

CHHATTISGARH STATE POWER TRADING COMPANY LIMITED

(A Government of Chhattisgarh Undertaking)

(Successor Company of CSEB)

2nd Floor, "Vidyut Seva Bhawan" Daganiya

Phone (0771)2574100, (Fax) 2242955

No./ MD/Trading/Tech.Cell/ 144 D

Raipur, dt. 23/10/2013

To,

M/s KSK Mahanadi Power Company Ltd.

Registered Office at 8-2-293/82/A/431/A


Road No.22, Jubilee Hills, Hyderabad - 500033

Sub:- Power Purchase Agreement executed between M/s KSK Mahanadi Power Company Ltd. and Chhattisgarh State Power Trading Company Ltd (For Variable Cost power)

Dear Sirs,

Please find enclosed herewith, one copy of the Power Purchase Agreement executed between M/s KSK Mahanadi Power Company Ltd. and Chhattisgarh State Power Trading Co. Ltd. (CSPTrdCL) on dtd 18/10/2013 for your records.

Encl: As above


Chief Engineer (Tech. Cell)
CSPTrdCL, Raipur

POWER PURCHASE AGREEMENT

BETWEEN

M/s KSK MAHANADI POWER COMPANY LTD.

AND

**CHHATTISGARH STATE POWER TRADING COMPANY LIMITED
(CSPTRADECO)**

FOR VARIABLE COST POWER

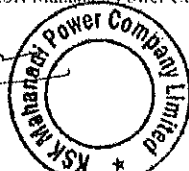
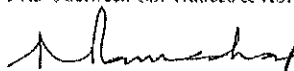
6 x 600 MW UNITS

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Table of Contents:

LIST OF ABBREVIATIONS	3
PARTIES TO AGREEMENT AND RECITAL	4
1. ARTICLE 1: DEFINITIONS AND INTERPRETATIONS	6
2. ARTICLE 2: AMENDMENT	18
3. ARTICLE 3: TERM OF THE AGREEMENT	19
4. ARTICLE 4: RIGHTS & OBLIGATIONS FOR SUPPLY AND OFF-TAKE	20
5. ARTICLE 5: SYNCHRONISATION AND COMMERCIAL OPERATION	31
6. ARTICLE 6: OPERATION AND MAINTENANCE	35
7. ARTICLE 7: METERING AND ENERGY ACCOUNTING	39
8. ARTICLE 8: APPLICABLE TARIFF	41
9. ARTICLE 9: BILLING AND PAYMENT	43
10. ARTICLE 10: PAYMENT SECURITY MECHANISM:	49
11. ARTICLE 11: FORCE MAJEURE	52
12. ARTICLE 12: ASSIGNMENTS AND SUCCESSION	57
13. ARTICLE 13: GOVERNING LAW	58
14. ARTICLE 14: CHANGE IN LAW	59
15. ARTICLE 15: EVENT OF DEFAULT AND COMPENSATION	60
16. ARTICLE 16: DISPUTE RESOLUTION AND ARBITRATION	65
17. ARTICLE 17: LIABILITY AND INDEMNIFICATION	67
18. ARTICLE 18: ASSIGNMENTS AND CHARGES	68
19. ARTICLE 19: MISCELLANEOUS PROVISIONS	70
20. SCHEDULE -1: FORMAT OF THE CONTRACT PERFORMANCE GUARANTEE	75
21. SCHEDULE- 2: REPRESENTATIONS AND WARRANTIES OF THE COMPANY	78
22. SCHEDULE - 3: FUNCTIONAL SPECIFICATION	79
23. SCHEDULE - 4: FORMAT OF LETTER OF CREDIT	80
24. SCHEDULE - 5: SUBSTITUTION RIGHTS OF THE LENDERS	81
25. SCHEDULE- 6 : TARIFF SCHEDULE	89
26. SCHEDULE- 7: METERING SYSTEM	91
27. SCHEDULE - 8 : COMMISSIONING AND TESTING	94

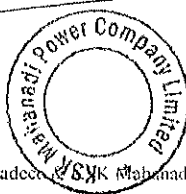


Managing Director,
CSP TRAD CL, Raipur

LIST OF ABBREVIATIONS

COD	Commercial Operation Date
CERC	Central Electricity Regulatory Commission
CSEB	Chhattisgarh State Electricity Board
CSERC / Commission	Chhattisgarh State Electricity Regulatory Commission
CSPDCL	Chhattisgarh State Power Distribution Company Limited
CSPGCL	Chhattisgarh State Power Generation Company Limited
CSPHCL	Chhattisgarh State Power Holding Company Limited
CSPTCL	Chhattisgarh State Power Transmission Company Limited
CSPTradeco	Chhattisgarh State Power Trading Company Limited
EC	Energy Charges
GoCG	Government of Chhattisgarh
IEGC	Indian Electricity Grid Code
IPP	Independent Power Producer
MW	Mega Watt
PPA	Power Purchase Agreement
REA	Regional Energy Accounts
RLDC	Regional Load Despatch Centre
SLDC	State Load Despatch Centre
STU	State Transmission Utility
UI	Unscheduled Interchange
WRLDC	Western Regional Load Dispatch Centre
WRPC	Western Regional Power Committee

[Signature]



[Signature]
Managing Director,
CSP TRAD CL, Raipur



छत्तीसगढ़ CHHATTISGARH

E 491131

This Power Purchase Agreement (hereinafter referred to as the "PPA" or "Agreement" or "the Agreement" or "this Agreement") is made on this 18th day of October Two Thousand and Thirteen.

BETWEEN

The Chhattisgarh State Power Trading Company Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Vidut Sewa Bhawan, Daganiya, Raipur - 492 013, Chhattisgarh (hereinafter referred to as 'CSPTadeco' or 'Procurer', which expression shall, unless repugnant to the context or meaning thereof include its successors and permitted assigns) as the Party of One Part:

AND

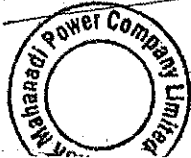
M/s KSK Mahanadi Power Company Ltd., a Company incorporated under the Companies Act, 1956, and having its registered office at 8-2-293/82/A/431/A, Road No. 22, Jubilee Hills, Hyderabad-500033 (hereinafter referred to as 'Company' or 'Project Developer', which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) as the Party of the Other Part.

(The Company and CSPTadeco are individually referred to as "Party" and collectively as "Parties")

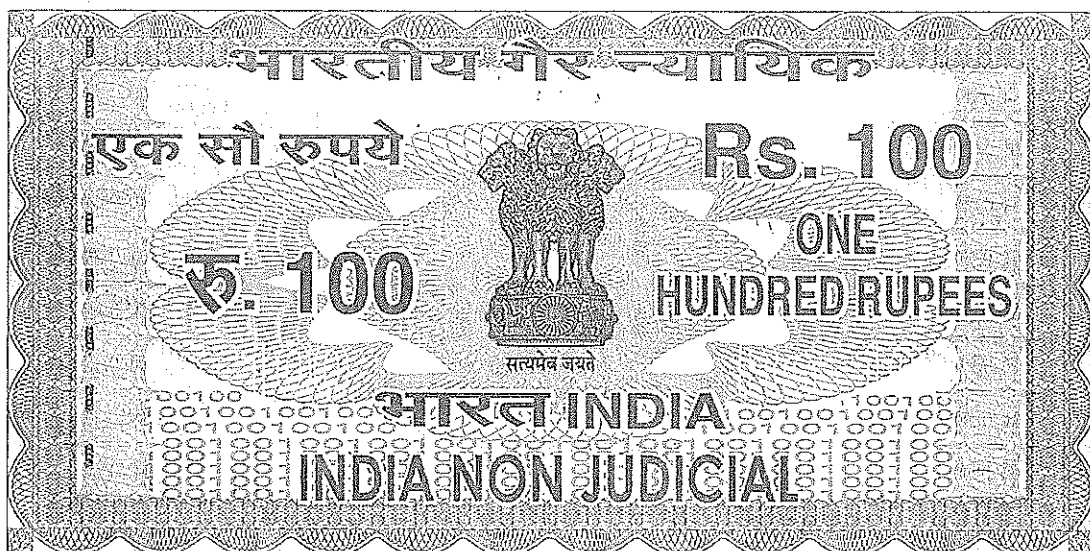
PPA for 5% 7.5% between CSPTadeco & KSK Mahanadi Power Company Ltd.

Page 1

[Signature]



Managing Director,
CSP TRAD CL, Raipur



छत्तीसगढ़ CHHATTISGARH

E 491132

AND WHEREAS:

- a) The Company has entered into Memorandum of Understanding (MOU) on 15.02.2008 with State Government of Chhattisgarh (GOCG) and erstwhile CSEB;
- b) Pursuant to the provisions of the MOU, an Implementation Agreement (IA) has been entered with State Government of Chhattisgarh, CSPHCL (a successor company of CSEB) & M/s KSK Mahanadi Power Company Ltd. on 13.08.2009;
- c) The Company is setting up a coal based thermal Power Station of the Installed Capacity of 3600 MW (consisting of 600 MW x 6 Nos. of Units) at village Nariyara of Tehsil Akaltara in Janjgir-Champa District in Chhattisgarh.
- d) CSEB Transfer Scheme Rules-2010 has authorised CSPTadeco to act as authorised representative of the State Govt. and to execute the power purchase agreement with the developers of coal based thermal power projects coming under MoU route in Chhattisgarh.
- e) The Company has submitted its offer for supply of power at variable cost to CSPTadeco as per the terms and conditions of MoU and in the following manner:-
 - (i) 5% of the net power generated from the power station;

[Signature]

PPA for 5% of net power generated from the power station between CSPTadeco and M/s KSK Mahanadi Power Company Ltd.



[Signature]
Managing Director,
CSP TRAD CL, Raipur

Managing Director,
CSP TRAD CL, Raipur

1. ARTICLE- 1: DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

The words / expressions used in this Agreement, unless as defined below or repugnant to the context, shall have the meaning respectively as assigned to them by the Electricity Act 2003, and the rules or regulations framed there under, including those issued / framed by the Appropriate Commission (as defined hereunder), as amended or re-enacted from time to time or the General Clauses Act, failing which, it shall bear its ordinary English meaning.

The words / expressions when used in this Agreement shall have the respective meanings as specified below:

“Act” or “Electricity Act” or Electricity Act 2003” shall mean the Electricity Act 2003 (36 of 2003) or any further amendments made subsequent to the same;

“Affected Party” shall have the meaning as ascribed thereto in Article 11.2 of this Agreement;

“Aggregate Capacity” shall mean, in relation to a Unit, the proposed capacity of the Unit in Mega Watt and in relation to the Power Station, the sum total of capacity of each of the unit of Power Station in Mega Watt. For Example- Unit-1 : 600 MW + Unit-2 : 600 MW + Unit-3 : 600 MW and so on.

“Agreement” or “PPA” or “Power Purchase Agreement” shall mean this Power Purchase Agreement (PPA) including its recitals and schedules, as amended, supplemented or modified from time to time, as approved by the Appropriate Commission, if required;

“Appropriate Commission” shall mean the Central Electricity Regulatory Commission, or the Chhattisgarh State Electricity Regulatory Commission, as the case may be;

“Availability” for any period, shall mean the average of the daily average Declared Capacities (DCs), for all the days during that period expressed as a percentage of the Installed Capacity of the Generating Station minus normative auxiliary consumption in MW, and computed in accordance with that prescribed by CERC;

“Bill” shall mean a Monthly Bill, a Supplementary Bill, or any other Bill or Invoice raised by any of the Parties;

“Billing Date” shall mean the date on which a Bill is presented to the Designated Officer of either Party and acknowledged by such Designated Officer of either Party;



50% between CSPTradeco & KSK Mahanadi Power Company Ltd.

Managing Director,
CSP TRAD CL, Raipur

"Billing Month" shall mean the calendar month for which a Bill is issued by either Party;

"Business Day" shall mean a day other than Sunday or a statutory holiday declared by the State, on which the banks remain open for business in the State;

"CERC" shall mean Central Electricity Regulatory Commission, as defined in the Electricity Act, 2003;

"CERC Regulations" shall mean the CERC (terms and conditions of Tariff) Regulations or any other Regulations notified from time to time;

"CSPTCL" or "CSPTransco" shall mean the Chhattisgarh State Power Transmission Company Limited and the State Transmission Utility for the State of Chhattisgarh as per Sub-section (1) of Section 39 of the Electricity Act 2003;

"CSPTadeco Event of Default" shall have the meaning as ascribed hereto in Article 15.2 of this Agreement;

"CTU" or "Central Transmission Utility" shall mean the utility as defined in the Electricity Act, 2003. Presently PGCIL is functioning as the CTU;

"Change in Law" shall have the same meaning as ascribed thereto in Article -14 of this Agreement;

"Check Meters" or "Check Meter" shall have the meaning ascribed thereto in Schedule-7 and "Check Meter" shall mean a reference to any one of them;

"Coal" shall mean coal procured from the subsidiaries of Coal India Limited either through Coal Supply Agreement or e-auction or open market and/or imported coal procured from any other agencies or coal blocks allocated;

"Commercial Operation Date" or "COD" shall mean, in relation to a Unit the date on which the Unit is commissioned and in relation to the Power Station, the date on which Unit(s) of the Power Station is / are commissioned. The Unit or the Project is commissioned when it has passed the Commissioning Tests for commercial operation;

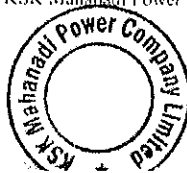
"Commission" or "CSERC" shall mean the Chhattisgarh State Electricity Regulatory Commission, constituted under Section 82 of the Electricity Act, 2003;

"Commissioning" or "Commissioned" with its grammatical variations shall mean, in relation to a Unit, the relevant Unit or in relation to the Power Station, the Unit(s) of the Power Station that has/have passed the Commissioning tests;

"Commissioning Test" shall mean (a) the Performance Test; and (b) the Characteristics Tests;

PPA for 5%/7.5% between CSPTadeco & KSK Mahanadi Power Company Ltd.

Page 8



Managing Director,
CSP TRAD CL, Raipur

"Company Event of Default" shall have the meaning as ascribed hereto in Article 15.1 of this Agreement;

"Competent Court of Law" shall mean the Supreme Court or any High Court, or any tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to generation, transmission, distribution and trading of electricity;

"Contracted Capacity" shall mean the power in MW equivalent to 5% or 7.5% (five / seven point five percent) of the aggregate capacity of the Unit or the Power Station at all times contracted to be sold by the Company to the CSPTradeco in accordance with the terms of this Agreement;

"Contracted Energy" shall mean the energy in Kwh available ex-bus bar equivalent to 5% or 7.5% (five / seven point five percent) of the Electrical Output of the Unit or the Power Station at all times contracted to be sold by the Company to the CSPTradeco in accordance with the terms of this Agreement;

"Contract Performance Guarantee" shall mean the irrevocable unconditional bank guarantee to be submitted by the Company to the CSPTradeco from a scheduled commercial bank and in the format provided in Schedule - 1 in accordance with the terms of this Agreement;

"Contract Year" shall mean the period commencing on the Effective Date (as defined hereunder) and ending on the immediately succeeding March 31 and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31; the last Contract Year of this agreement shall end on the last day of the Term of this Agreement;

"Consents, Clearances & Permits" shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgments, agreements or concessions required to be obtained from or provided by any Indian Governmental Instrumentality for the development, operation and maintenance of the Generating Station including without any limitation for the construction, ownership, operation and maintenance of the Generating Station and other associated facilities;

"Declared Capacity" shall mean the net capacity at Delivery Point during any Settlement Period, as declared by the Company in its Daily Generation Schedule or Revised Generation Capability Schedule, subject to the availability of adequate Fuel and regardless of constraints in the Grid;

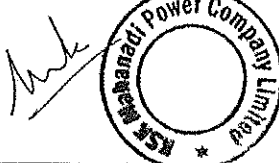
"Dedicated Transmission Line" shall mean the transmission line constructed by the Company for interconnection of the Project switchyard with the CTU / STU network;

"Delivery Point" shall have the meaning ascribed to it under Article 4.6;

"Designated Officer" shall mean the designated representative of the Company duly authorised to carry out any/all functions required under this Agreement;

PPA for 5%/7.5% between CSP Tradeco & KSK Mahanadi Power Company Ltd.

| Page 9



Managing Director,
CSP TRAD CL, Raipur

"Dispute" shall mean any dispute or difference of any kind between CSPTradeco and the Company, in connection with or arising out of this Agreement including any issue on the interpretation and scope of the terms of this Agreement;

"Distribution System" shall mean the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the points of connection to the installation of the consumers within the State;

"Due Date" in relation to any Bill, shall mean the first Business Day falling thirty (30) days after the Billing Date;

"Effective Date of Agreement" or **"Effective Date"** shall have the meaning ascribed thereto in Article 3.1.1;

"Electrical Output" shall mean the net electrical output of the Power Station at the Interconnection Point, as expressed in kWh;

"Electricity Laws" shall mean the Electricity Act 2003 and the rules and regulation made there under from time to time along with amendments and replacements thereof in whole or in part and any other Law pertaining to electricity including regulations framed by the Appropriate Commission;

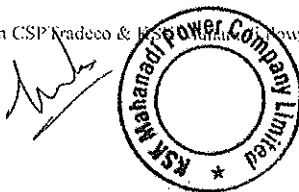
"Energy Charges" or **"Variable Charges"** shall mean the monthly amount payable by CSPTradeco to the Company in respect of Electrical Output and shall be determined in accordance with the provisions set forth in Schedule -6 of this Agreement;

"Event of Default" shall mean the Company Event of Default or CSPTradeco Event of Default, as the case may be;

"Financial Year" or **"Year"** shall mean the period from 1st of April of any year to 31st of March of the next year;

"Financial Closure" shall mean the execution and delivery of all the Financing Agreements, for the initial draw down of funds there under;

"Financing Documents" shall mean the documents executed by the Company in respect of financial assistance to be provided by the Lenders by way of loans, guarantees, subscription to non-convertible debentures and other debt instruments including loan agreements, guarantees, notes, debentures, bonds and other debt instruments, security agreements and other documents relating to the financing (including refinancing) of the Project and includes amendments or modifications made from time to time;



“Force Majeure” shall have the meaning as ascribed thereto in Article-11 of this Agreement;

“Forced Outage” shall mean an outage of the Generating Station which is not a Planned Outage;

“Fuel” shall mean the Coal required for continuous operation of the Project;

“Fuel Supply Agreement(s)” shall mean the agreement(s) entered into between the Company and the Fuel supplier and/or others for the purchase, transportation and handling of the Fuel, required for the operation of the Power Station;

“Fuel Oil” or “Secondary Fuel Oil” shall means the heavy oil used for start up and low load support in the steam generators

“Generating Station(s)” or “Power Station” or “Station” or “Project” shall mean the power station being set up at Village-Nariyara of Tehsil-Akaltara in Janjgir-Champa District in Chhattisgarh consisting of six Units of 600 MW each Installed Capacity for generating electricity, including any building and plant with step-up transformer, switch-gear and switch yard, cables or other auxiliary equipments, if any used for that purpose and the site thereof, a site intended to be used for the generating station, and any building used for housing the operating staff of a generating station, but does not in any case include any sub-station;

“GOCG” shall mean the State Government of Chhattisgarh;

“GoI” shall mean the Government of India;

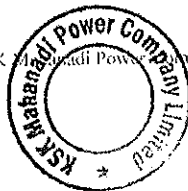
“Grid Code” shall mean the Grid Code specified by the Central Commission under clause (h) of sub-section (i) of Section-79 of Electricity Act 2003 and as amended from time to time;

“Grid System” shall mean the Central Transmission System / State Transmission System;

“Implementation Agreement” in short “IA” shall mean Agreement executed by the Project Developer with the Govt. of Chhattisgarh & CSP Holding Co. Ltd. for implementation of the project.

