tariff that has fallen due in terms of this Agreement beyond 3 consecutive months.

14.2 Termination due to Company Events of Default

(a) Termination

- (i) Without prejudice to any other right or remedy which Board may have in respect thereof under this Agreement, upon the occurrence of a Company Event of Default, the Board shall subject to the provisions of the Substitution Agreement, be entitled to terminate this Agreement as hereinafter provided, under due intimation to the Government
- (ii) If the Board decides to terminate this Agreement pursuant to preceding sub-clause (i), it shall in the first instance issue Preliminary Notice to the Company. Within 30 days of receipt of the Preliminary Notice, the Company shall submit to the Board in sufficient detail, the manner in which it proposes to cure the underlying Event of Default (the "Company's Proposal to Rectify"). In case of non submission of the Company's Proposal to Rectify within the said period of 30 days, the Board shall be entitled to terminate this Agreement by issuing Termination Notice, and to appropriate the Performance Security, if subsisting.
- (iii) If the Company's Proposal to Rectify is submitted within the period stipulated therefore, the Company shall have further period of 30 days to remedy/ cure the underlying Event of Default. If, however the Company fails to remedy/ cure the underlying Event of Default within such further period allowed, the Board shall be entitled to terminate this Agreement by issue of Termination Notice and to appropriate the Performance Security if subsisting.

b. Termination Notice

If Board having become entitled to do so decides to terminate this Agreement pursuant to the preceding clause (a), it shall issue Termination Notice setting out:

- (i) in sufficient detail the underlying Event of Default;
- (ii) the Termination Date which shall be a date occurring not earlier than 60 days from the date of Termination Notice;
- (iii) any other relevant information.

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PATTOM, THIRUVANANTHAPURAM-695 004

C Obligation of Parties

Following issue of Termination Notice by Board, the Parties (Company/Board) shall promptly take all such steps as may be necessary or required to ensure that:

- (i) until Termination the Parties shall, to the fullest extent possible, discharge their respective obligations so as to maintain the continuity of service to the users of the Project Facilities, and
- (ii) the Project Site and Project Facilities are handed over to Government/Board duly authorized by the Government on the Termination Date free from any Encumbrance

(d) Withdrawal of Termination Notice

Notwithstanding anything inconsistent contained in this Agreement, if the Company who has been served with the Termination Notice cures the underlying Event of Default to the satisfaction of Board at any time before the Termination occurs, the Termination Notice shall be withdrawn by Board which had issued the same.

Provided that the Company in breach shall compensate Board direct costs/ consequences occasioned by the Event of Default which caused the issue of Termination Notice.

14.3 Consequence due to Board Event of Default

In the event of Board event of Default as per clause 14.1(b), the Board shall provide a Stand by Letter of Credit in the SBT Vidyuthi Bhavanam Branch, Pattom, Tvpm, which shall be equal to 1month bill amount which is arrived as per the provisions in Clause 8.2. The Stand by LC can be operated only in the event of default as per provisions of sub article 14.1(b).

14.4 Termination Payments:

If the Agreement is terminated due to Company Event of Default, the Board shall not be paying any termination payment to the Company since Government of Kerala is responsible for all such settlements.

14.5 Termination on account of Termination of Implementation Agreement.

The Agreement shall get terminated in the event of termination of the Implementation Agreement with Government of Kerala without any liability to either party on this account. The Board shall not be liable for any claims by the Company under the termination provisions of the Implementation Agreement. The Company shall however in such an event keep the Board informed of various stages of the process of termination of Implementation Agreement.

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14.6 Obligations of Board on Termination

Board shall pay all undisputed outstanding dues of the Company as per the provisions of this agreement.

14.7 Obligations of the Company on Termination

Upon Termination of this Agreement and upon payment of the Termination Payment consequential to by the Government termination of implementation agreement ,the Company shall:

- (a) transfer and assign to Board, after receipt of Government approval all of its rights, title and interest in the Project, except for the cash in hand or any amount to the credit of the Company in bank accounts, trade and book debts or receivables accruing to the Company prior to transfer date unless due consideration for these can be mutually agreed upon between the parties.
- (b) If so required by the Board, make efforts to procure the novation (or failing that, assignment of the underlying rights held by the Company) to the Board of any relevant construction or any other contract relating to the Project on such terms as the Board may reasonably require.
- (c) Upon the written request of Board, sign, execute and deliver, or cause to be signed, executed and delivered, and do or make, any and all agreements, instruments, papers, deeds, acts or things, supplemental, confirmatory or otherwise as may reasonably be required by the Board for the purpose of or in connection with the transfer set forth, including without intimation, transferring to the Board all items of equipment specifications, manufacturer's operation and maintenance manuals, schedules of protection schemes and protective relay settings, and signed and sealed copies of all as-built drawings for the project, including civil and mechanical works:

Provided that a transfer of the Project in accordance with the provisions of this clause shall be deemed to be a hand-back of the Project to the Government under the Implementation Agreement.

- (d) continue to be responsible for all liabilities and obligation that have accrued prior to such transfer.

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ARTICLE 15

DISPUTE RESOLUTION

15.1 Amicable Resolution

- (a) Save where expressly stated to the contrary in this Agreement, any dispute, difference or controversy of whatever nature between the Parties, howsoever arising under, out of or in relation to this Agreement including disputes, if any, with regard to any acts, decision or opinion of the Board or the Independent Auditor and so notified in writing by any Party to the other parties (the Dispute) shall in the first instance be resolved amicably in accordance with the procedure set forth in clause (b) below.
- (b) Either Party may require such Dispute to be referred to the Chairman, Board and the Chief Executive Officer of the Company for the time being, for amicable settlement. Upon such reference, the two shall meet at the earliest mutual convenience and in any event within 15 days of such reference to discuss and attempt to amicably resolve the Dispute.
- (c) If the Dispute is not amicably settled within 30 (thirty) days of such meeting between the two, the dispute may be referred to the Government, and the decision of the Government shall be binding on both parties and shall be final

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ARTICLE 16

LIABILITY AND INDEMNITY

16.1 Limitation of Liability

Except as expressly provided in this Agreement, neither the Company nor the Board nor their respective officers, directors, agents, employees or Affiliates (or their officers, directors, agents or employees) shall be liable or responsible to the other Party or its Affiliates, officers, directors, agents, employees, successors or assigns (or their respective insurers) for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and property due under this Agreement). The Board shall have no recourse against any officer, director or shareholder of the Company or any Affiliate of the Company or any of its officers, directors or shareholders. The Company shall have no recourse against any officer of the Board, or any affiliate of the Board or any of its officers:

Provided that this Article, a Party shall be liable to the other Party for any additional costs, expenses or loss suffered, arising directly from a wilful default of the Party's obligations under this Agreement.

Note :

For the purposes of this Article, "wilful default" shall mean-

- i) an intentional or reckless breach / disregard by a Party of its obligations under this Agreement;
- ii) a failure to remedy a breach resulting from an error of judgement or mistake arising in good faith; or
- iii) a failure to remedy a breach resulting from an action in accordance with Prudent Industry Practice.

16.2 Indemnification

- (a) The Board shall bear responsibility for loss of or damage to property, death or injury to person (or any claim against the Company and / or its contractors in respect thereof) and all expenses relating thereto (including without limitation reasonable legal fees) suffered by the Company and/or its contractors in connection with the Project resulting from any negligent act or omission of the Board, without recourse to the Company and / or its contractors. The Board shall hold the Company and / or its contractors fully indemnified in respect thereof. The indemnity shall not extend to any loss, damage, death or injury (or any claim in respect thereof) or any expenses relating thereto to the extent that it was caused by any act or omission of the Company and / or its contractors to take reasonable steps

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in mitigation thereof. Provided that nothing in this sub article 16.2 (a) of this agreement shall apply to any loss, damage, cost or expense in respect of which and to the extent that, the Company and / or its Contractors are compensated pursuant to the terms of any insurance, or other contracts such as the construction contract or the operation and maintenance contract.

- (b) The Company shall bear responsibility for loss of or damage to property, death or injury to person (or any claim against the Board and / or its contractors in respect thereof) and all expenses relating thereto (including without limitation reasonable legal fees) suffered by the Board in connection with the Project resulting from any negligent act or omission of the Company and / or its contractors, without recourse to the Board. The Company shall hold the Board fully indemnified in respect thereof. The said indemnity shall not extend to any loss, damage, death or injury (or any claim in respect thereof) or any expenses relating thereto to the extent that it was caused by any act or omission of the Board or the failure of the Board to take reasonable steps in mitigation thereof. Provided that nothing in this sub article of this agreement shall apply to any loss, damage, cost or expense in respect of which and to the extent that the Board is compensated pursuant to the terms of any insurance, agreement or through any other means.
- (c) In the event such injury or damage results from the joint or concurrent, negligent or intentional acts of the Parties, each shall be liable under this indemnification in proportion to its relative degree of fault.