“Indian Governmental Instrumentality” shall mean Government of India, Government of any State in India or any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or any State Government or both, any political sub-division of any of them including any court or Appropriate Commission or tribunal or judicial or quasi-judicial body in India, but excluding the Company and CSPTradeco;

PPA for 5%/7.5% between CSPTradeco & KSK Mahanadi Power Company Ltd.



Page 11
Managing Director,
CSP TRAD CL, Raipur

"Installed Capacity" shall mean the sum of Maximum Continuous Rating capacities of the Unit(s) of the Generating Station, as confirmed by the respective Performance Test;

"Interconnection Facilities" shall mean the facilities on the CSPTadeco's side of the interconnection Point for receiving and metering Electrical Output in accordance with this Agreement and which shall include, without limitation, all other transmission and distribution lines and associated equipment, transformers and associated equipment, relay and switching equipment and protective devices, safety equipment and, subject to Article-7, the metering system required for the project;

"Interconnection Point" shall mean the physical point or points of the outgoing gantry of the Generating Station where the transfer of electrical power occurs for fulfilling the obligation of the Company to deliver the Contracted Capacity and Contracted Energy to CSPTadeco;

"Interface Meter" shall mean the meter used for accounting and billing of electricity, connected at the Interconnection Point;

"Intra-state Transmission System" or "State Transmission System" or "STS" shall mean any system for conveyance of electricity by transmission lines within the area of the State and includes all transmission lines, sub-stations and associated equipment of transmission licensee in the State;

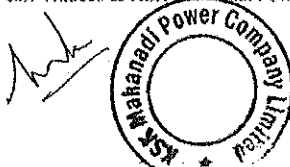
"Law" or "Laws of India" means in relation to this Agreement, all laws including electricity laws in force in India and any statute, ordinance, rule, regulation, notification code or any interpretation of any of them by an Indian Governmental Instrumentality and having force of law and shall include all rules, regulations, decisions and orders of the Appropriate Commission;

"Late Payment Surcharge" shall have the meaning as ascribed thereto in Article 9.5.2 of this Agreement;

"Letter of Credit" or "LC" shall have the meaning ascribed thereto in Article 10.1;

"Lenders" shall mean the banks, other financial institutions, RBI registered non-banking financial companies, mutual funds and agents or trustees of debenture/bond holders, including their successors and assignees, who have agreed as at Financial Close to provide the Company with the debt financing and successor banks or financial institutions to whom their interests under the Financing Agreements may be transferred or assigned

Provided that such assignment or transfer shall not relieve the Company of its obligations to the Government under this Agreement in any manner and shall also does not lead to an increase in the liability of the Government.



"Main Meter" shall mean the meter which would primarily be used for accounting and billing of electricity;

"Meter" shall mean a device suitable for recording and / or indicating consumption of electrical energy or any other quantity related with electrical system;

"Metering Code" shall mean the code and / or the metering section of the Grid Code covering aspects relating to metering equipment, its installations, operation and use in force or any amendments thereof approved by the CERC;

"Metering System" shall have the meaning ascribed thereto in Schedule-7 of this Agreement.

"Month" shall mean a period of thirty (30) days from (and excluding) the date of the event where applicable, else a calendar Month;

"Monthly Bill" shall mean a monthly invoice comprising Energy Charges, including Late Payment Surcharge if any as per the provisions of this Agreement;

"Net Power" shall mean gross power generated minus the auxiliary consumption (in Kwh);

"Notice of Default" shall have the meaning as ascribed hereto in Article 15.4 of this Agreement;

"Outage Planning Process" shall have the meaning as ascribed thereto in the Grid Code;

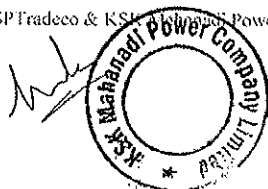
"Operative Price" shall mean the price at which the electricity shall be supplied under this agreement which shall be the lowest of:-

- (a) the price fixed under Article-8 and approved by the Appropriate Commission or the Consultant / the Committee as per the Article-8, as the case may be;
- (b) the price fixed in any agreement entered into by the company with any person for supply of electricity being a price lower than the price referred to in (a) above from time to time, on and from the date of such agreement;

"Planned Outage" or "Scheduled Outage" shall have the meaning as ascribed thereto in the Grid Code;

"Prudent Utility Practices" shall mean the practices, methods and standards that are generally accepted nationally from time to time by electric utility industry for the purpose of ensuring the safe operation, repair and maintenance of the Generating Station and which practices, methods and standards shall be adjusted as necessary, to take account of:

- operation, repair and maintenance guidelines given by the manufacturers,



Managing Director,
CSP TRAD CL, Raipur

- the requirements of Laws of India, and
- the physical conditions at the site on which a Generating Station is located;

“Regional Energy Account” or “REA” shall mean the accounts of power and energy as issued by the relevant Regional Power Committee (RPC) secretariat or other appropriate agency for each Week and for each Month, including the revisions and amendments thereof;

“RLDC” shall mean the relevant Regional Load Despatch Centre as defined in the Electricity Laws in the region in which the Project is located;

“Rebate” shall have the same meaning as ascribed hereto in Article 9.5.1 of this Agreement;

“Regulations” shall mean any regulations, made by the CERC under the Electricity Act, 2003, and as subsequently amended from time to time;

“Scheduled COD” shall have the meaning as mentioned in Article 4.2.10 of this Agreement for the Unit(s) or the Power Station, as the case may be.

“Settlement Period” shall mean the time block for issue of daily generation and drawl schedules as provided in the Grid Code and communicated by the RLDC;

“State” shall mean the State of Chhattisgarh;

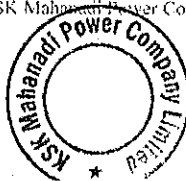
“State Energy Accounts” or “SEA” shall mean as defined in the Grid Code and issued by the Chhattisgarh SLDC for each calendar month or part thereof (as per their prescribed methodology), including the revisions and amendments thereof;

“State Load Despatch Centre” or “SLDC”, in relation to a State, shall mean the centre so established under Sub-section (1) of Section 31 of the Electricity Act;

“State Transmission Utility” or “STU” shall mean the Board or the Government Company specified as such by the State Government under Sub-section (1) of Section 39 of the Act. CSPTCL has been specified as the State Transmission Utility (STU) by the Government of Chhattisgarh;

“Supplementary Bill” shall mean the bill raised by Company for any amount due from the CSPTadeco, other than the Monthly Bill or a bill raised by CSPTadeco for any amount due from the Company and as stipulated in Article 9.4 of this Agreement;

“Tariff” shall mean the Energy Charge / Variable Charge / Variable cost as determined in accordance with the relevant regulations of CERC from time to time and approved by the Appropriate Commission or the Consultant / Committee as per Article 8.1, as the case may be;



Managing Director,
CSPTAD CL, Raipur

“Tariff Payment” shall mean the payments to be made by the CSP Tradeco under Monthly Bills and the relevant Supplementary Bills;

“Tested Capacity” shall mean in relation to a Unit, or the Power Station as a whole (if all the Units of the Power Station have been Commissioned) the capacity, as certified by the independent Engineer, of the most recent Performance Test carried out in accordance with Article-5 of this Agreement;

“Transmission Charges” shall mean all the applicable transmission charges payable to PGCIL or any other agency for utilising their Transmission System in relation to transfer of Contracted Capacity and Contracted Energy to CSPTradeco;

“Transmission System” shall mean the lines, sub-stations, communication, and other associated facilities and covers entire transmission system without any specific reference to any lines or sub-stations and will automatically cover all new additions, modifications, up gradation, augmentations and expansion of Transmission System by CTU or other agency;

“TSA” shall mean Transmission Service Provider;

“Unit(s)” shall mean the unit of the Power Generating Station;

Words importing the singular meaning shall include the plural and vice versa

1.2 Interpretation

Save where the contrary is indicated, any reference in this Agreement to:

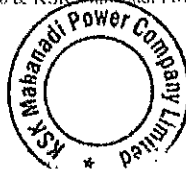
1.2.1 “Agreement” shall be construed as including a reference to its Schedules.

1.2.2 An “Article”, a “Recital”, a “Schedule” and a “paragraph/clause” shall be construed as a reference to an Article, a Recital, a Schedule and a paragraph/clause respectively of this Agreement;

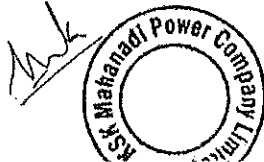
1.2.3 An “affiliate” of any person shall be construed as a reference to a subsidiary or holding company, or a subsidiary of a holding company, of such person.

1.2.4 A “Crore” means a reference to ten million (10,000,000) and a “Lakh” means a reference to one tenth of a million (1,00,000);

1.2.5 An “encumbrance” shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;



- 1.2.6 "Indebtedness" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.7 A "person" shall be construed as a reference to any person, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests;
- 1.2.8 "Rupee", "Rupees" and "Rs." shall denote Indian Rupees, the lawful currency of India;
- 1.2.9 The "winding-up", "dissolution", "insolvency", or "reorganization" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganization, dissolution, arrangement, protection or relief of debtors;
- 1.2.10 Words importing the singular shall include the plural and vice versa;
- 1.2.11 This Agreement itself or any other agreement, or deed, instrument, license or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented;
- 1.2.12 A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time;
- 1.2.13 A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time;
- 1.2.14 Any reference to period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include such days or dates;
- 1.2.15 Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part;
- 1.2.16 The words / expressions used in this Agreement shall have the same meaning as assigned to them in the context in which these have been used in this Agreement provided that their respective meaning, if any, assigned to such undefined word /

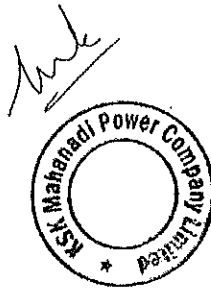


expression in the Electricity Act, 2003 shall also be taken into consideration for harmonious interpretation of the Agreement.

- 1.2.17 The tables of contents and any headings or sub-headings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement;
- 1.2.18 All interest payable under this Agreement shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty five (365) days;
- 1.2.19 The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement;
- 1.2.20 The terms "including" or "including without limitation" shall mean that any list of examples following such term and shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;
- 1.2.21 A "Subsidiary" of a company or corporation shall be construed as a reference to any company or corporation:

- (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (c) which is a subsidiary of another subsidiary of the first-mentioned company or corporation

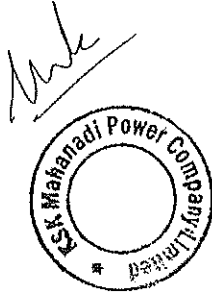
and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and / or to control the composition of its board of directors or equivalent body.



Handwritten signature above the text: Managing Director,
CSP TRAD CL, Raipur

2. **ARTICLE- 2: AMENDMENT**

- 2.1 This Agreement is intended by the Parties as the final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement.
- 2.2 This Agreement shall not be amended without prior written consent of the GoCG in any manner which may affect the rights and interests of the GoCG.



Managing Director,
CSPT Trade Co., Raipur

3. ARTICLE - 3: TERM OF THE AGREEMENT

3.1 Effective Date

- 3.1.1 This Agreement shall come into effect from the date it is executed by the Parties and such date shall be referred to as the Effective Date.

3.2 Term of Agreement

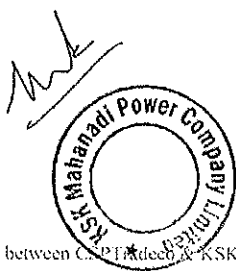
- 3.2.1 This Agreement shall have perpetual existence without termination or determination by efflux of time or otherwise by any notice by either party till the operation of the Power Station including any expanded, or increased capacity, additional units that may be established from time to time and continued to be operated through Renovation or Modernisation or otherwise or till the resumption of the facilities by the GoCG for default or reasons attributable to the Company as provided in this Agreement.

3.3 Survival

- 3.3.1 The cessation of the operation of the Power Station shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the termination.

3.4 Contract Performance Guarantee

- 3.4.1 Within a period of 15 days immediately after COD, a BG for an amount of Rs. 11,25,00,000/- (Eleven Crore Twenty Five Lakh only) (worked out on the basis of Rs. 5 (Five) lakhs per MW of contracted power, ie 225 MW) for the term of the PPA towards Performance Security Deposit shall have to be submitted by the Company, the validity of which shall be extended from time to time till termination of this PPA. If Performance Guarantee is not extended 15 days before its expiry, the CSPTradeco shall have the right to encash the then existing Contract Performance Guarantee without giving any notice to the Company.



Managing Director,
CSP TRAD CL, Raipur

4. ARTICLE- 4: RIGHTS & OBLIGATIONS FOR SUPPLY AND OFF-TAKE

4.1 Obligation of CSPTradeco

4.1.1 The CSPTradeco shall be responsible for:

- (i) Payment of the transmission charges, wheeling charges, transmission losses, RLDC and SLDC charges as determined by the Appropriate Commission and all other charges, taxes, cess, fees, levies and duties applicable to the generation, sale, purchase, despatch and transmission of the Contracted Energy, to appropriate agencies;
- (ii) Off take Contracted Energy and pay Monthly Bills and Supplementary Bills in accordance with this Agreement;
- (iii) Co-operate with the Company to facilitate the initial and periodic Performance Tests and Commissioning of the Project;
- (iv) Obtaining long term access for adequate transmission capacity from CTU/ STU for evacuation of Govt's share of Contracted Energy;
- (v) Open and maintain the Letter of Credit as required under the terms and conditions specified in Article 10.1 of this Agreement;
- (vi) Fulfilling all other obligations undertaken by it under this Agreement.

4.2 Obligation of Company

4.2.1 Subject to the terms and conditions of this Agreement, the Company undertakes to be responsible, at its own cost and risk, for:

- (i) Executing the Project in a timely manner so as to enable each of the Units and the Power Station as a whole to be Commissioned not later than its Scheduled Commercial Operations Date and such that as much of the Contracted Power as can be made available through the use of Prudent Utility Practices will be made available reliably to meet the CSPTradeco's scheduling and despatch requirements throughout the term of this Agreement;



Managing Director,
CSP TRAD CO, Raipur

- (ii) Obtaining and maintaining in full force and effect all consents required by it pursuant to this Agreement and Indian Law;
- (iii) Making available the Contracted Energy through the use of Prudent Utility Practices reliably to meet the CSPTradeco's scheduling and dispatch requirements throughout the term of this Agreement;
- (iv) Procure the requirements of electricity at the Project (including construction, commissioning and start-up power) and to meet in a timely manner all formalities for getting such supply of electricity;
- (v) Operation and maintenance of the Power Station in accordance with the provisions of this Agreement, Grid Code and Prudent Utility Practices;
- (vi) Continue to maintain all insurances required to be taken in respect of this Project, as required by this Agreement, the laws of India and Prudent Utility Practices, till the expiry of the Term of Agreement;
- (vii) Fulfilling all other obligations undertaken by it under this Agreement and arising in accordance with the provisions of Implementation Agreement (IA).
- (viii) The Company not later than 6 months prior to Scheduled COD, shall submit tariff order issued by the Appropriate Commission indicating variable cost & capacity cost applicable for the Unit(s).

4.2.2 Submission of progress report, project related Agreements:

The Company shall Endeavour to furnish to the Energy Department, Govt. of Chhattisgarh or their nominated agency, quarterly progress reports of actual progress of the Project and shall give all such other relevant information as may be required by the GoCG or their nominated agency.

4.2.3 To provide all information required under Approvals :

The Company shall provide all information and supporting documentation required to be submitted under Law, by any Competent Authority.

4.2.4 Safety Measures

The Company shall ensure proper safety measures during implementation of the Power Station including, but not limited to, any geological study, construction and testing at the Site as per Law.



Managing Director,
CSP TRAD CO., Raipur

4.2.5 Commissioning

4.2.5.1 The Company shall be responsible for ensuring that the Power Station is commissioned in accordance with Schedule- 8 at its own cost, risk and expense.

4.2.5.2 The CSPTradeco shall use all reasonable endeavors to accept into the Grid System, Electrical Output generated by a Unit, Electrical Output generated by the Power Station while it is undergoing commissioning and testing.

4.2.5.3 The Company shall give the CSPTradeco and the Independent Engineer not less than ten (10) days prior written notice of each Commissioning Test.

4.2.5.4 The CSPTradeco may for reasonable cause defer any Commissioning Test for up to fifteen (15) days from the date originally notified by the Company pursuant to Article 4.2.5.3 if the CSPTradeco notify the Company in writing atleast twenty four (24) hours before the Commissioning Test starts of the reason for the deferral and when the test is to be rescheduled :

Provided that, such deferment at the request of CSPTradeco shall be permitted only once.

4.2.5.5 The Company, the CSPTradeco and the Independent Engineer shall each designate qualified and authorized representatives to monitor each Commissioning Test.

4.2.5.6 Testing and measuring procedures applied during each Commissioning Test shall be in accordance with the codes, practices and procedures mentioned in Schedule- 8 of this Agreement.

4.2.5.7 Within five (5) days of a Commissioning Test, the Company shall provide the CSPTradeco and the Independent Engineer each with copies of the detailed test results.

4.2.6 Commercial Operation

4.2.6.1 A Unit, or the Power Station, as the case may be, shall be Commissioned on the day after the date when the CSPTradeco receives a Final test Certificate of the Independent Engineer stating that :

- (a) The Commissioning Tests have been carried out in accordance with Schedule -8;
- (b) The results of the Performance Test show that the Unit's Tested Capacity, or in the case the Power Station has been Commissioned, the Power



Station's Tested Capacity is not less than ninety five (95) percent of its Contracted Capacity;

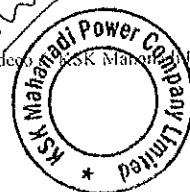
- (c) The results of the Characteristics Test shown that the Unit, or in the case the Power Station has been Commissioned, the Power Station is capable of operating in accordance with its Contracted Operating Characteristics;
- (d) The Independent Engineer certifies that the Company has complied with the requirements of applicable law, the Grid Code, the terms and conditions of this Agreement, the Functional Specifications, the Technical Specifications and Prudent Utility Practices.

4.2.6.2 If a Unit (or the Power Station, as relevant) fails a Commissioning Test, the Company may retake the relevant test within three (3) days after the end of the previous test with one (1) day notice.

4.2.6.3 The Company may retake the Performance Test, up to five (5) times, during a period of ninety days ("Initial Performance Retest Period") from a Unit's or if the Power Station has been commissioned, the Power Station's Commissioning Date in order to demonstrate an increased Tested Capacity.

4.2.6.4 (i) If a Unit's (or the Power Station's, as relevant) Tested Capacity at the end of the Initial Performance Retest Period is less than its Contracted Capacity, the Unit (or the Power Station's, as relevant) shall be de-rated with the following consequences:

- (a) The Unit's (or the Power Station's, as relevant) Contracted Capacity shall be reduced to its Tested Capacity, as existing at the end of the Initial Performance Retest Period;
- (b) The Capacity Charge shall be reduced in proportion to the reduction in the Contracted Capacity of the Power Station as a result of that de-rating (taking into account the Contracted Capacity of any Unit which has yet to be Commissioned);
- (c) The Company shall not be permitted to declare the Available Capacity of the Unit or if the Power Station has been commissioned, the Power Station at a level greater than its Tested Capacity; and
- (d) The Availability Factor of the de-rated Unit and the Power Station shall be calculated by reference to the reduced Contracted Capacity;



in each case with effect from the Unit's (or the Power Station's, as relevant) Commissioned Date and the CSPTradeco shall have the right to claim from the Company any excess Tariff Payments that they may have made to the Company.

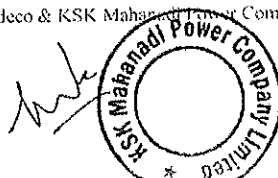
(ii) The consequences mentioned in sub-Article (i) above shall apply for a period of one (1) year from the date of the Unit's or Power Station's Commissioned Date, as the case may be. If at the end of such one (1) year period, the Tested Capacity is less than the Contracted Capacity (as existing on the date of this Agreement), the consequences mentioned in Article-4.2.7 shall apply but this time with respect to the Tested Capacity existing at the end of such one year period.

4.2.7 (i) If a Unit's or (if the Power Station has been commissioned), the Power Station's, current Tested Capacity as established by the Repeat Performance test and the Final Test Certificate issued by the Independent Engineer, is less than its Contracted Capacity, the Company shall not be permitted to declare the Available Capacity of the Unit or (if the Power Station has been commissioned), the Power Station, as the case may be, at a level greater than its Tested Capacity and the CSPTradeco may elect to require the Unit or the Power Station (if the Power Station has been commissioned), to be de-rated for a minimum period of one (1) year or till such time as a Performance Test shows an increase in Tested Capacity, whichever is later, in which case :

- (a) the Unit's or (if the Power Station has been commissioned) Power Station's Contracted Capacity shall be reduced to its Tested Capacity;
- (b) the Capital Charge shall be reduced in proportion to the reduction in the Contracted Capacity of the Power Station as a result of that de-rating (taking into account the Contracted Capacity of any Unit which has yet to be Commissioned); and
- (c) the Availability Factor of the de-rated Unit and the Power Station shall be calculated by reference to the reduced Contracted Capacity;

in each case with effect from date on which the CSPTradeco first notified the Company of their intention to carry out a Repeat Performance Test on the Unit or (if the Power Station has been commissioned) on the Power Station, as the case may be.

(ii) The consequences mentioned in sub-Article (i) above shall apply for a period of one (1) year from the date on which the Unit's or (if the Power



Managing Director,
CSP TRAD CL, Raipur

Station has been commissioned), the Power Station's Tested Capacity is determined to be less than its Contracted Capacity. If at the end of such one (1) year period, the Tested Capacity is less than the Contracted Capacity (as existing on the date of this Agreement), the consequences mentioned in sub-Article - (i) shall apply but this time with respect to the Tested Capacity existing at the end of such one year period.

- 4.2.8 If a Unit's or Power Station's Tested Capacity at the end of the Initial Performance Retest Period is found to be more than its Contracted Capacity, the Contracted Capacity shall be deemed to be the Unit's or Power Station's Tested Capacity for all purposes.

Provided further that the Tested Capacity in excess of the Contracted Capacity, shall be ignored for all purposes of this Agreement.

4.2.9 Costs Incurred

The Company expressly agrees that all costs incurred by him in Synchronizing, connecting, Commissioning and / or Testing or Retesting a Unit or the Power Station as a whole shall be solely and completely to his account and the CSPTradeco's liability shall not exceed the Variable Charges for such Power Output, as set out in Schedule- 6.

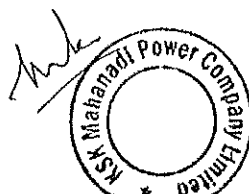
4.2.10 Scheduled COD:

The company undertakes to achieve Commercial Operation Date (COD) as under: (i) Unit -3 - by 14th August,2013 ; (ii) Unit - 4 - by 28th February,2014; (iii) Unit - 2 - by 31st December,2014; (iv) Unit - 5 - by 31st May,2015; (iii) Unit - 1 - by 31st October,2015; (iii) Unit - 6 - by 31st March,2016;

The Company shall achieve Commercial Operation Date as mentioned above. However, considering COD as above, the Company shall not be relieved from the payment of transmission charges payable to PGCIL/CSPTCL or any other agency by the CSPTradeco for the delay in COD from the date mentioned in BPTA/TSA, if any.

4.3 Purchase and sale of Contracted Energy:

- 4.3.1 Subject to the terms and conditions of this Agreement, the Company undertakes to sell to the CSPTradeco and the CSPTradeco undertakes to purchase the Contracted Energy and pay the Tariff in accordance with this Agreement for the Scheduled Energy supplied to CSPTradeco from the Project at the Delivery Point.



Managing Director,
CSP TRAD CL, Raipur

The title and risk to the Contracted Energy shall pass from the Company to the CSPTradeco at the Delivery Point

- 4.3.2 Unless otherwise instructed by the CSPTradeco, the Company shall sell all the Contracted Energy to CSPTradeco.

4.4 Right to Contracted Energy:

- 4.4.1 The Company shall be under obligation to supply the Contracted Energy to CSPTradeco and the CSPTradeco undertakes to purchase power up to the Contracted Energy at the Tariff determined in accordance with Article-8.1. The Term of this Agreement shall expire on the day the Power Station is de-commissioned and ceases to operate forever.

- 4.4.2 The Contracted Energy to be provided at Energy Charge shall be computed based on scheduled generation of the Power Station. The quality of such power shall be firm power and at no time the Company shall be supplying such power less than ninety percentage (90%) of the percentage of the Contracted Energy. Further such percentage shall not be more than one hundred and ten percentage (110%) during the off-peak periods. The off-peak period shall be notified by the Appropriate Commission from time to time. The above conditions are subject to the regulations of CBRC and the provisions of Grid Code.

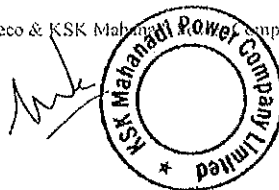
- 4.4.3 CSPTradeco has exclusive rights to procure & re-sell such power to any other party directly or through power exchange or any other agency engaged in the business of trading & distribution of electricity.

- 4.4.4 Subject to other provisions of this Agreement, the entire Contracted Energy shall at all times be the exclusive right of the CSPTradeco to purchase the Contracted Energy from the Company. The Company shall not grant to any third party or allow any third party to obtain any entitlement to the Contracted Energy.

- 4.4.5 Notwithstanding Article 4.4.4, in the event the CSPTradeco fails to despatch all or part of the Contracted Energy at any time, the Company shall be at liberty to sell such non despatched Contracted Energy to third parties. For any such third party sale, all open access charges including losses shall be payable by such third party as per regulations (s) of the Appropriate Commission(s).

4.4.6 Consequences of sale under Clause 4.4.5 :

In the event the Company sells power under the provisions of Article 4.4.5, the following conditions shall apply :



Managing Director,
CSP TRAD CL, Raipur

- (i) the sale price realized by the Company in excess of Variable Charges, shall be shared by the Company and the CSPTradeco in equal ratio. The Company shall maintain accounts and provide all details regarding cost of sale etc. to CSPTradeco in respect of such sales under Clause 4.4.5. In the event, the Company sells such Contracted Energy to any direct or indirect Affiliate of the Company/ shareholders of the Company the same shall be on arms length basis without any preference being given.
- (ii) where the sale under Clause 4.4.5 by the Company is consequent to a notice issued by the CSPTradeco to the Company indicating its unwillingness to purchase the Contracted Energy or part thereof for a period specified in such notice, the CSPTradeco shall be entitled to request the Company for the resumption of supply of the Contracted Power at any time, however, the Company shall not be under obligation to resume such supply earlier than the period specified in the said notice.

4.4.7 The sale under Unscheduled Interchange shall not be considered as sale to third party for the purposes of this Agreement.

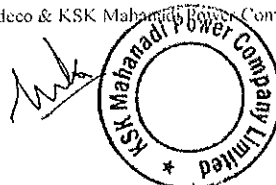
4.4.8 In the event, Company fails to supply Contracted Energy after the declared CoD of any of the Unit(s), then Company shall pay, as the case may be, the compensation for the power purchased by CSPTradeco from any other source in lieu thereof or reimburse the compensation payable by CSPTradeco to its purchaser of such Contracted Energy.

4.4.9 In the event, Company fails to supply Contracted Energy to CSPTradeco and it is subsequently noticed that Company has sold such Contracted Energy to any other third party without consent of CSPTradeco, then the Company shall pay to CSPTradeco the amount of Financial Gain received on such sale.

4.4.10 In the event CSPTradeco fails to schedule the Contracted Energy in full or in part, then UI (Unscheduled Interchange) charges received for such power by the Company, shall be paid to CSPTradeco by the Company.

4.5 Liquidated damages for delay in providing Contracted Energy

4.5.1 If the Company is unable to Commission any Unit or the Power Station as a whole by the Scheduled COD other than for the force majeure reasons, the Company shall pay to CSPTradeco liquidated damages as per Article 4.5.3, for the delay in such Commissioning and not making the Contracted Energy available for despatch by the Scheduled COD, without, in any manner, affecting the other rights of the CSPTradeco.



Managing Director,
CSP TRAD CO, Raipur

Provided that the Company shall have the option to supply power from any alternative generation source from the Scheduled COD for a period not exceeding twelve (12) months at a tariff not exceeding the Tariff.

Provided further, supply of power from such alternative generation source in the twelve (12) Months period shall not be less than the Contracted Energy.

- 4.5.2 The Company shall be liable to bear all the transmission and other incidental charges, including but not limited to application fees for open access, RLDC/SLDC charges, etc., applicable from the alternative source of power supply up to the Delivery Point.
- 4.5.3 The liquidated damages payable by the Company to the CSPTradeco shall be calculated considering for the purpose of this clause that CSPTradeco has contracted for 5% or 7.5% as the case may be, of the Aggregate Capacity proposed to be established and as follows:

If $dn \leq 60$ days, then the liquidated damages shall be calculated as follows:

$SLDb = [CCun \times dn \times DR1] \times 5\% \text{ or } 7.5\% \text{ as the case may be [contracted percentage of energy]}$

If $dn > 60$ days, then the liquidated damages shall be calculated as follows:

$SLDb = \{[CCun \times 60 \times DR1] + [CCun \times (dn - 60) \times DR2]\} \times 5\% \text{ or } 7.5\% \text{ as the case may be [contracted percentage of energy]}$

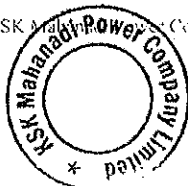
Where:

"SLDb" is the liquidated damages payable by the Company during the period beginning with the day from the Scheduled COD or from the end of continuous period of supply from the alternative generation source or for the period during which the Availability from the alternative generating source is less than the Normative Availability, as the case may be, up to and including the day on which supply of power to the CSPTradeco actually commences from the generation source as provided in this Agreement;

"CCun" is the Aggregate Capacity of the relevant Unit "n";

"dn" is the number of days in the period beginning with the day after the Scheduled COD, of Unit "n" up to and including the day on which such Unit is actually Commissioned;

"DR1" is Rupees Ten Thousand (Rs. 10,000) of damages per MW per day of delay in case "d" is equal to or less than 60 days and "DR2" is Rs. Fifteen



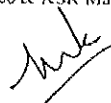
Managing Director,
CSP TRAD CL, Raipur

Thousand (Rs. 15,000) of damages per MW per day of delay in case "d" is more than 60 days. The amount so determined shall be paid by the Company without any demur and it agrees to pay the same unequivocally and unconditionally in the manner provided herein.

- 4.5.4 The Company shall pay the amount calculated pursuant to Article 4.5.3 to the CSPTradeco within ten (10) days of the amount becoming due.
- 4.5.5 If the Company fails to pay the amount of damages within the said period of ten (10) days, the CSPTradeco shall be entitled to recover the said amount of the liquidated damages by invoking the Contract Performance Guarantee. If the then existing Contract Performance Guarantee is for an amount which is less than the amount of the liquidated damages payable by the Company to the CSPTradeco under this Article-4, then the Company shall be liable to forthwith pay the balance amount within ten (10) days of the invocation of the Contract Performance Guarantee by the CSPTradeco.
- 4.5.6 The Parties agree that the formula specified in Article 4.5.3, for calculation of liquidated damages payable by the Company under this Article-4 is a genuine and accurate pre-estimation of the actual loss that will be suffered by the CSPTradeco in the event of the Company's delay in starting supply of power by the Scheduled COD.
- 4.5.7 In addition, the charges payable by the CSPTradeco to the CTU/STU/any other transmission agency (as the case may be) for the period of delay of COD, as per the terms of agreement entered into by the CSPTradeco with CTU/STU/any other transmission agency for establishment of transmission system and/ or transmission services beyond the Delivery Point, shall also be payable by the Company to CSPTradeco.
- 4.5.8 In the event COD is delayed by the company or the project is permanently abandoned, then this agreement shall be terminated with liability of payment of transmission charges payable by the CSPTradeco to PGCIL/STU and / or to any other transmission service provider.
- 4.5.9 In the event company fails to achieve the scheduled COD for any reason whatsoever and it is found that company has declared COD of the Power Station or any of the Unit(s) of the said Power Station then CSPTradeco shall be entitled to avail the energy as per Article- from the date of revised COD.

4.6 Delivery Point:

- 4.6.1 The Company will sell the Contracted Energy to CSPTradeco at the outgoing gantry of the 400 KV bus of Power Station switchyard.



- 4.6.2 The Contracted Energy shall be evacuated through dedicated transmission line constructed and owned by the Company, which shall be connected to the existing/proposed WR transmission system owned by CTU/Transmission system owned by STU from the bus bar of Power Station of the Company.
- 4.6.3 For Transmission of the Contracted Energy from the bus bar of Power Station of the Company upto connecting point of CTU, the wheeling charges for utilization of Company's transmission line shall be payable by CSPTradeco to the Company.

4.7 System of Supply

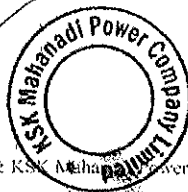
The supply of Contracted Power to CSPTradeco shall be at nominal frequency of 50 Hertz and at a potential of 400 KV subject to variation limits permitted by the Indian Electricity Grid Code applicable for the transaction, as amended from time to time. Both the Parties shall ensure compliance to the directions, if any, of the SLDC/RLDC, as applicable for maintaining the Grid Discipline.

4.8 Non performance of obligation

After the Commercial Operation Date, except Force Majeure conditions, if the Contracted Energy is not made available in full or part thereof by the Company as per the terms of this Agreement to CSPTradeco for reasons attributable to the Company for a period equal to or more than Two (2) continuous months or non-continuous four (4) months in a Financial Year, then it shall be treated as a Company Event of Default as per Article 15.1 of this Agreement.

In addition to the above, for every additional day, of non supply of power by the Company to CSPTradeco, beyond the period specified in the para above of this Article, the Company shall pay a penalty to CSPTradeco for the amount equivalent to the Energy Charges (in Rs.) corresponding to the Contracted Energy that would had been drawn in normal conditions on such day by CSPTradeco.