16.3 Intimation of Proceedings

- (a) Where a Party receives a claim from a third party in respect of which it is claimed to be indemnified under sub article 16.2 it shall promptly intimate the other party of such claims.
- (b) Neither Party shall settle or compromise any claim, action, suit or proceeding with third party in respect of which it is entitled to be indemnified by the other party without the prior written consent of that Party, such consent shall not be unreasonably withheld or delayed.

16.4 Defence of Claims

The indemnified party shall have the right to contest, defend, and litigate any claim, action, suit or proceeding by any third party alleged or asserted against such indemnified Party in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder, and the reasonable costs and expenses thereof shall be subject to the indemnification obligations of the indemnifying Party hereunder, provided, however, that if the indemnifying Party acknowledges in writing its obligations to indemnify the indemnified Party in respect of loss to the full extent provided by Article 16.2 of this Agreement, the indemnifying Party

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shall be entitled, at its option to assume and control the defence of such claim, action, suit or proceeding, liabilities, payments and obligations at its expense and through counsel of its choice if it gives prompt notice of its intention to do so to the indemnified Party and reimburses the indemnified Party for the reasonable costs and expenses incurred by the indemnified Party prior to the assumption by the indemnifying Party of such defence. The indemnified Party shall not be entitled to settle or compromise any such claim, action, suit or proceeding without the prior written consent of the indemnifying Party, which consent shall not be unreasonably withheld or delayed.

Further, the indemnified Party shall have the right to employ its own counsel and such counsel may participate in such action, but the fees and expenses of such counsel shall be at the expense of such indemnified Party, when and as incurred unless,-

- (a) the employment of counsel by such indemnified Party has been authorised in writing by the indemnifying party,
- (b) the indemnified Party shall have reasonably concluded that there may be a conflict of interest between the indemnifying Party and the indemnified Party in the conduct of the defence of such action,
- (c) the indemnifying Party shall not in fact have employed independent counsel reasonably satisfactory to the indemnified Party to assume the defence of such action; and shall have been so intimated by the indemnified Party, or
- (d) the indemnified Party shall have reasonably concluded and specifically intimated the indemnifying Party either that there may be specific defences available to it which are different from or additional to those available to the indemnifying Party or that such claim, action, suit or proceeding involves or could have a material adverse effect upon it beyond the scope of the Agreement.

If clause (b), (c) or (d) of the preceding sentence shall be applicable, then counsel for the indemnified Party shall have the right to direct defence of such claim, action, suit or proceeding on behalf of the indemnified Party and the reasonable fees and disbursements of such counsel shall constitute legal or other expense.

16.5 Assignment and Charges

No Party shall assign this Agreement or the rights, benefits and obligations hereunder save and except with prior consent of the other Party. Provided the Company can create/ assign all its rights and benefits under this Agreement as security for indebtedness, in favour of the Lenders and working capital providers for the Project;

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ARTICLE 17

MISCELLANEOUS PROVISIONS

- 17.1 Any variation, waiver or modification of any of the terms of this Agreement shall be valid only if communicated in writing and agreed and signed by or on behalf of the parties hereto.
- 17.2 The invalidity or unenforceability for any reason of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder.
- 17.3 The failure of any party to insist in one or more instances upon the strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as waiver of any such provisions or relinquishment of any such rights but the same shall continue in full force and effect.
- 17.4 Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under any of the provisions of this agreement, required to be mutually agreed upon between the parties, shall be concluded by a written agreement between the parties.
- 17.5 The Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any Agreement or undertaking for or act on behalf of or to act as or be an agent or representative of or to otherwise bind, the other Party.
- 17.6 Cancellation, expiration or earlier termination of the Agreement shall not relieve the Parties of obligations that by their nature should survive such cancellation, expiration or termination, including without limitations, warranties, remedies, promises of indemnity and confidentiality; provided, however, that all obligations surviving the cancellation, expiration or early termination of the Agreement shall only survive for a period of 5 (five) years.
- 17.7 The language of the Agreement shall be English. All documents, notices, waivers and all other communication written or otherwise between the Parties in connection with the Agreement shall be in English language.
- 17.8 The Agreement and the rights and obligations hereunder shall be interpreted, construed and governed by the Laws of India, as in force, from time to time.
- 17.9 The Agreement Schedules and annexures attached hereto are intended by the Parties as the final expression of their Agreement and are intended also as a complete and exclusive statement. All prior written or oral understandings, offers or other communications of every kind pertaining to the sale or

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purchase of Electrical output hereunder between the Board and the Company are hereby abrogated and withdrawn.