Further, the Company shall also pay to the CSPTradeco liquidated damages which shall be equivalent to the damages payable by the CSPTradeco to the CTU/STU or any other agency (as the case may be) for the period of delay, as per the terms of agreement entered into by the CSPTradeco with CTU/STU or any other agency for establishment of transmission system and/ or transmission services beyond the Delivery Point.



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5. ARTICLE-5: SYNCHRONISATION AND COMMERCIAL OPERATION

5.1. Synchronisation

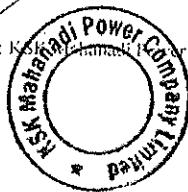
- 5.1.1. The Company shall give CSPTradeco, the SLDC and RLDC at least sixty (60) days advance written notice intimating the Scheduled Synchronization Date i.e. the date on which the Company intends to synchronize a Unit to the Grid System. Any final date proposed by the Company that is earlier than the Scheduled Synchronization Date, shall be subject to written consent of CSPTradeco.
- 5.1.2. Subject to Article- 5.1.1, a Unit may be synchronised by the Company to the Grid System when it meets all connection conditions prescribed in the Grid Code then in effect and otherwise meets all other Indian legal requirements for synchronisation to the Grid System.

5.2. Appointment of Independent Engineer

- 5.2.1. The Company shall appoint an Independent Engineer for the purposes of carrying out the functions as specified in, Article 5, at least twelve (12) months prior to Scheduled COD of the first Unit.
- 5.2.2. The Independent Engineer shall be appointed by the Company from the panel of competent firms as agreed to between the Company and CSPTradeco.
- 5.2.3. The fees and expenses payable to the Independent Engineer shall be borne by the Company.

5.3. Testing and Commissioning

- 5.3.1. The Company shall be responsible for ensuring that each Unit(s) is commissioned at its own cost, risk and expense in accordance with the procedures enumerated in the Grid Code, Prudent Utility Practices, and comply with the directions of the SLDC / RLDC.
- 5.3.2. The Company shall give the CSPTradeco and the Independent Engineer not less than thirty (30) days prior written notice of Commissioning Test of each Unit.
- 5.3.3. The CSPTradeco shall be entitled to designate its authorised representative to witness and monitor Commissioning Test of each Unit.
- 5.3.4. Testing and measuring procedures applied during each Commissioning Test shall be in accordance with the codes, practices and procedures mentioned in the



contract with the EPC contractor, and operating manuals of the original equipment manufacturer.

- 5.3.5. Within seven (7) days of a Commissioning Test, the Company shall provide the CSPTadeco copies of the detailed Commissioning Test results.

5.4. Commercial Operation

- 5.4.1. A Unit shall be Commissioned on the day after the date when the Final Test Certificate is issued by an independent engineer witnessing that:

- (a) the Commissioning Tests have been carried out in accordance with the provisions of Article 5.3; and are acceptable to him; and
- (b) the results of the Performance Test show that the Unit's Tested Capacity, is not less than ninety five (95) percent of its Aggregate Capacity.

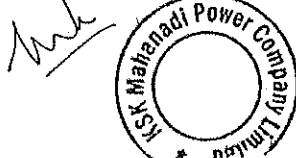
- 5.4.2. If a Unit fails a Commissioning Test, the Company may retake the relevant test, within a reasonable period after the end of the previous test, with three (3) day's prior written notice to the CSPTadeco. The procedure for conducting such repeat tests shall be in accordance with Article 5.6 The Company shall have a right to repeat the Commissioning Test(s) two (2) times and the Aggregate Capacity of the Unit(s) shall be determined based on the most recent Commissioning Test.

- 5.4.3 Based on the most recent Commissioning Test carried out as per Article-5.4.2, if:

- 5.4.3.1 If the Tested Capacity is less than the Aggregate Capacity of the Unit or the Power Station, as the case may be, then:

- (a) Such Tested capacity of the Unit or the Power Station, as the case may be, shall be the installed capacity and accordingly the Contracted Capacity of the CSPTadeco shall be reduced proportionately.
- (b) The Availability Factor thereafter shall be calculated by reference to the reduced Contracted Capacity.
- (c) The Capacity Charge for such reduced Contracted Capacity shall be determined by the Appropriate Commission.
- (d) The Net Capacity shall be reckoned with reference to such reduced Installed Capacity.

- 5.4.3.2 If the Installed capacity is greater than or equal to the Aggregate Capacity of the Unit or Power Station, as the case may be, the Installed Capacity of the Unit or Power Station, as the case may be, shall be the Aggregate Capacity.



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CSP TRAD CL, Raipur

5.5. Disputes over Test results

- 5.5.1. The Test results and the Tested Capacity certified by the Independent Engineer under Article 5.3 shall be binding on the CSPTradeco.
- 5.5.2. If the Company or CSPTradeco disputes the Test results and Tested Capacity certified by the Independent Engineer under Article 5.3 ("Dispute"), it shall issue a notice to this effect to the Independent Engineer and the CSPTradeco. The Independent Engineer shall, within seven (7) days of receipt of the Company's notice, issue its expert opinion justifying its position and thereafter, the Company, Procurer and the Independent Engineer shall meet within seven (7) days at a mutually acceptable location to discuss and resolve the Dispute, within fourteen (14) days. In the event the Dispute cannot be resolved as above, the Company may refer the Dispute under the dispute resolution mechanism to be provided under the agreement appointing the Independent Engineer.

Pending the resolution of the Dispute, as above, the Procurer shall pay the Capacity Charges as per the certificate issued by the Independent Engineer under Article-5.3, subject to the final resolution of the Dispute.

5.6. Repeat Tests

- 5.6.1. Upon conclusion of a Performance Test, the Company shall be entitled to repeat any such test ("Repeat Test") upon issue of a notice to Procurer, and the Performance Tests shall be repeated; Provided that the Company shall not be entitled to perform more than two (2) Repeat Tests. The highest results of the Commissioning Test or Repeat Tests as the case may be, shall be the conclusive Test results for purposes of this Agreement. The Company shall give the Procurer and the Independent Engineer three (3) days' prior written notice of the date on which a Repeat Test will commence. Provided however, the Procurer/Independent Engineer shall have the right to require the deferment of any such Repeat Test for a period not exceeding seven (7) days.

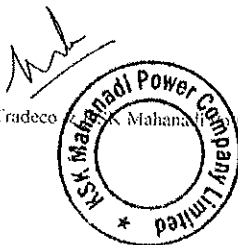
5.7. Costs of Tests

- 5.7.1. The Company expressly agrees that all costs incurred by it in synchronising, connecting, Commissioning and / or Testing or retesting a Unit shall be solely and completely to its account and the CSPTradeco's liability shall not exceed the amount of the Energy Charges payable for such Electrical Output.

5.8. Commercial Operation Date

- 5.8.1. In the event that the actual COD of a Unit(s) occurs prior to the Scheduled COD, of the said Unit(s), and the CSPTradeco is:

PPA for 5%/7.5% between CSPTradeco



KSH Mahanadi Power Company Ltd.

Managing Director,
CSP TRAD CL, Raipur

Page 33

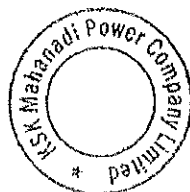
- 5.8.1.1. able to cause off-take of the Contracted Energy from such Unit(s) commencing from the day on which the said Unit(s) is Commissioned, such earlier date shall be taken as COD of the said Unit(s), or
- 5.8.1.2. able to cause off-take of Contracted Energy from the said Unit(s) commencing from the day falling between:
- (a) the day on which the Unit(s) is Commissioned: and
 - (b) the Scheduled COD of the said Unit(s).

If CSPTadeco at its discretion opts for taking electricity from an earlier date to Schedule Commercial Operation Date such earlier date of off-take shall be taken as COD of the said Unit.

- 5.8.2 In the event that the actual COD of a Unit occurs after the Schedule COD, of such Unit, the Company shall be liable to pay liquidated damages in terms of the conditions set out in Article-4.

5.9 Expansion – Increase of Installed Capacity

In the event if at any time the Company expands the Installed Capacity of the Power Plant beyond the Installed Capacity defined in this Agreement the Company shall offer to the CSPTadeco 5%/7.5% (as the case may be) of such expanded or increased capacity on the same terms and conditions as contained in this Agreement and the provisions of this Agreement shall apply mutatis mutandi to such additional capacity.



Managing Director,
CSP TRAD CL, Raipur

6. ARTICLE - 6: OPERATION AND MAINTENANCE

6.1 Operation and Maintenance of the Power Station:

- 6.1.1 The Company shall be responsible at its own expense for ensuring that the Generating Station is operated and maintained in accordance with all legal requirements, including the terms of all Consents, Clearances and Permits, Prudent Utility Practices, and in particular, the Grid Code, so as to meet its obligations under this Agreement and so as not to have an adverse effect on the Grid operation.

6.2 Scheduling & Dispatch:

- 6.2.1 The Company and CSPTradeco shall furnish their generation schedule & drawl schedule respectively in accordance with the scheduling & dispatch procedures specified by the RLDC from time to time under the Grid Code/CERC Regulation as amended from time to time, including provisions relating to the implementation of Availability Based Tariff (ABT), in so far as it relates to the matters connected with Scheduling & Dispatch and Prudent Utility Practices.

6.2.2 Availability, Scheduling and Despatch

If the Company offers the Contracted Energy, in part or fully, to any third party, the Company agrees to and acknowledges the CSPTradeco's right to instruct the RLDC/ SLDC, as the case may be, not to schedule such power to any third party. In the event of RLDC/SLDC, as the case may be, fails to accede such requests made by CSPTradeco, then the Company shall be required to indemnify all the losses resulting from such scheduling of Contracted Energy to any third party.

The Company further agrees and waives any and all objections or claims in respect of such right or any other legal remedy including but not limited to seek specific performance of this Agreement, the CSPTradeco may have under the Law with respect to such default of the Company.

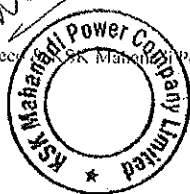
- 6.2.3 In the event of a Forced Outage, the Company shall inform, in writing, to the concerned RLDC and CSPTradeco, the reasons and the details of occurrence of such Forced Outage. The Company shall further inform about the nature of the work to be carried out, the estimated time required to restore the supply and the latest time by which in its opinion the work should begin, consistent with the Prudent Utility Practices.



6.3 Scheduled Outages:

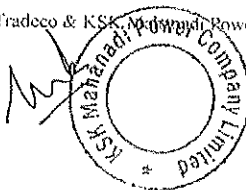
- 6.3.1 Not later than November, 30 in each year (or by such other date as the CSPTradeco may jointly from time to time prescribe for the submission of outage plans from generating companies connected to the Grid System), the Company shall submit to the CSPTradeco in writing its firm proposals for the Scheduled Outages to be taken in the next Contract Year and its provisional proposals for Scheduled Outages in each of the next two (2) succeeding Contract Years.
- 6.3.2 Within two (2) months after receiving the Company's proposals, the CSPTradeco shall notify the Company in writing whether its proposed Scheduled Outages for the forthcoming one (1) Contract 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.
- 6.3.3 The Company may only object to a Scheduled Outage proposed by the CSPTradeco on the grounds that it would be inconsistent with the requirement of Article - 6.3.2. 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 CSPTradeco. 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 CSPTradeco, the matter shall be resolved in accordance with Article -16.
- 6.3.4 The Scheduled Outages accepted by the CSPTradeco or agreed to by the Company pursuant to Article-6.3.3 shall be confirmed to the extent that they relate to the next Contract Year and shall be provisional to the extent that they relate to subsequent Contract Years. Provisionally confirmed Scheduled Outages, may be changed, by any Party for good cause.
- 6.3.5 In an Emergency, CSPTradeco 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, including damages payable or liability incurred in respect of the other Procurer who has not requested an emergency rescheduling of a confirmed Scheduled Outage.

PPA for 5%/7.5% between CSPTradeco and KSK Mahanadi Power Company Ltd.



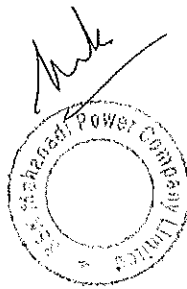
Managing Director,
CSP TRAD CL, Raipur

- 6.3.6. The CSPTradeco 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 6.3 so as to minimise any disruption to the operation of the Project.
- 6.3.7 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 CSPTradeco to utilise the full amount of the Power Station's Declared Capacity and the CSPTradeco, in their sole discretion, choose to accept the Electrical Output made available during such Settlement Period.
- 6.3.8 The Company shall, on a year-ahead basis, furnish to the RLDC, its planned outage programme as per the RLDC outage planning process for the next Financial Year under the Grid Code. The Company shall also give a copy of such outage programme to CSPTradeco so that it can plan its power procurement in advance.
- 6.3.9 The Company will adhere to the Planned Outage schedule agreed to by the RLDC and as modified from time to time by the RLDC.
- 6.4 **Coordination among Parties:**
- 6.4.1 The Parties herein agree that the issues relating to interconnection, evacuation, transmission facilities and issues related to inter-utility metering, and coordination with the Grid System will be decided and mutually settled between the Parties or as per any agreements executed between them and subsequently, on not being able to reach on a mutual agreement, shall be dealt with according to the Grid Code.
- 6.5 **Maintenance of Records:**
- 6.5.1 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;



Managing Director,
CSP TRAD CL, Raipur

- (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.
- 6.5.2 All records maintained pursuant to this Article 6.5.1 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 party or at any time during the continuation of any dispute in respect of any matter to which such records relate.
- 6.5.3 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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CSP TRAD CL, Raipur

7. ARTICLE- 7: METERING AND ENERGY ACCOUNTING

7.1 Inter-connection point and boundary:

7.1.1 The Parties agree that the inter-connection boundary between Company's Generating Station and CSPTradeco shall be the outgoing feeder gantry of the Power Station switchyard. The switchyard associated with the Generating Station and the Dedicated Transmission Line for interconnection with the Interstate Transmission System shall be under the control of Company.

7.1.2 The Parties herein agree that, at any subsequent date after signing this Agreement, any change in above arrangement of inter-connection boundary and / or in operation and control of switchyard associated with the Generating Station of Company, effected as per orders of the CERC and agreed through mutual agreement between Company and CSPTradeco shall automatically apply to this Agreement and such agreement shall become part of this agreement.

7.2 Interface Metering Points:

7.2.1 The meters for measurement of Contracted Energy for the purpose of energy accounting and/or billing shall be provided at the Inter-connection Point(s) of the Company's Generating Station.

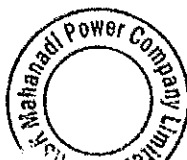
7.2.2 Main Meters & Check Meters at the Interconnection Point(s) shall be owned and maintained by Company. The safety and custody thereof shall also be the responsibility of the Company.

7.3 Inspection and Testing of Meters:

The Company agrees that the installation of Meters, Meter testing, Meter calibration, Meter reading, sealing, inspection, maintenance and all matters incidental thereto, shall be in accordance the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, the Grid Code and ABT as amended and revised from time to time or any other Law in force at the relevant point of time.

7.4 Meter Reading:

7.4.1 Meters for measuring the energy flow for the purpose of energy accounting and billing shall be programmed so as to register and store the readings from 00.00 hrs of the first day of the current month to 00.00 hrs of the first day of the subsequent month. Joint monthly meter readings of the meters for the purpose of billing shall be taken / downloaded simultaneously by both the Parties on the first day of the subsequent month and confirmation signed by the authorised representatives of the



Managing Director,
CSP TRAD CO, Raipur

Company & CSPTradeco. No notice is required to be issued for monthly joint meter readings. In case any of the above parties is not able to attend the joint meter readings at the specified time, the meter readings taken by the other party (ies) shall be considered conclusive and binding on other party (ies), unless a written objection is filed by the Party, who failed to attend the joint meter readings, within seven (7) days of communicating such readings to them.

- 7.4.2 Any dispute between the Parties in relation to metering, billing and settlement shall be resolved in accordance with provisions of the Article-16 of this Agreement.
- 7.4.3 The Company and CSPTradeco shall be entitled to have access to the metering data from the metering installation related to the Power Station and the Delivery Point through appropriate technology for their use.
- 7.4.4 Notwithstanding anything contained in this Agreement the Parties hereby agree that the installation, testing, calibration, collection and transmission of meter output including its periodicity etc shall be in accordance with the provisions of IEGC and orders of RLDC from time to time.

7.5 Energy Accounting:

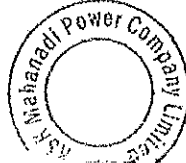
The energy accounting shall be in accordance with the provisions of the Grid Code or any other change in methodology of energy accounting as decided by the RPC. The RPC secretariat or other appropriate agency will issue Regional Energy Accounts (REA) based on the data provided by the RLDC and output of the Main Meters and Check Meters delivered by the Company pursuant to this Article and such REAs shall be subject to subsequent corrections. The REA as finalized shall be binding on the Parties.

7.6 Transmission Loss

All applicable transmission losses associated with the supply of Contracted Energy by the Company under this Agreement shall be borne by CSPTradeco including the transmission losses, if any, applicable to Generator up to the Delivery Point and levied in accordance with CERC regulation "Point of Connection & Transmission charges".

As Dedicated Transmission Line of the Company shall be utilized for transmission of CSPTradeco power from point of supply to pooling sub-station of PGCIL, the transmission losses between the outgoing gantry of Power Station of the Company & pooling sub-station of PGCIL shall be shared by the Company and CSPTradeco in the ratio of their share of power being transmitted.

PPA for 5%/7.5% between CSPTradeco & KSK Mahanadi Power Company Ltd.



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CSP TRAD CL, Raipur

8. ARTICLE- 8: APPLICABLE TARIFF

8.1 Applicable Tariff:

- 8.1.1 Both the Parties agree that the Tariff for supply of Contracted Energy to CSPTradeco from the Generating Station of the Company under this Agreement shall be determined in accordance with CERC Regulations from time to time and approved by the Appropriate Commission and shall be calculated as per Schedule-6 hereof.