- 17.10 Free transfer of share of the company after the commercial operation of project shall be permitted subject to the applicability of relevant laws, with the concurrence of Government and Board.
- 17.11 The Agreement shall not confer any right of suit or action, whatsoever, on any third party.
- 17.12 The Company shall obtain and maintain necessary policies of insurance during the term of this agreement consistent with prudent utility practice.
- 17.13 Under no circumstances shall Board undertake any contingent liability by way of providing guarantee etc. for Company for implementing the Project.
- 17.14 This agreement shall be governed by the laws of India. The courts at Thiruvananthapuram shall have jurisdiction over all matters arising out of or relating to this agreement.

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ARTICLE 18

INTIMATION

18.1 Any intimation or communication required to be in writing hereunder shall be given by any of the following means: registered, certified, or first class mail, telex, facsimile or telegram. Such intimation or communication shall be sent to the respective Parties at their addresses listed below. Except as expressly provided herein, any intimation shall be deemed to have been given on the seventh day of despatch. Any intimation given by first class mail shall be considered sent at the time of posting. Communications by telex, telecopy, or telegram shall be confirmed by depositing a copy of the same in the post office for transmission by registered, certified or first class mail in an envelope properly addressed as follows:

In the case of the Board

To

The Chairman,
Kerala State Electricity Board,
Vydyuthi Bhavanam,
Pattom,
Trivandrum - 695 004
Phone: 0471-2514500
Fax: 0471-2441328
Email: cmkseba@ksebnct.com

In the case of the Company

To

The Chairperson,
Viyyat Power Private Limited,
Viyyat Kausthubham,
Kariyavattom P. O.,
Trivandrum - 695 581
Phone: 0471 2418562
Fax: will be intimated later
Email: pdnair@rediffmail.com

18.2 Any Party may, by 15 (fifteen) days' written notice to the other, change the representative or the address to which such notices and communications are to be sent.

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PATTOM, THIRUVANANTHAPURAM-695 004

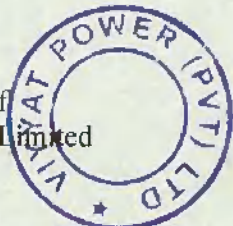
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed this _____ day of Two Thousand and Seven at Thiruvananthapuram.

SIGNED BY

SIGNED BY

Syamala Nair

S.Syamala Nair,
Chair Person
for and on behalf of
Viyyat Power Private Limited



the common seal of Viyyat Power Private Limited, (the Company) was pursuant to a resolution of its Board of Directors passed on that behalf on the ~~4th of~~
~~June--2007~~ hereunto affixed

In the presence of witness:

1. P. Damodaran Nair
managing Director
Viyyat Power Pvt Ltd
Kariyavattom, Triv.
[Signature]

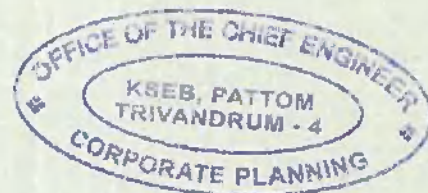
2. K. SURESH KUMAR
UR70, SRUTHI
UPPALAM ROAD
TRIVANDRUM-1
[Signature]

[Signature]

Chief Engineer (Corporate Planning)
for and on behalf of
The Kerala State Electricity Board
CHIEF ENGINEER (CORPORATE PLANNING)
K.S.E.BOARD, VYDYUTHI BHAVANAM
PATTOM, THIRUVANANTHAPURAM-695 004

In the presence of witness:-

1. K. Raabhekn Shivan
By Chief Engineer (Planning Research)
K S E B, Trivandrum.
[Signature]
2. B. Pradeep
EE, do (CE (CP))
KSEB, Trivandrum
[Signature]



Length : 767m
 Slope : 1 in 250
 Design discharge : 4 cumecs

Forebay/Surge Tank

Type : Surge Tank
 Size : 5m dia
 Depth : 9m

Penstock

Number : 1
 Type/material : Steel
 Length : 250m approx
 Diameter : 1.25m
 Design discharge : 4 cumecs