Provided that if any difficulty arises in getting approval of tariff by the appropriate Commission, the same shall be determined as per CERC Tariff Regulation as amended from time to time, by :

(a) a mutually agreed reputed Consultant (Cost Accountant), or

(b) a Committee of three experts constituted as under:-

- (i) one expert on the subject to be nominated by the Company,
- (ii) one representative to be nominated by the CSPTradeco,
- (iii) third person to be selected by the above mentioned nominees of the Company & CSPTradeco.

- 8.1.2 In case the Tariff is not determined prior to the commencement of commercial operation of the first generating Unit or the Power Station, as the case may be, the Parties agree to jointly work out an ad-hoc tariff based on the CERC's tariff regulation for the applicable period. Based on the ad-hoc tariff, the CSPTradeco shall make a provisional payment to the Company, subject to appropriate adjustment till the final tariff is determined in accordance with CERC Regulations and approved by the Appropriate Commission.

Provided further that if the Company is a party to the second part, enters into any contract for the sale of electricity at a price below the price determined by the appropriate Commission as the governing price of this Power Purchase Agreement payable by the CSPTradeco then on and from the date of such agreement (irrespective of the date of commencement of supply of electricity) the price at which electricity shall be made available to the CSPTradeco under this Power Purchase Agreement shall not exceed such lower price under the agreement referred to above.

Provided further that where there is more than one agreement under which electricity is being sold and / or supplied by the Company to any person, then the lowest price at which power is being supplied under any such agreement by the



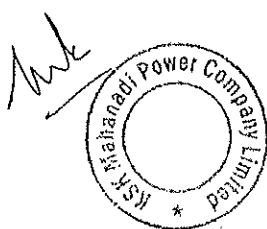
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CSP TRAD CO, Raipur

Company to any person shall be deemed to be the price at which electricity shall be purchased by the CSPTradeco under this Power Purchase Agreement.

Provided further that as and when agreements are entered into by the Company in which the price of supply is lower than the operative price then the operative price shall stand revised on and from the date of such agreement.

Provided further that the lower price of the agreement(s), already entered into by the Company prior to date of commencement of the Power Purchase Agreement executed with CSPTradeco, shall be deemed to be the price at which electricity shall be made available to the CSPTradeco under this Power Purchase Agreement.

- 8.1.3 The parties agreed that notwithstanding anything contained in Article - 8.1.2, if the Company enters into any agreement to supply power to any person at a rate below the tariff rate arrived at in accordance with Article - 8.1.2, then the operative price shall stand revised and shall be such lower price as has been agreed to by the Company for supply of power in the Supply Agreement with such other person. As and when agreements are entered into for supply of power by the Company to any person at prices which are succeeding lower than the price determined under Article - 8.1.2 or in prevailing agreement (which price is lower than the price determined under Article - 8.1.2), then the price under such succeeding agreement shall be deemed to be the operative price.
- 8.1.4 The operative price as determined in accordance with Article - 8.1.2 above or on the basis of an agreement for supply to any party other than CSPTradeco shall be deemed to be the operative price and all billing shall be on the basis of such operative price. The operative price shall be the variable price for supply of contracted power to CSPTradeco from the Generating station of the Company.
- 8.1.5 Infirm power shall be governed by the CERC regulations in force.
- 8.1.6 The records pertaining to Tariff determination so worked out shall be liable to be produced before the Comptroller and Auditor General of India, on demand.
- 8.2 **RLDC Charges:**
- 8.2.1 The applicable RLDC / SLDC charges for the Scheduled Energy shall be in accordance with the CERC Regulations as amended from time to time and shall be payable by the CSPTradeco to RLDC / SLDC.



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CSP TRAD CL, Raipur

9. ARTICLE - 9: BILLING AND PAYMENT

- 9.1 All charges under this Agreement shall be billed and paid in accordance with the following provisions:

From the Commercial Operation Date (COD) of the Project, CSPTradeco shall pay the Company the Tariff i.e. Energy Charges / Variable Charges determined in accordance with Article 8.1. The actual payment shall be made against the Monthly Bills issued by the Company for each Month. All Tariff payments by CSPTradeco shall be in Indian Rupees.

9.2 Monthly Bill:

- 9.2.1 The Company shall raise a Monthly Bill for each Billing Month on the basis of REA issued by WRPC and Tariff as applicable. For the purpose of UI bills prepared by the WRPC, weekly joint meter reading shall also be taken and sent to WRPC/WRLDC, as the case may be.

- 9.2.2 The Company shall issue the Monthly Bill by 5th day of the month subsequent to the month in which the supply was affected to CSPTradeco. The Bills shall be raised in the name of Designated Officer of CSPTradeco.

(a) Provided that if the COD of the first Unit falls during the period between the first (1st) day and up to and including the fifteenth (15th) days of a Month, the first Monthly Bill shall be issued for such period of the Month.

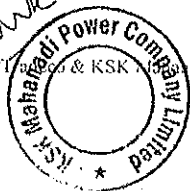
(b) Provided further that if the COD of the first Unit falls after the fifteenth (15th) days of a Month, the first Monthly Bill shall be issued for the period commencing from the COD of the first Unit until the last day of the immediately following Month.

- 9.2.3 Each Monthly Bill shall include:

- Availability and energy account for the relevant Month as per REA issued by appropriate competent authority which shall be binding on both the Parties for the purpose of billing.
- On the basis of the REA, the Company shall prepare and submit the bills to CSPTradeco along with supporting data, documents and calculations in accordance with this Agreement.

Notwithstanding any thing contained in this Article 9.2.3, the procedure for preparing bills shall be as under:

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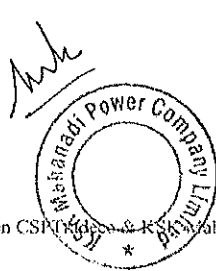
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CSP TRAD CL, Raipur

Out of the capacity declared by the Company, CSPTradeco is entitled for 5% of net power and additional 2.5% of net power in case coal block is allotted. The additional 2.5% of the net power shall be in proportion to the component of power generated utilizing coal from the captive coal block. This total energy shall be supplied at Energy variable Charge. Accordingly out of total electrical energy scheduled to CSPTradeco in the REA, the above 5% and / or 7.5% shall be charged at the Energy Charges/Variable Charges as determined in accordance with Article 8.1; net energy shall be worked out on annualised basis but billing shall be done on monthly basis.

- 9.2.4 The Company shall open a bank account at Raipur (the "Designated Account") for all Tariff payments to be made by CSPTradeco to Company, and notify CSPTradeco of the details of such account within three (3) months prior to the Scheduled COD. CSPTradeco shall instruct its respective banker(s) to make all payments under this Agreement to the Designated Account and shall cause its banker(s) to notify the Company of such payments on the same day. CSPTradeco shall also designate a bank account at Raipur for payments to be made by the Company, if any (including Supplementary Bills) to the CSPTradeco and notify the Company of the details of such account within three (3) months prior to the Scheduled COD.

9.3 Payments

- 9.3.1 CSPTradeco shall arrange payment of Bill(s) within the Due Date. The date of the payment shall be considered the date on which the amount has been credited to the Designated Account of the Company and shall be considered as the date of payment for computation of Rebate or Late Payment Surcharge payable, as the case may be.
- 9.3.2 All payments made by CSPTradeco shall be appropriated by the Company in the following order of priority towards:
- (i) Late Payment Surcharge, payable by the CSPTradeco, if any;
 - (ii) Earlier unpaid Monthly Bill, if any, and
 - (iii) Current Monthly Bill.
- 9.3.3 All payments required to be made under this Agreement shall include any deduction or set off for:



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CSP TRAD CL, Raipur

- a. Deductions required by the Law; and
- b. Amounts claimed by CSPTradeco from the Company through an invoice duly acknowledged by the Company to be payable by the Company and not disputed by the Company within thirty (30) days of receipt of the said invoice and such deduction or set off shall be made to the extent of the amounts not disputed. It is clarified that the Procurer shall be entitled to claim any set off or deduction under this Article, after expiry of the said thirty (30) day period; and
- c. Rebates provided under this agreement; and
- d. Adjustment in tariff required by the terms of this agreement but not reflected in the Monthly Bill.

9.4 Supplementary Bills:

- 9.4.1 Any amount due to either Party and payable by either Party under this Agreement other than amounts set out in a Monthly Bill shall be payable within thirty (30) days of presentation of the Supplementary Bill by either Party.

9.5 Rebate for prompt payment and Late Payment Surcharge:

- 9.5.1 CSPTradeco shall be eligible for a Rebate as per CERC Regulation as amended from time to time, which at present is two percent (2%), of the amount of Bill in case of any Bill paid by it to the Company through any mode of payment within seven (7) Business Days of Billing Date. In case of Bills paid by CSPTradeco after seven (7) Business Days of Billing Date but prior to the Due Date, CSP Tradeco shall be entitled for a Rebate of one percent (1%). Such Rebate shall be deducted from the amount of the Bill by CSPTradeco at the time of payment and the payment shall be made to the Company accordingly.
- 9.5.2 In case the payment of Bills is delayed by CSPTradeco beyond a period of thirty (30) days from the Due Date, a Late Payment Surcharge as per CERC Regulation as amended from time to time, shall be levied, on the outstanding amount for the period of delay, by the Company on CSPTradeco and such Late Payment Surcharge shall be payable by CSPTradeco to the Company in addition to the unpaid amount. The rate of Late Payment Surcharge at present is one point two five percent (1.25%) per month or part thereof,



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CSP TRAD CO, Raipur

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9.6 Disputed Bill:

- 9.6.1 If a Party does not dispute a Bill, raised by the other Party within thirty (30) days of its receipt, such Bill shall be taken as conclusive, and final.
- 9.6.2 If a Party disputes the amount payable under a Monthly Bill or a Supplementary Bill, that Party shall, within thirty (30) days of receiving such Bill, issue a notice (the "Bill Dispute Notice") to the invoicing Party setting out:
- i) Details of the disputed amount; its estimate of what the correct amount should be; and
 - ii) All written material in support of its claim.
- 9.6.3 If the invoicing Party agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article-9.6.2 the invoicing Party shall revise such Bill within seven (7) days of receiving such notice and if the disputing Party has already made the excess payment, refund to the disputing Party such excess amount within fifteen (15) days of receiving such notice. In such a case excess amount shall be refunded along with interest at the same rate as Late Payment Surcharge which shall be applied from the date on which such excess payment was made to the invoicing Party and up to and including the date on which such payment has been received as refund.
- 9.6.4 If the invoicing Party does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article-9.6.2, it shall, within fifteen (15) days of receiving the bill dispute notice, furnish a notice to the disputing Party providing:
- i) Reasons for its disagreement;
 - ii) Its estimate of what the correct amount should be; and
 - iii) All written material in support of its counter-claim.
- 9.6.5 Upon receipt of notice of disagreement to the Bill Dispute Notice one Director of the Board of Directors of each Party shall meet and make best endeavours to amicably resolve the Dispute within fifteen (15) days of receiving such notice of disagreement to the Bill Dispute Notice.



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CSP TRAD CL, Raipur

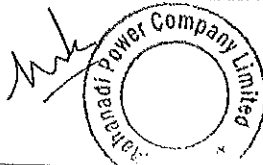
- 9.6.6 If the Parties do not amicably resolve the Dispute within fifteen (15) days of receipt of notice of disagreement to the Bill Dispute Notice pursuant to Article - 9.6.4, the matter shall be referred to Dispute Resolution in accordance with Article-16.3 of this Agreement.
- 9.6.7 Notwithstanding the Bill Dispute Notice issued pursuant to this Article undisputed amount under the Monthly Bill or supplementary Bill shall be paid by the Party which has received the Bill, by the Due Date. .
- 9.6.8 If a Dispute regarding a Monthly Bill or a Supplementary Bill is settled by authorised representative(s) of each Party mentioned under Article- 9.6 or by Dispute resolution mechanism provided in accordance with Article-16.3 of this Agreement in favour of the Party, which issued a Bill Dispute Notice, the other Party shall refund the amount, if any incorrectly charged and collected from the disputing Party or pay as required along with interest. Such interest shall accrue on day to day basis for the period between the date of payment of the disputed Bill and receipt of refund in the Designated Account of the relevant Party at a rate equal to the Late Payment Surcharge, within ten (10) days of the settlement of the Dispute.

9.7 Quarterly and Annual Reconciliation

- 9.7.1 Parties acknowledge that all payments made against Monthly Bills, and Supplementary Bills shall be subject to quarterly reconciliation at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year to take into account Regional Energy Accounts / State Energy Accounts (as applicable), tariff adjustment payments, Rebates, Late Payment Surcharge, etc. or any other reasonable circumstance provided under this Agreement. The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the Company and CSPTradeco shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the Company or CSPTradeco, as the case may be, shall raise a Supplementary Bill for the tariff adjustment payments for the relevant quarter/ Contract Year and shall make payment of such Supplementary Bill for the tariff adjustment payments for the relevant quarter/Contract Year. Late Payment Surcharge shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable.

9.8 Statutory Duties, Taxes, Cesses, Levies, fees and other charges

The Tariff determined in accordance with CERC Regulations does not include any Electricity Duty / Cess or other such levy by the State Government, currently applicable on the generation and/or sale of electricity and shall, if levied, be



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CSP TRAD CL, Raipur

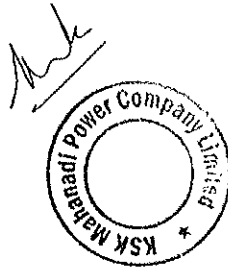
payable by CSPTradeco to the Company notwithstanding anything contained in this Agreement contrary to this provision.

The Tariff determined pursuant to the other provisions of this Article-9 does not include any charges payable to the SLDC/RLDC, cost of transmission charges, licence fees, etc beyond the Delivery Point, all such charges shall be borne by CSPTradeco.

Transmission charges and Transmission losses as applicable to the Generator in accordance with the CERC Regulations shall be borne by the CSPTradeco in addition to the transmission charges and losses applicable beyond Delivery Point.

9.9 Start up power

The Company shall be responsible for taking Start Up Power from the Distribution licensee or from any other legally permitted source and making payment thereof in accordance with law.

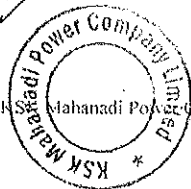



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10. ARTICLE- 10: PAYMENT SECURITY MECHANISM:

10.1 Letter of Credit:

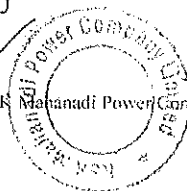
- 10.1.1 CSPTradeco shall establish an unconditional, irrevocable and revolving Letter of Credit (LC) in favour of the Company. The LC shall revolve, only if operated. The Letter of Credit shall be opened with any scheduled commercial bank agreeable to the Company within 15 days prior to scheduled COD. The Company shall send prior intimation of scheduled COD to the CSPTradeco at least 30 days in advance.
- 10.1.2 The Letter of Credit established by CSPTradeco shall:
- (i) On the date it is issued, have a term equal to twelve (12) months and shall be renewed annually;
 - (ii) Be of a value equivalent to one hundred and five percent (105%) multiplied by one (1) month estimated / average billing (The average billing shall be computed on the basis of estimated energy supply at 85% load factor by the Company;
- 10.1.3 The amount of LC shall be reviewed on the basis of Tariff payments made for the previous one year by CSPTradeco to the Company, on the first day of April of each year for determination of the average monthly billing and its amount shall be enhanced / reduced accordingly.
- 10.1.4 All costs relating to opening and maintenance of the Letter of Credit shall be borne by CSPTradeco; however, the Letter of Credit negotiation charges shall be borne and paid by the Company.
- 10.1.5 The Company shall exercise its right of making a drawl from the Letter of Credit as a payment security option only on the failure of CSPTradeco to make payment by the Due Date(s). The Company shall not make more than one drawl in any month.
- 10.1.6 At any time, such Letter of Credit amount falls short of the amount specified above otherwise than by reason of drawl of such Letter of Credit by the Company, CSPTradeco shall restore such shortfall within seven (7) Business Days.



- 10.1.7 In case of drawl of the Letter of Credit by the Company in accordance with the terms of this Agreement, the amount of the Letter of Credit shall be recouped by CSPTradeco to ensure full payment of the Company's bills and there shall be no default in LC payment to the Company in respect of supply of power under this Agreement.
- 10.1.8 If CSPTradeco fails to pay a Monthly Bill or a Supplementary Bill or part thereof within and including the Due Date, then the Company may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from the Procurer, an amount equal to such Monthly Bill or a Supplementary Bill or part thereof plus Late Payment Surcharge, if applicable, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:
- (i) a copy of the Monthly Bill or Supplementary Bill that has remained unpaid by the Procurer;
 - (ii) a certificate from the Company to the effect that the Bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date; and
 - (iii) calculations of applicable Late Payment Surcharge, if any.
- 10.1.9 The Letter of Credit shall be renewed by the CSPTradeco not later than forty five (45) days prior to its expiry.

10.2 Third Party Sales on default:

- 10.2.1 If the payment security mechanism is not fully restored within thirty (30) days of the event of the payment default, Company shall be entitled to sell the electricity generated by it to the third parties without losing claim on the pending dues from CSPTradeco.
- 10.2.2 The surplus revenue over Energy Charges recovered from sale to such third parties shall be equally shared by the Company and the CSPTradeco.
- 10.2.3 The third parties to whom the power can be sold under Article 10.2.1 shall be either:
- (i) Any consumer, subject to applicable law; or
 - (ii) Any licensee under the Electricity Act, 2003.

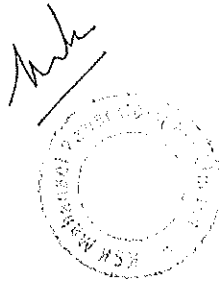



Sales to any third party other than CSPTadeco shall cease and regular supply of electricity to the CSPTadeco in accordance with all the provisions of this Agreement shall commence and be restored within five (5) days on which CSPTadeco pays the due payment to Company and renews the Letter of Credit as per the provisions of this Agreement.