Power House

Gross Head/Net Head : 114m / 110m
 Size of Power House : 35m x 14m
 Installed Capacity : 2 x 1.5 MW
 No. & Type of Turbine : 2Nos, Francis
 Type of Generator &
 Generating Voltage : Synchronous 3.3kV
 Annual Design Energy : 11.92mu

Switchyard

Step-up Transformer :
 Type : To be decided in consultation
 with KSEB
 Size : 4.0MVA
 Step-up Voltage : 66kV
 No. of feeders : 1

Transmission Line (Details)

: 66kV, 1.7km long to be
 connected with existing Pallivusal
 Kothamangalam line of KSEB

Existing water uses/Riparian rights : None

Proposals for maintaining

Riparian rights

: Not applicable

Cost of Project (Base Year)

: Rs. 1348 lakhs (Base
 Year 2003 - 2004)

Likely completion cost

: Rs. 1465 lakhs

S. Sankaran



[Signature]

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SCHEDULE 2

PERFORMANCE TEST PROCEDURE

S3.1 Before initial synchronisation, not later than ninety (90) days before the Date of Completion, the Company shall supply the following documents to the Board for approval:

- a) Final single line electric diagram of the Project.
- b) Electrical protection study report;
- c) Start-up procedure and on-grid testing program, and
- d) Operating procedure and other agreements as described in Section 8

S3.2 Before Conducting performance test, the Company shall supply the following documents to the Board for approval:

- a) Report of completion of on-grid testing program
- b) Copies of insurance policies covering the Project

S3.3 The Company shall give a seven (7) day notice to the Board/authorized agency before starting the Performance Test. The Board/authorized agency may depute an Engineer to witness the Performance Test.

S3.4 Scope of Performance Test

(i) During each Performance Test, the Project shall be operated in a manner similar to normal Commercial operation with all auxiliary loads and losses associated.

(ii) The Performance Test will be considered successful if the Project operates for a period of fourteen days with a minimum of one day's continuous operation at or above 90% of its Nominal Capacity of operation within the Technical Limits specified in Schedule 3.

S3.5 Test Report

The Test Report shall include the following:-

- (i) kilowatt-hour and kilo-Watt meter readings at Inter-Connection Point to verify the net output. Reproduced copies of actual log sheets are preferred wherever possible.
- (ii) For turbine unit(s), a curve of net capability, with test result noted on the graph.
- (iii) Calculation of Tested Capacity inclusive of notes explaining reason for any failure to achieve Nominal Capacity, and intended date and means of correcting the deficiency or re-rating the unit capability.
- (iv) Test Report and settings of all relays should be intimated to the Board before Commercial Operation

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SCHEDULE 3

TECHNICAL LIMITS

1	Type of Turbine	
2	Generation Voltage	Nominal
3	Power factor	0.90 lagging and 0.95 leading
4	Frequency Range	47.5 Hz to 51.5 Hz
5	Nominal Grid frequency	50 Hz
6	Grid Voltage	Between 66KV and \pm permissible variation
7	Load variation during normal operation	50% to 100%

Note:

1. Even though normal regime of operation shall be 50 % to 100% the Company shall operate the Project at a lower load when so required by the S.I.D.C with in guarantee terms as specified by Machine supplier.
2. Each unit shall be capable of generating and delivering reactive power corresponding to a pf as specified in item(3) above
3. Operation of the project outside the voltage and pf range specified above will result in a reduction of pf output consistent with generator capability curves which results in penal charges.

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SCHEDULE 4

ELECTRICAL SYSTEM CHARACTERISTICS AND FUNCTIONAL SPECIFICATIONS

1. Generator Terminal Voltage	:	3.3 KV
2. Frequency	:	50Hz
3. Speed	:	1000RPM
4. Power Factor	:	0.85 lag
5. Generator Efficiency curve	:	Refer Annexure 1
6. Rated Out put	:	3.0MW ,3.53MVA
9. Single line diagram	:	Refer Annexure 2
10 Type of Exciter	:	Brush less Excitation
11 Exciter Voltage	:	will be intimated later
12 Exciter	:	AC
13 Automatic Voltage Regulator details	:	shall be furnished later
14 Possibility of running the Machine as Synchronous Condenser	:	shall be intimated alter
15 kVAR that can be supplied	:	2000kVAR max

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SCHEDULE 5

List of Permits and Clearances

Statutory permits and clearances or otherwise as required for execution and operation of Hydel Projects.