10.3 Order of Precedence:

10.3.1 The order of operating the payment security mechanism in case of payment default by CSPTadeco shall be as under:

- (i) Operation of Letter of Credit, and
- (ii) Sale to third party




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11. ARTICLE - 11: FORCE MAJEURE

11.1 Definitions

For the purpose of this Agreement, the following terms shall have the meaning given hereunder.

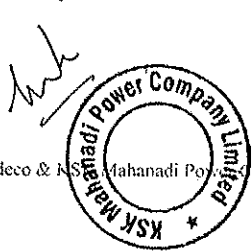
11.2 Affected Party

- (i) An affected Party means CSPTradeco or the Company, whose performance has been affected by an event of Force Majeure.
- (ii) An event of Force Majeure affecting the CTU/STU or any other Transmission Service Provider or agent of CSPTradeco of the Company, which has affected the Interconnection Point(s) thereby causing inability of CSPTradeco to evacuate power from the Power Station, shall be deemed to be an event of Force Majeure affecting CSPTradeco subject to CTU and CSPTradeco complying with other requirements of this Article
- (iii) Any event of Force Majeure affecting the transmission facilities from the Power Station to the Delivery Point shall be deemed to be an event of Force Majeure affecting the CSPTradeco.
- (iv) Any event of Force Majeure affecting the performance of the Company's contractors shall be deemed to be an event of Force Majeure affecting Company only if the Force Majeure Event is affecting and resulting in:
 - (a) late delivery of plant, machinery, equipment, materials, spare parts, Fuel, water or consumables for the Power Station; or
 - (b) a delay in the performance of any of the Company's contractors.

11.3 Force Majeure

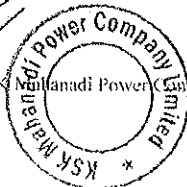
- 11.3.1 A Force Majeure means any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:

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CSP TRAD CL, Raipur



- (i) Natural Force Majeure Events - Act of God, including but not limited to lightning, drought, fire and explosion (to the extent originating from a source external to the Site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado; and
- (ii) Non Natural Force Majeure Events:
- (a) Any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or
- (b) Radio active contamination or ionising radiation originating from a source in India or resulting from another Non Natural Force Majeure Event excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the site by the Affected Party or those employed or engaged by the Affected Party; or
- (c) Industry wide strikes and labour disturbances having a nationwide impact in India; or
- (d) Any explosion, accident, breakage of facilities, plant or equipment, structural collapse or a chemical contamination caused by a person not being the Affected Party and not being due to inherent defects in the Project or the Transmission Facilities; or
- (e) Any epidemic, plague or quarantine; or
- (f) Meteorite crash, air crash, damage caused by objects falling from aircraft, or other flying devices or vehicles, pressure waves caused by aircraft or aerial devices travelling at supersonic speed, shipwreck, train wrecks; or
- (g) Expropriation, requisition, confiscation, nationalization, export or import restrictions, requirements, action or omissions to act on the part of any Government Instrumentality or any person controlled by a Government Instrumentality; or
- (h) Archaeological findings that were not reasonably foreseeable or discovery of historically significant artifacts on the Site; or
- (i) The revocation or cancellation or delay in renewing (other than for cause) of any Consent; or

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Managing Director,
CSP TRAD CL, Raipur

(j) Acts of government, or compliance with such acts, which directly affects such Party's ability to perform its obligations hereunder; or

(k) the unlawful, unreasonable or discriminatory revocation of, or refusal to renew any Consents, Clearances and Permits required by the Company to perform its obligations under the Power Station Documents or any unlawful, unreasonable or discriminatory refusal to grant any Consents, Clearances and Permits required for the development / operation of the Power Station, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down;

(l) any other unlawful, unreasonable or discriminatory action on the part of an Indian Government Instrumentality which is directed against the supply of power by the Company to the GoCG, provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down;

11.4 Force Majeure shall not include:

- (i) Any event or circumstance which is within the reasonable control of the Parties; and
- (ii) The following conditions, except to the extent that they are consequences of an event of Force Majeure;
 - (a) Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts, fuel or consumables for the Generating Station;
 - (b) Delay in the performance of any contractor, sub-contractor or their agents excluding the conditions as mentioned in Article-11.2;
 - (c) Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
 - (d) Strikes or labour disturbance at the facilities of the Affected Party;
 - (e) Insufficiency of finances or funds or the Agreement becoming onerous to perform; and
 - (f) Non-performance caused by, or connected with, the Affected Party's negligent or intentional acts, errors or omissions, failure to

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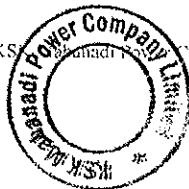
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CSP TRAD CL, Raipur

comply with an Indian law, or breach of or default under this Agreement.

11.5 Notice of Force Majeure Event

- 11.5.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than seven (7) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement.
- 11.5.2 Such notice shall be a pre-condition to the entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed, and the Affected Party shall give the other Party regular reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the situation.
- 11.5.3 The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.
- #### 11.6 Available Relief for a Force Majeure Event
- 11.6.1 Available relief for a Force Majeure event shall be limited to the extent that no Party shall be in breach of its obligations pursuant to this Agreement including liability to make payments to the extent that the performance of its obligations was prevented hindered or delayed due to a Force Majeure event.
- 11.6.2 Every Party shall be entitled to claim relief in relation to a Force Majeure Event in regard to its obligations,
- 11.6.3 The existence of Force majeure or its continuation shall not however give any right to any of the party to terminate this Agreement

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Page 55
Managing Director,
CSP TRAD CL, Raipur

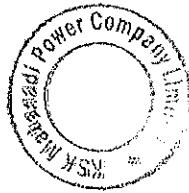
11.6.4 However the extension of time for such payment as mentioned in Article-11.6.1 shall be allowed as per the relevant provisions of this Agreement.

11.6.5 Extended Force Majeure

The continuance of an event of Force Majeure for a period of 18 consecutive months shall constitute Extended Force Majeure. In the event of an Extended Force Majeure, either party may terminate the Agreement without any further liability to either party from the date of such termination.

11.7 Duty to perform and duty to mitigate

11.7.1 To the extent not prevented by a Force Majeure Event the affected Party shall continue to perform its obligations pursuant to this Agreement. The Affected Party shall use its reasonable efforts to mitigate the effect of any Force Majeure Event as soon as practicable.



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12. ARTICLE - 12: ASSIGNMENTS AND SUCCESSION

12.1 Succession and Assignment:

12.1.1 In the event of CSPTradeco's rights and obligations under this Agreement are assigned to and / or succeeded by any other entity(s) through a future scheme of reorganisation at a subsequent date during the term of this Agreement, either by way of formation of subsidiaries or spin-off or splitting off or re-configuration into one or more entities, then the Company and CSPTradeco shall proceed as under:

(i) The generation capacity contracted under this Agreement shall be assigned and allocated amongst the successor companies/ restructured company (ies) of CSPTradeco in the manner, proportion and from such date as may be specified in the said scheme of reorganisation.

(ii) This PPA shall be substituted by new power purchase agreement(s) between the successor entities for the capacity allocation as set out in such scheme for reorganisation.



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CSP TRAD CL, Raipur

13. ARTICLE -13: GOVERNING LAW

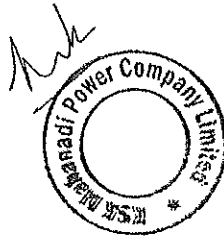
- 13.1 This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of the appropriate courts in Bilaspur (Chhattisgarh).




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14. ARTICLE -14: CHANGE IN LAW

- 14.1 The parties agree that the Variable charges being determined by the Appropriate Commission based on actual at the relevant time and there being no aspect of capacity or fixed charges payment under this agreement, there shall be no implication of the changes in law and no provision need to be made for the said purpose.



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15. ARTICLE- 15: EVENT OF DEFAULT AND COMPENSATION

15.1 Company Event of Default

The occurrence of and continuation of any of the following events shall constitute the Company Event of Default unless such an event occurs as a result of CSPTradeco Event of Default or due to a Force Majeure Event;

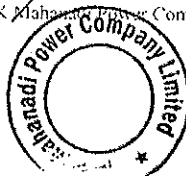
- (i) The failure to Commence the project construction related to main plant within twelve (12) Months from the date of issue of "Consent to Establish" by Chhattisgarh State Pollution Control Board (CSPCB);
or

The failure of the company to comply with Performance Test after 40 months with effect from the date of issue of "Consent to Establish" by Chhattisgarh State Pollution Control Board or two (2) months prior to Schedule COD, whichever is later.

However, CSPTradeco reserves the right to extend the time for completion of the project construction and synchronization of the unit from the date of issue of "Consent to Establish" by CSPCB, at its discretion.

- (ii) After COD of all the Units of the Power Station, the Company fails to achieve Normative Availability for a period of twelve (12) consecutive Months or within a non-consecutive period of twelve (12) Months within any continuous aggregate period of thirty six (36) Months; or
- (iii) After the COD of the Power Station the interruption in power supply, either in part or in full of the Contracted Capacity, by the Company for a continuous period of two(2) Months and such default is not rectified within thirty(30) days from the receipt of first notice from the CSPTradeco; or
- (iv) The Company fails to make any payment (a) of an amount exceeding Rupees one (1) crore in aggregate required to be made to CSPTradeco under this Agreement, within three (3) Months after the Due Date of undisputed invoice(s) / demand raised by the said CSPTradeco on the Company or (b) of an amount up to Rupees fifty (50) Lakhs required to be made to CSPTradeco under this Agreement within six (6) Months after the Due Date of undisputed invoice(s) / demand; or

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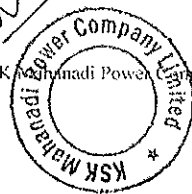


Managing Director,
CSP TRAD CL, Raipur

Page 60

- (v) if
- (a) the Company assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Power Station in contravention of the provisions of this Agreement; or
 - (b) the Company transfers or novates any of its rights and / or obligations under this agreement, in a manner contrary to the provisions of this Agreement; except where such transfer:
 - b1. is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement or
 - b2. is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee; or
 - b3. is to another company in which KSK Energy Ventures Limited holds not less than 51% of the equity shareholding and shall continue to hold equity shares in accordance with Article-18.15 or
- (vi) if (a) any winding up or bankruptcy or insolvency order is passed against the Company, or (b) the Company goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, *Provided that a dissolution or liquidation of the Company will not be an Event of Default* if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization, and the resulting company retains creditworthiness similar to the Company and expressly assumes all obligations of the Company under this Agreement and is in a position to perform them; or
- (vii) The Company repudiates this Agreement or otherwise evidences an intention not to perform its obligations under or to be bound by this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the CSPTradeco in this regard; or
- (viii) The Company is in breach of any of its material obligations pursuant to this Agreement and such material breach is not rectified by the Company within thirty (30) days of receipt of first notice in this regard given by the CSPTradeco; or

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Managing Director
CSP TRAD CL, Raipur

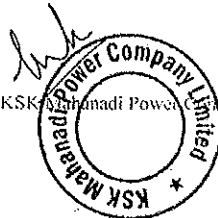
- (ix) The Company fails to renew or replace or provide the Performance Guarantee to the CSPTradeco in accordance with Article - 3.4 of this Agreement; or
- (x) Any direct or indirect change in the shareholding of the Company in contravention of Article - 18.15; or
- (xi) Any of the representations and warranties made by the Company in Schedule-2 of this Agreement; being found to be untrue or inaccurate; or
- (xii) Any other event which have been specified as an event of default or breach by the Company under any of the other provisions in this Agreement; or
- (xiii) Occurrence of any other event which is specified in this Agreement to be a material breach or default of the Company; or
- (xiv) In case Contracted Energy is not made available in full or part thereof by the Company as per the terms of this Agreement to CSPTradeco for reasons attributable to the Company for a period of equal to or more than Two (2) continuous months or four (4) non-continuous months in a Financial Year.

15.2 CSPTradeco Event of Default

15.2.1 The occurrence and the continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by the Company of its obligations under this Agreement or a Company Event of Default, shall constitute a CSPTradeco Event of Default:

- (i) Any Monthly/ Supplementary Bill due to the Company remains due and outstanding for a period of sixty (60) days after the Due Date and the payment through the Letter of Credit as envisaged in this agreement is not available to the Company or;
- (ii) The Letter of Credit after invocation has not been restored within a period of thirty (30) days and the default in maintaining the Letter of Credit is not cured within fifteen (15) days of the receipt of notice thereof from the Company.; or,
- (iii) Occurrence of any other event which is specified in this Agreement to be a material breach or default of the CSPTradeco.

PPA for 5%/7.5% between CSPTradeco & KSK Mahanadi Power Company Ltd.



Page 62
Managing Director,
CSP TRAD CL, Raipur

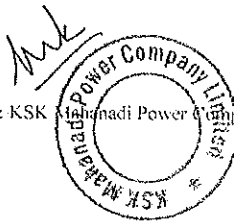
15.3 Early Termination:

Notwithstanding anything contained in this agreement, this agreement shall not be terminated without prior approval of GOCG.

15.4 Procedure for cases of Company Event of Default

- (i) Upon the occurrence and continuation of any Company Event of Default under Article-15.1, the CSPTradeco shall have the right to deliver to the Company a notice of their intention to terminate this Agreement (CSPTradeco Preliminary Default Notice), under intimation to the Lender(s), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- (ii) Following the issue of CSPTradeco Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply.
- (iii) During the Consultation Period, the Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- (iv) Upon the occurrence and continuation of Company Event of Default under this Article, the following consequences will apply—
 - (a) If the event of default occurs before the COD, the liquidated damages shall be payable as specified in Article 4.5; or
 - (b) If the event of default occurs after the COD, the Company shall pay to CSPTradeco the damages being the difference between the variable cost and the price at which the CSPTradeco purchases the power in the short term market at the price available subject to the minimum of the Unscheduled Interchange Charges prevalent during the period of default;
- (v) Without prejudice to the rights of the CSPTradeco in terms of the above, upon the occurrence of Company Event of Default under this Article the Company unconditionally and irrevocably agrees to and acknowledges the CSPTradeco's right to instruct the RLDC/ SLDC, as the case may be, not to schedule such power to any third party. The Company further agrees and waives any and all objections or claims in respect of such right or any other legal remedy including but not limited to seek specific performance

PPA for 5%/7.5% between CSPTradeco & KSK Mahanadi Power Company Ltd.



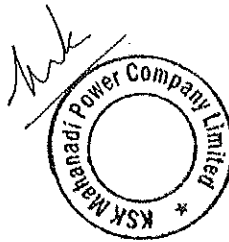
Managing Director,
GSP TRAD CL, Raipur

Page 63

of this Agreement, the CSPTadeco may have under the Law with respect to such default of the Company.

15.5 Procedure for CSPTadeco Event of Default

- 15.5.1** Upon the occurrence and continuation of any CSPTadeco Event of Default pursuant to Articles-15.2, the Company shall have the right to sell the Contracted Energy to third parties so long the CSPTadeco default persists and the same shall be the only remedy available to the Company for CSPTadeco Events of default.



Managing Director,
CSPTAD CO. Raipur

16. ARTICLE- 16: DISPUTE RESOLUTION & ARBITRATION

16. RESOLUTION OF DISPUTES

16.1 Governing Law and Jurisdiction of Courts

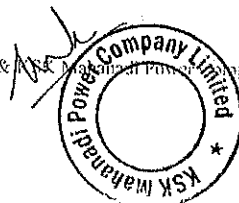
This Agreement shall be governed by and construed in accordance with the Laws of India. Subject to the dispute resolution provided herein any legal proceedings in respect of any matters, claims or Disputes under this Agreement shall be under the jurisdiction of appropriate courts in Raipur, unless required otherwise under Law.

16.2 Amicable Settlement

- (a) Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement including its existence or validity or termination (collectively "Dispute") by giving a written notice to the other Party, which shall contain:
 - (i) a description of the Dispute;
 - (ii) the grounds for such Dispute; and
 - (iii) all written material in support of its claim.
- (b) The other Party shall, within thirty (30) days of issue of dispute notice issued under Article-16.2(a), furnish:
 - (i) counter-claim and defences, if any, regarding the Dispute; and
 - (ii) all written material in support of its defences and counter-claim.
- (c) Within thirty (30) days of issue of notice by any Party pursuant to Article 16.2(a), or Article-16.2(b), both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days of receipt of the notice referred to in the preceding sentence, the Dispute shall be referred to Dispute Resolution in accordance with Article 16.3.

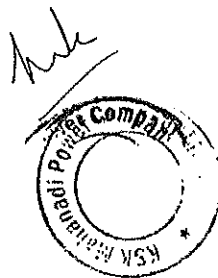
16.3 DISPUTE RESOLUTION

- 16.3.1 All disputes and differences arising between the parties under or in respect of this Agreement including any interpretation or construction of the provisions shall be subject to adjudication under section 86 (1) (f) read with Section 158 of the Electricity Act, 2003 as well as under the function to be exercised by the



Chhatisgarh State Electricity Regulatory Commission by virtue of the reference made and functions assigned to it by the GoCG.

- 16.3.2 All Disputes between the parties herein arising out of or in connection with this Agreement shall be endeavoured to be settled amicably through mutual discussions between the Parties, failing which, it shall be referred to the dispute resolution mechanism in accordance with following procedure.
- 16.3.3 Where any Dispute arises from a claim made by any Party for any change in or determination of the Tariff or any matter related to Tariff or claims made by any party which partly or wholly relate to any change in the Tariff or determination of any such claims could result in change in the Tariff or relates to any matter agreed to be referred to the Appropriate Commission under the provisions of Law, such Dispute shall be submitted to adjudication by the Appropriate Commission. The obligations of both the parties under this Agreement shall not be affected in any manner by reasons of inter-se disputes.
- 16.3.4 If the Dispute arises out of or in connection with any claims not covered in Article 16.3.3, such Dispute shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996 and the Rules of the Indian Council of Arbitration, in accordance with the process specified in this Article. The Arbitration tribunal shall consist of three (3) arbitrators to be appointed in accordance with the Indian Council of Arbitration Rules.
- 16.3.5 The place of arbitration shall be Raipur, India. The language of the arbitration shall be English. The arbitration tribunal's award shall be substantiated in writing. The arbitration tribunal shall also decide on the costs of the arbitration proceedings and the allocation thereof. The award shall be enforceable in any court having jurisdiction, subject to the applicable Laws.
- 16.3.6 Notwithstanding the existence of any Dispute and difference referred to the Arbitral Tribunal as provided in Article 16.3.4 and save as the Arbitral Tribunal may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.



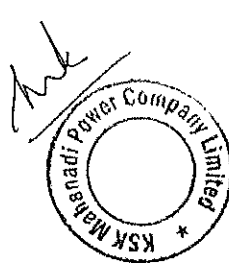
Managing Director,
CSP TRAD CL, Raipur

17. ARTICLE - 17: LIABILITY AND INDEMNIFICATION

17.1 Indemnity

17.1.1 The Company shall indemnify, defend and hold CSPTradeco harmless against:

- (a) any and all third party claims, actions, suits or proceedings against the CSPTradeco for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the Company of any of its obligations under this Agreement, except to the extent that any such claim, action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of CSPTradeco, its contractors, servants or agents; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by CSPTradeco from third party claims arising by reason of:
 - (i) breach by the Company of any of its obligations under this Agreement, (provided that this Article 16 shall not apply to such breaches by the Company, for which specific remedies have been provided for under this Agreement) except to the extent that any such losses, damages, costs and expenses including legal costs, fines, penalties and interest (together to constitute "Indemnifiable Losses") has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of CSPTradeco, its contractors, servants or agents, or
 - (ii) any of the representations or warranties of the Company under this Agreement being found to be inaccurate or untrue.



Managing Director,
CSP TRAD CL, Raipur

18. ARTICLE - 18: ASSIGNMENTS AND CHARGES

18.1 Assignments

18.1.1 The GoCG shall be entitled to nominate any entity and has nominated Chhattisgarh Trading Company Ltd. (CSPTadeco) as such entity to perform on its behalf and exercise all its rights under this Agreement and the reference to CSPTadeco in this Agreement shall include such designated agencies. Accordingly, till further directions are given by the CSPTadeco, the liability for payment of the amounts becoming due to the Company including arranging the Letter of Credit as envisaged in this Agreement, the raising and payment of bills for the electricity supplied shall be by and in the name of Chhattisgarh Trading Company on behalf of GoCG.

18.1.2 The Company shall not assign any of its rights or obligations in this Agreement to any Party other than with the consent in writing of the CSPTadeco:

18.1.3 The CSPTadeco shall be free to deal with the Contracted Energy or any part thereof in any manner as the CSPTadeco may in its discretion consider appropriate, including further sale of the Contracted Energy to any person subject to the condition that the CSPTadeco shall continue to be liable to the Company in so far as the fulfilment of the obligations under this Agreement. The CSPTadeco shall at all times be entitled to assign this Agreement to any other Government of Chhattisgarh Undertaking or to the CSPDCL. Subject to the above, the CSPTadeco shall not assign the obligations of the CSPTadeco under this Agreement to any Party other than without the consent in writing of the Company and such consent shall not be unreasonably withheld by the Company if the CSPTadeco seeks to transfer to any transferee all of its rights and obligations under this Agreement.

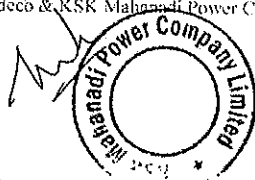
18.1.4 The Company shall be entitled to assign its rights and obligations under this Agreement in favour of the Selectee duly appointed pursuant to the terms of Schedule - 5 of this Agreement.

18.1.5 Notwithstanding anything contained herein the Company may create any encumbrance over all or part of the receivables, or any other assets of the Power Station in favour of the Lenders or the Lender's representative on their behalf, as security for:

- (a) amounts payable under the financing agreements; and
- (b) any other amounts agreed by the parties.

Provided that:

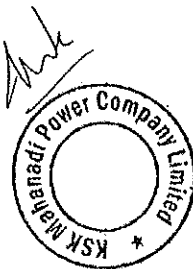
- (a) the Lenders or the Lender's Representative on their behalf shall have entered into the Financing Agreements; and



- (b) any encumbrances granted by the Company in accordance with this Article shall contain provisions pursuant to which the Lenders or the Lender's Representative on their behalf agrees unconditionally with the Company acting for itself and as trustee of the CSPTradeco to release from such encumbrances all of the right, title and interest to Additional Compensation so as to enable the CSPTradeco to claim its right of subrogation. For the purposes of this Article, Additional Compensation shall mean the compensation that the Company is entitled, whether actually or contingently, to receive from the CSPTradeco as well as compensated by any person other than the CSPTradeco for the same event; and
- (c) the Lenders or the Lender's Representative on their behalf shall have agreed in writing to the provisions of Schedule – 5.

18.1.6 Article 18.1.5 does not apply to:

- (a) liens or encumbrances arising by operation of law (or by an agreement evidencing the same) in the ordinary course of implementation of this Agreement by the Company;
- (b) hypothecation and pledge of goods, the related documents of title and / or other related documents, arising or created in the ordinary course of supply of power by the Company; or
- (c) security arising out of retention of title provisions in relation to goods acquired in the ordinary course of supply of power by the Company.




Managing Director,
GSP TRAD CL, Raipur

19. ARTICLE- 19: MISCELLANEOUS PROVISIONS

19.1 Amendment

Any amendment (s) to this Agreement shall be in writing signed by all the Parties and only after prior written consent of GOCC.

19.2 Language

The language of this Agreement and all written communication between the Parties relating to this Agreement shall be in English.

19.3 Confidential Information

The Parties herein shall at all time during the continuance of this Agreement use their reasonable endeavours to keep all information relating to technical and commercial aspects affecting their business as confidential and accordingly no Party shall disclose the same to any other person unless the information which at the time of disclosure was in the public domain.

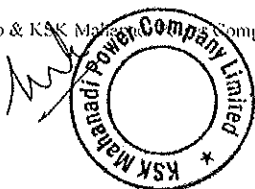
19.4 Severability

The invalidity or enforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement unless the part held invalid or unenforceable is fundamental to this Agreement.

If for any reason, if any provision of this Agreement becomes invalid, illegal or unenforceable or is declared by any Competent Court of Law or any other Indian Governmental Instrumentality to be invalid, illegal or unenforceable then, both the Parties will negotiate in good faith with a view to agree on one or more provisions which may be substituted/replaced for such invalid, illegal or unenforceable provision. Failure to agree upon any such provision shall not be subjected to dispute resolution under the Agreement or otherwise.

19.5 Compliance with Law

Despite anything contained in this Agreement, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, or any rules and regulations made there under, such provision shall be deemed to be amended to the extent required to bring it into compliance with the aforesaid relevant provisions as amended from time to time.



19.6 Taxes and Duties

Subject to Article 9.8, the Company shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed / levied on the Company, its contractors or their employees that are required to be paid by the Company as per the Law in relation to the operation of the Generating Station and for providing services as per the terms of this Agreement.

19.7 Promoters Equity in the Company

Unless otherwise permitted by GoCG, the aggregate equity contribution of the Company with which the MOU was signed shall not be less than fifty one percent (51%) during the construction period of the project and until two (2) years following the commencement of the commercial operation of the Power Station.

19.8 Third Party Beneficiaries

This Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns and shall not be construed as creating any duty, standard of care or any liability to, any person not a party to this Agreement.

19.9 Waiver

19.9.1 No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorised representative of such Party.

19.9.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement nor time or other indulgence granted by one Party to the other Parties shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement, which shall remain in full force and effect.

19.10 Entirety

19.10.1 This Agreement is intended by the Parties as the final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement.

19.10.2 Except as provided in this Agreement, all prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement or supply of power up to the Contracted Capacity under this Agreement to CSPTradeco by the Company shall stand superseded and abrogated.

PPA for 5%/7.5% between CSP Tradeco and KSK Mahanadi Power Company Ltd.



Managing Director,
CSP TRAD CO., Raipur

19.11 Affirmation

The Company and CSPTradeco both affirm that:

- a) neither it nor its respective directors, employees, or agents has paid or undertaken to pay or shall in the future pay any unlawful commission, bribe, pay-off or kick-back; and
- b) it has not in any other manner paid any sums, whether in Indian currency or foreign currency and whether in India or abroad to the other Party to procure this Agreement, and the Company and CSPTradeco hereby undertake not to engage in any similar acts during the term of Agreement.

19.12 Notices

19.12.1 All notices or other communications which are required to be given under this Agreement shall be in writing and in the English language.

19.12.2 All notices must be delivered personally or by registered post or any method duly acknowledged or facsimile to the addresses below:

19.12.3 If to the Company, all notices or other communications which are required must be delivered personally, by registered post or facsimile or any other method duly acknowledged to the addresses below:

Address : M/s KSK Mahanadi Power Company Limited.
Registered Office at 8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills, Hyderabad - 500033

Attention : Mr. N Ramakrishnan

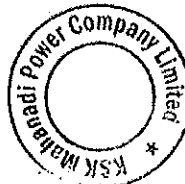
Email : ramji.n@ksk.co.in

Fax. No. : +91-40-23559930

Telephone No. : +91-40-23559922-25

19.12.4 If to CSPTradeco, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the address(es) below:

Name & Address: ED/CE(Technical Cell),
CSP Trading Company Ltd.,
2nd Floor, Vidyut Sewa Bhawan, Raipur-492013.
Email: ce.techcell@gmail.com



Managing Director,
CSP TRAD CL, Raipur

Fax. No. : 0771-2242955

Telephone No. : 0771-2574100, 2574117

19.13 No Consequential or Indirect Losses

The liability of the Company and CSPTradeco shall be limited to that explicitly provided in this Agreement. Provided that notwithstanding anything contained in this Agreement, under no event shall the Company or CSPTradeco claim from one another any indirect or consequential losses or damages.

19.14 Remedies

Where this Agreement provides for any rebate or other remedies for any breach or shortfall in performance, the parties shall not be entitled to make any other claim or pursue other remedies under law.

19.15 Minimum Equity holding / Equity Lock-In

19.15.1 The minimum shareholding requirements specified in this Article shall apply to all of the Promoters which have made equity investment in the Company.

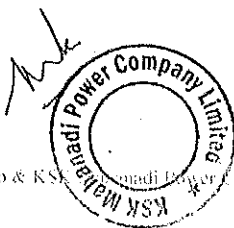
19.15.2 The aggregate equity share holding of the Promoters in the issued and paid up equity share capital of the Company shall not be less than the following:

(a) Fifty-one percent (51%) from the Effective Date up to a period of two (2) years after COD of the Power Station ; and

19.15.3 All investors of the Company, except M/s KSK Energy Ventures Limited, shall be allowed to divest their equity as long as the other remaining investors hold the minimum equity specified in Article-19.15.2.

19.16 Representations and Warranties

19.16.1 The Company hereby provides the Representation and Warranties to the CSPTradeco as contained in Schedule - 2.



PPA for 5 x 7.5 MW between CSPTradeco & KSK Mahanadi Power Company Ltd.

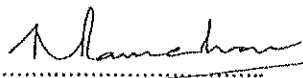
Managing Director,
CSP TRAD CO, Raipur

Page 73

IN WITNESS WHEREOF the Parties have executed these presents through their authorized representatives at Raipur, Chhattisgarh.

For and on behalf of:

M/S KSK MAHANADI POWER
COMPANY LIMITED


Signature

(Name: N. Ramakrishnan
Designation: General Manager

Seal:



In the presence of:
Witness :

1.



(Signature of the Witness)

Name: P.S. Samra
Designation: Sr. Manager

2.




(Signature of the Witness)

Name: A. Chakraborty
Designation: Sr. Manager

For and on behalf of:

CHHATTISGARH STATE POWER
TRADING COMPANY LIMITED


Signature

(Name: Subodh Singh
Designation: Managing Director

Managing Director,
Seal: CSP TRADING Co., Raipur

In the presence of:
Witness :

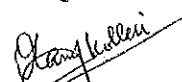
1.



(Signature of the Witness)

Name: D.S. Bhagat.
Designation: Superintending
Engineer

2.



(Signature of the Witness)

Name: Manoj K.
Designation: Asstt. Manager

**SCHEDULE – 1: FORMAT OF THE CONTRACT PERFORMANCE
GUARANTEE**

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)

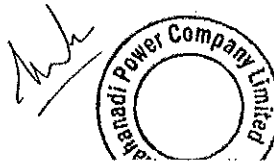
In consideration of the[*Insert name of the Company*] agreeing to undertake the obligations under the PPA and the CSPTradeco, agreeing to execute the Agreement with the Company for purchase of power on long term basis [*Insert name of the Bank*] (hereinafter referred to as "Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to the CSPTradeco at[*Insert address of CSPTradeco*] forthwith on demand in writing from the CSPTradeco or any officer authorized by it in this behalf, any amount up to and not exceeding Rupees (Rs) [*insert amount of BG computed on the basis of Rs. Five Lakhs (5) lakhs /MW*] only (with the respect to proposed Contracted Capacity as per the terms of PPA on behalf of the Company).

This guarantee shall be valid and binding on the Guarantor Bank up to and including[*Insert date of validity of CPG*] and shall in no event be terminable by notice or any change in the constitution of the Bank or the term of the PPA or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. (Rs. only). Our Guarantee shall remain in force until [*Insert the date of validity of the CPG*]. The CSPTradeco shall be entitled to invoke this Guarantee up to thirty (30) days of the last date of the validity of this Guarantee by issuance of a written demand to invoke this guarantee.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand from the CSPTradeco, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the CSPTradeco .

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by, [*Insert name of the Company*] and/ or any other person. The Guarantor Bank shall not require the CSPTradeco to justify the invocation of this BANK GUARANTEE, nor shall the



Guarantor Bank have any recourse against the CSPTradeco in respect of any payment made hereunder.

This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Bilaspur (Chhattisgarh) shall have exclusive jurisdiction..

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the CSPTradeco shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Company, to make any claim against or any demand on the Company or to give any notice to the Company or to enforce any security held by the CSPTradeco or to exercise, levy or enforce any distress, diligence or other process against the Company.

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the CSPTradeco and may be assigned, in whole or in part, (whether absolutely or by way of security) by the GoCG to any entity to whom it is entitled to assign its rights and obligations under the PPA.

The Guarantor Bank hereby agrees and acknowledges that the CSPTradeco shall have a right to invoke this Bank Guarantee either in part or in full, as it may deem fit.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. crore (Rs. crore only) and it shall remain in force until, with an additional claim period of thirty (30) days thereafter. This BANK GUARANTEE shall be extended from time to time for such period, as may be desired by [Insert name of the Company]. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the CSPTradeco serves upon us a written claim or demand.

In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this day of at

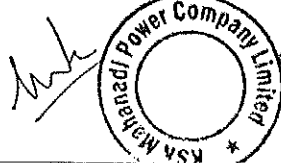
Signature:

Name:

Designation with Bank Stamp

PPA for 5%/7.5% between CSPTradeco & KSK Mahanadi Power Company Ltd.

Page 76



Managing Director,
CSP TRAD CL, Raipur

Attorney as per power of attorney No.

For:

..... [Insert Name of the Bank]

Full Address:

Dated this day of 201..

Witness:

1.

Signature

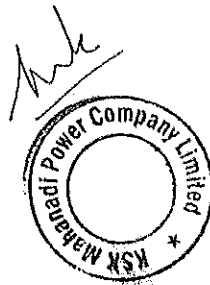
Name and Address:

2.

Signature

Name and Address:

[Note: The Stamp Paper should be in the name of the Executing Bank.]



Managing Director,
CSP TRAD CL, Raipur

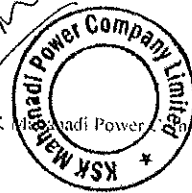
SCHEDULE - 2: REPRESENTATION AND WARRANTIES OF THE COMPANY

1.1.1. The Company hereby represents and warrants to and agrees with the CSPTadeco as follows and acknowledges and confirms that the CSPTadeco is relying on such representations and warranties in connection with the transactions described in this Agreement:

- (i) The Company has all requisite power authorizing and has been duly authorized to execute and consummate this Agreement;
- (ii) This Agreement is enforceable against the Company in accordance with its terms;
- (iii) The consummation of the transactions contemplated by this Agreement on the part of the Company will not violate any provision of, nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the Company is a party or to which the Company is bound which violation, default or power has not been waived;
- (iv) The Company is not insolvent and no insolvency proceedings have been instituted, or not threatened or pending by or against the Company;
- (v) There are no actions, suits, claims, proceedings or investigations pending or, to the best of the Company's knowledge, threatened in writing against the Company at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to execute the project or supply power or to comply with its obligations under this Agreement.
- (vi) The Company has neither made any statement nor provided any information, which was materially inaccurate or misleading at the time when such statement was made or information was provided. Further, all the confirmations, undertakings, declarations and representations made are true and accurate and there is no breach of the same.

The Company makes all the representations and warranties above to be valid as on the date of this Agreement.

PPA for 5%/7.5% between CSPTadeco & KSK Mahanadi Power Company Ltd. Managing Director,
CSPTAD Oil, Raipur



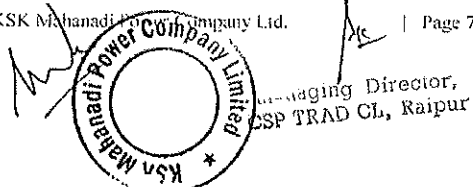
SCHEDULE - 3: FUNCTIONAL SPECIFICATION

(This schedule describes only a sample for technical limits and specifications. It has to be filled up jointly by the parties on or before the Effective Date according to their requirements)

S. No.	Description	Unit	Particulars
1.1.	Grid Conditions at Delivery Point:		
(i) Voltage:	Nominal	kV	400
	Variation	%	+/-10
(ii) Frequency :	Nominal	Hz.	50
	Variation	%	+/-5
(iii)	Combined Voltage and Frequency variation		
	for Contracted Capacity	%	+/-5
(iv) Power Factor :	Nominal		0.85 lag
	Variation		0.85 to 0.95 lag lead
(v) Basic Impulse Level (Peak)		kV	630/1425/1050 kV
1.2.	Fault Levels:		
(i) 3 Phase	Maximum	kA	63 kA
(ii) Clearance time	Maximum	ms	1 sec.