As per Schedule B of the Implementation agreement

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SCHEDULE 6

GOVERNMENT ORDER

Govt. Order issued for allotment of Scheme

Govt Order No. 2669/B1/04/Pd dtd 09.07.2004

Govt Order No. G.O (MS) No.16/04 Pd dtd 21.06.2004

Byahwan

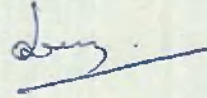
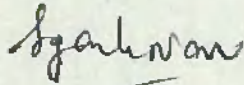


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SCHEDULE 7**START- UP POWER MEASURING PROCEDURE**

Energy required for starting the generation from the Project shall be drawn through Board's transmission system and shall be measured by energy meter provided at Delivery Point. The units of such energy drawn from Board's transmission system during any billing period shall be deducted from the energy delivered by Company to the Board in the same billing period. The bills shall be prepared on net energy basis.



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SCHEDULE 8

Project Site Particulars.

As per approved TEFR

(attached as ANNEXURE VII)

Syankar

[Signature]



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ANNEXURE I

GENERATOR EFFICIENCY CURVE

(will be furnished later)

Syankar Nair



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ANNEXURE II

Single Line Diagram of Electrical System

(will be furnished later)

S. G. S. Narayan

[Signature]



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Annexure III**BILL METER READINGS**

(Reading should be taken on first working day of every month at ---- hours)

Name of Generating Company:

Place:

District:

C.T. Ratio Available / Connected :

P.T. Ratio Available / Connected :

Scale Factor (if any)

Multiplying factor (MF)

Bill Meter Make/ Number

Date of Last Meter Reading

Meter Readings:**Export Reading****Import Reading****KWH**

Previous Reading

Current Reading

Difference**Difference X Multiplying Factor****KVARH**

Previous reading

Current reading

Difference

Difference x Multiplying factor

Executive Engineer/Engineer-designate

Representative

Nearest Substation/Generating Station

KSEB

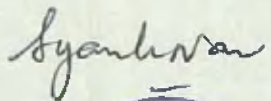
Authorised

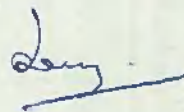
of Company

Date:

Note:

1. Load despatch center, Kalamassery shall maintain a daily log book of hourly reading of the check meter
2. The Generating Company shall maintain a daily log to record the hourly generation and supply in kWh along with the schedule given by Load despatch center, Kalamassery.
3. If the meter is changed, the reason/s date, time of meter change and new meter make and number must be recorded by both parties.





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Annexure IVCHECK METER READINGS

(Reading should be taken on first working day of every month at ---- hours)

Name of Generating Company:
Place:

District:

C.T.Ratio Available / Connected :
P.T Ratio Available / Connected :
Scale Factor (if any)
Multiplying factor (MF)
Bill Meter Make/ Number
Date of Last Meter Reading
Meter Readings:

Export Reading

Import Reading

KWH

Previous Reading
Current Reading

Difference

Difference X Multiplying Factor

KVARH

Previous reading
Current reading

Difference

Difference x Multiplying factor

Executive Engineer/Engineer-designate
Nearest Substation/Generating Station of
KSEB

Authorised Representative
of Company

Date:

Note:

- 1 Load despatch center, Kalamassery shall maintain a daily log book of hourly reading of the check meter
- 2 The Generating Company shall maintain a daily log to record the hourly generation and supply in kWh along with the schedule given by Load despatch center, Kalamassery.
- 3 If the meter is changed, the reason/s date, time of meter change and new meter make and number must be recorded by both parties.

[Signature]

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ANNEXURE V**DAILY GENERATION REPORT**

Name and Address of Generating Company
 Installed Capacity : MW

Date
 Active Power: Kwh

Time (in Hrs)	Scheduled Generation (in Kwh)	Actual Generation (in Kwh)
00-01		
01-02		
02-03		
03-04		
04-05		
05-06		
06-07		
07-08		
08-09		
09-10		
10-11		
11-12		
12-13		
13-14		
14-15		
15-16		
16-17		
17-18		
18-19		
19-20		
20-21		
21-22		
22-23		
23-24		

Total (for each column)

Summary:

Active Power , KWh

Time(in Hrs) Scheduled Generation (in Kwh) Actual Generation(In Kwh)

daily

05.30- 18.00hrs

18.00-23.00 hrs

23.00- 05.30 hrs

cumulative for Month(till this date)

To

1. Deputy Chief Engineer, Load despatch Center, Kalamassery

Signature of Authorised Representative of the Generating Company

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