1.3. Ramp Rates

All Units of the power Station shall be capable of increasing or decreasing their output (generation level) by not less than one percent (1%) per minute. Such capability shall be demonstrated during the Unit load of more than 60%.



SCHEDULE - 4: FORMAT OF LETTER OF CREDIT

To _____


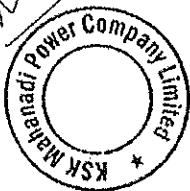

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REF: _____

WITH RECOURSE OF DRAWER

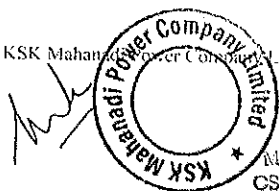
Dear Sir,

You are hereby authorized to draw on M/s Chhatisgarh State Power Trading Company Ltd.,..... for a sum not exceeding Rs.....(Rs.Crores) only per calendar month available by your drafts on them at sight payable in equal installments.




Managing Director,
CSP TRAD CL, Raipur

SCHEDULE – 5: SUBSTITUTION RIGHTS OF THE LENDERS

1. **Substitution of the Company**
 - 1.1. Subject to the terms of the PPA, upon occurrence of a Company Event of Default under the PPA, the Lenders shall, have the right to seek substitution of the Company by a Selectee for the residual period of the PPA, for the purposes of securing the payments of the Total Debt Amount from the Company and performing the obligations of the Company, in accordance with the provisions of this Schedule.
 - 1.2. The Lenders may seek to exercise right of substitution by an amendment or novation of the PPA and other Power Station Documents executed between CSPTradeco and the Company in favour of the Selectee, the CSPTradeco and the Company shall co-operate with the Lenders to carry out such substitution.
2. **CSPTradeco Notice of Default**
 - 2.1. The CSPTradeco, upon serving the Preliminary Default Notice on the Company as per this PPA, shall simultaneously also issue a copy of the same to the Lenders.
3. **Substitution Notice**
 - 3.1. In the event of failure of the Company to rectify the Company Event of Default giving rise to Preliminary Default Notice and on receipt of a copy of the Termination Notice by the CSPTradeco, the Lenders, either on their own or through its representative (the “”) shall be entitled to notify the CSPTradeco and the Company of the Lenders’ Representative intention of the Lenders to substitute the Company by the Selectee for the residual period of the PPA (the “Substitution Notice”).
4. **Interim operation of Power Station**
 - 4.1. On receipt of a Substitution Notice, no further action shall be taken by any Party to terminate the PPA, except under and in accordance with the terms of this Schedule of this PPA.
 - 4.2. On issue of a Substitution Notice, the Lenders shall have the right to request the CSPTradeco to enter upon and takeover the Power Station for the interim and till the substitution of the Selectee is complete and to otherwise take all such steps as are necessary for the continued operation and maintenance of the Power Station, including levy, collection and appropriation of payments there under, subject to, the servicing of monies owed in respect of the Total Debt Amount as



Managing Director,
CSP TRAD CL, Raipur

per the Financing Agreements and the Company shall completely cooperate in any such takeover of the Power Station by the CSPTradeco. If the CSPTradeco, at its sole and exclusive discretion agree to enter upon and takeover the Power Station, till substitution of the Selectee in accordance with this PPA, then the CSPTradeco shall be compensated for rendering such services in accordance with Clause- 3 of this Schedule.

- 4.3. If the CSPTradeco refuses to takeover the Power Station on request by the Lenders in accordance with Clause- 4.2 above, the Company shall have the duty and obligation to continue to operate the Power Station in accordance with the PPA till such time as the Selectee is finally substituted.
- 4.4. The Lenders and the CSPTradeco shall, simultaneously have the right to commence the process of substitution of the Company by the Selectee in accordance with these terms and the Company hereby irrevocably consents to the same.

5. Process of Substitution of Company

- 5.1. The Lenders' Representative may, on delivery of a Substitution Notice notify the CSPTradeco and the Company on behalf of all the Lenders about the Lenders' decision to invite and negotiate, at the cost of the Lenders, offers from third parties to act as Selectee, either through private negotiations or public auction and / or a tender process, for the residual period of the PPA. Subject to and upon approval of the CSPTradeco, such Selectee shall be entitled to receive all the rights of the Company and shall undertake all the obligations of the Company under the PPA and other Power Station Documents executed between the Company and the CSPTradeco, in accordance with these terms of substitution.
- 5.2. The Lenders and the Company shall ensure that, upon the CSPTradeco approving the Selectee, the Company shall transfer absolutely and irrevocably, the ownership of the Power Station to such Selectee simultaneously with the amendment or novation of the PPA and other Power Station Documents executed between the Company and the CSPTradeco in favour of the Selectee as mentioned in Clause 1.2 of this Schedule.

6. Modality for Substitution

Criteria for selection of the Selectee

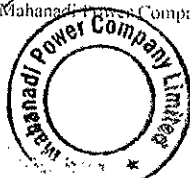
- 6.1. The Lenders and / or the Lenders' Representative shall in addition to any other criteria that they may deem fit and necessary, apply the following criteria in the selection of the Selectee:



- (a) if the Company is proposed to be substituted prior to the Scheduled COD or the Selectee shall possess the financial capability used to qualify bidders in the MoU stage (including the methodology prescribed therein) to perform and discharge all the residual duties, obligations and liabilities of the Company under the PPA. If the Company is proposed to be substituted during the Operation Period, these criteria shall not be applicable.
- (b) the Selectee shall have the capability and shall unconditionally consent to assume the liability for the payment and discharge of dues, if any, of the Company to the CSPTradeco under and in accordance with the PPA and also payment of the Total Debt Amount to the Lenders upon terms and conditions as agreed to between the Selectee and the Lenders;
- (c) the Selectee shall have not been in breach of any agreement between the Selectee and any Bank or any Lender or between the Selectee and the CSPTradeco, involving sums greater than Rupees (Rs) [Insert amount] at any time in the last two (2) years as on the date of the Substitution Notice to the Company.
- (d) any other appropriate criteria, whereby continuity in the performance of the Selectee's obligations under the PPA is maintained and the security in favour of the Lenders under the Financing Agreements is preserved.

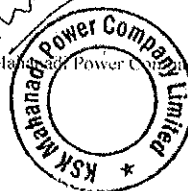
7. Modalities

- 7.1. The following modalities shall be applicable to any substitution of the Company by the Selectee pursuant to this PPA:
- 7.2. The Lenders' Representative shall on behalf of the Lenders propose to the CSPTradeco (the "Proposal") pursuant to Clause-7.3 below, the name of the Selectee for acceptance, seeking:
 - (a) grant of all the rights and obligations under the PPA and the other Power Station Documents executed between the CSPTradeco and the Company, to the Selectee (as substitute for the Company);
 - (b) amendment of the PPA and the other Power Station Documents executed between the CSPTradeco and the Company, to the effect that the aforementioned grant to the Selectee, shall be such that the rights and obligations assumed by the Selectee are on the same terms and conditions for the residual period of the PPA as existed in respect of the Company under the original PPA and the other Power Station Documents executed between the CSPTradeco and the Company; and



- (c) the execution of new agreements as necessary, by the proposed Selectee for the residual period of the PPA on the same terms and conditions as are included in this PPA.
- 7.3. The Proposal shall contain the particulars and information in respect of the Selectee and the data and information as the CSPTradeco may reasonably require. The CSPTradeco may intimate any additional requirement within thirty (30) days of the date of receipt of the Proposal.
- 7.4. The Proposal shall be accompanied by an unconditional undertaking by the Selectee that it shall, upon approval by the CSPTradeco of the Proposal:
- (a) observe, comply, perform and fulfill the terms, conditions and covenants of the PPA and all other Power Station Documents executed between Company and the CSPTradeco or a new PPA or respective RFP Document (in the case of the novation thereof), which according to the terms therein are required to be observed, complied with, performed and fulfilled by the Company, as if such Selectee was the Company originally named under the PPA; or the respective RFP Document; and
 - (b) be liable for and shall assume, discharge and pay the Total Debt Amount or then outstanding dues to the Lenders under and in accordance with the Financing Agreements or in any other manner agreed to by the Lenders and the CSPTradeco as if such Selectee was the Company originally named under such Financing Agreements.
- 7.5. At any time prior to taking a decision in respect of the Proposal received under Clause 7.3, the CSPTradeco may require the Lender/ Lenders' Representative to satisfy it as to the eligibility of the Selectee. The decision of the CSPTradeco as to acceptance or rejection of the Selectee, shall be made reasonably and when made shall be final, conclusive and binding on the Parties.
- 7.6. The CSPTradeco shall convey their approval or disapproval of such Proposal to the Selectee. Such decision shall be made by the CSPTradeco at their reasonably exercised discretion within twenty one (21) days of the date of receipt of the Proposal by the CSPTradeco; or

the date when the last of further and other information and clarifications in respect of any data, particulars or information included in the Proposal requested by the CSPTradeco under Clause 7.5 above is received; whichever is later.



Notwithstanding anything to the contrary mentioned in this PPA, the approval of the CSPTradeco for the Selectee shall not be withheld in case the Selectee meets the criteria mentioned in Clause- 6.

- 7.7. Upon approval of the Proposal and the Selectee by the CSPTradeco, the Selectee mentioned in the Proposal shall become the Selectee hereunder.
- 7.8. Following the rejection of a Proposal, the Lenders and/ or the Lenders' Representative shall have the right to submit a fresh Proposal, proposing another Selectee (if the rejection was on the grounds of an inappropriate third party proposed as Selectee) within sixty (60) days of receipt of communication regarding rejection of the Selectee previously proposed. The provisions of this article shall apply mutatis mutandis to such fresh Proposal.
- 7.9. The substitution of the Company by the Selectee shall be deemed to be complete upon the Selectee executing all necessary documents and writings with or in favour of the Company, the CSPTradeco and the Lenders so as to give full effect to the terms and conditions of the substitution, subject to which the Selectee has been accepted by the Lenders and the CSPTradeco and upon transfer of ownership and complete possession of the Power Station by the GoCG or the Company, as the case may be, to the Selectee. The CSPTradeco shall novate all the Power Station Documents, which they had entered in to with the Company in order to make the substitution of the Company by the Selectee effective. The quantum and manner of payment of the consideration payable by the Selectee to the Company towards purchase of the Power Station and assumption of all the rights and obligations of the Company under the PPA and other Power Station Documents as mentioned in this PPA shall be entirely between the Company, Selectee and the Lenders and the GoCG shall in no way be responsible to bear the same.
- 7.10. Upon the substitution becoming effective pursuant to Clause-7.9 above, all the rights of the Company under the PPA shall cease to exist:
- Provided that, nothing contained in this sub-article shall prejudice any pending / subsisting claims of the Company against the CSPTradeco or any claim of the CSPTradeco against the erstwhile Company or the Selectee.
- 7.11. The Selectee shall, subject to the terms and conditions of the substitution, have a period of ninety (90) Days to rectify any breach and/ or default of the Company subsisting on the date of substitution and required to be rectified and shall incur the liability or consequence on account of any previous breach and/ or default of the Company.
- 7.12. The decision of the Lenders and the CSPTradeco in the selection of the Selectee shall be final and binding on the Company and shall be deemed to have been



made with the concurrence of the Company. The Company expressly waives all rights to object or to challenge such selection and appointment of the Selectee on any ground whatsoever.

- 7.13. The Lenders shall be solely and exclusively responsible for obtaining any and all consents/ approvals or cooperation, which may be required to be obtained from the Company under this PPA and the CSPTradeco shall not be liable for the same.
- 7.14. All actions of the Lenders' Representative hereunder shall be deemed to be on behalf of the Lenders and shall be binding upon them. The Lenders' Representative shall be authorised to receive payment of compensation and any other payments, including the consideration for transfer, if any, in accordance with the Proposal and the Financing Agreements and shall be bound to give valid discharge on behalf of all the Lenders.


8. Company's Waiver

- 8.1. The Company irrevocably agrees and consents (to the extent to which applicable law may require such consent) to any actions of the Lenders, the Lender's Representative and the CSPTradeco or exercise of their rights under and in accordance with these terms.
- 8.2. The Company irrevocably agrees and consents (to the extent to which applicable law may require such consents) that from the date specified in Clause 7.10, it shall cease to have any rights under the PPA or the Financing Agreements other than those expressly stated therein.
- 8.3. The Company warrants and covenants that any agreement entered into by the Company, in relation to the Power Station, shall include a legally enforceable clause providing for automatic novation of such agreement in favour of the Selectee, at the option of the Lenders or the CSPTradeco. The Company further warrants and covenants that, in respect of any agreements which have already been executed in relation to the Power Station and which lack a legally enforceable clause providing for automatic novation of such agreement, the Company shall procure an amendment in the concluded agreement to incorporate such clause.

9. Interim Protection Of Service And Preservation Of Security

Appointment of a Receiver

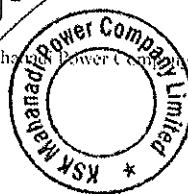
- 9.1. In every case of the Lenders issuing a Substitution Notice and the CSPTradeco refusing to takeover the Power Station and the Company failing to operate the

  
Managing Director,
CSP TRAD CL, Raipur

Power Station in accordance with Clause- 4.2 and the CSPTradeco not electing to act as Receiver as per Clause- 9.2 hereof, the Lenders may institute protective legal proceedings for appointment of a receiver (the "Receiver") to maintain, preserve and protect the assets held as security by the Lenders if such right is granted under the terms of the Financing Agreements.

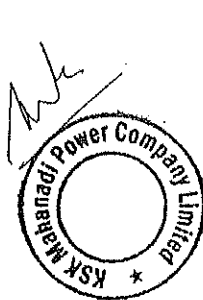
- 9.2. If the assets of the Power Station are, in the opinion of the CSPTradeco, necessary and required for the operation and maintenance of the Power Station, the CSPTradeco shall be entitled to elect to act as the Receiver for the purposes of this Article and be entitled to maintain, preserve and protect the said assets by engaging an operator/service provider to act on their behalf and the Lenders and Company hereby consent and agree to the same. Upon the CSPTradeco so intimating the Company and the Lender's representative their desire to act as Receiver, the Company and the Lender's representative shall co-operate with the CSPTradeco to facilitate the same.
- 9.3. Upon appointment of the Court appointed Receiver or the CSPTradeco acting as Receiver, all the Receivables received by such Receiver shall be deposited by the Receiver in the bank account jointly designated by the CSPTradeco and the Lenders. The Receiver shall be responsible for protecting the assets in receivership and shall render a true and proper account of the receivership to the Lenders in accordance with the terms of its appointment.
- 9.4. When acting as a Receiver or operator in accordance with Clauses- 9.3 or 9.2, the CSPTradeco shall be entitled to be remunerated for such services as may be determined by the Appropriate Commission. Furthermore, when acting as a Receiver, the CSPTradeco shall not be liable to the Lenders, the Lenders' Representative, Company or any third party for any default under the PPA, damage or loss to the Power Station or for any other reason whatsoever, except for wilful default of the CSPTradeco.
10. **Substitution Consideration**
- 10.1. The Lenders and CSPTradeco shall be entitled to appropriate any consideration received for the substitution of the Company as herein above provided, from the Selectee towards the payment of Lenders' and the CSPTradeco' respective dues, to the exclusion of the Company.
- 10.2. The Company shall be deemed to have nominated, constitutes and appoints the Lenders' Representative as its constituted attorney for doing all acts, deeds and things as may be required to be done for the substitution of the Company by the Selectee pursuant to these terms.

PPA for 5%/7.5% between CSPTradeco & KSK Mahanadi Power Company Ltd. Managing Director
CSP TRAD CO, Raipur



11. Change in the Lenders

- 11.1. The Parties hereto acknowledge that during the subsistence of the PPA, it is possible that any Lender may cease to remain as a Lender by reason of repayment of the debt or otherwise. Further it may possible that any Lender may be substituted or a new Lender may be added. In the event of any Lender ceasing to be a party to the PPA or Financing Agreements respectively, the term and conditions as prescribed in this Schedule shall cease to automatically apply to such Lender. Further, upon any entity being added as a Lender and in the event such entity is given the right to substitute the Company under the Financing Agreements and then the contents of this Schedule shall be applicable to the exercise of such right by the said new entity.



Managing Director,
CSP TRAD OL, Raipur

SCHEDULE- 6 : TARIFF SCHEDULE

- 1.0 The calculation of applicable Tariff for the Contracted Energy shall be as per the provisions laid down in 'Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009' and as amended from time to time.
- 1.1 The method of determination of Tariff payments for any Tariff Year during the Term of Agreement shall be in accordance with that set out in the CERC Tariff Regulations, except as otherwise specifically provided in this Schedules - 6.
- 1.2 Paragraph - 2 sets out the method of determination of Energy Charge payments, accounting for the Contracted Energy.

2.0 Monthly Energy Charge

- 2.1 The energy charge shall cover the Coal cost and shall be payable by CSPTTradeco for the energy scheduled to be supplied during the calendar month on ex-power plant basis including the energy corresponding to Contracted Output, at the energy charge rate of the month (with fuel price adjustment). Energy Charge payable by CSPTTradeco for a month shall be:

$$EC_m = ECR_m * SE_m$$

Where,

EC_m is the Energy Charge payable by CSPTTradeco for the month m (In Rupees)

ECR_m is the Energy Charge rate in Rs./kWh for the month m and

SE_m is the CSPTTradeco Scheduled energy(ex-bus) for the month m in kWh as per REA

- 2.2 Energy Charge rate (ECR) in Rupees per Kwh on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae :

$$ECR = \{ (GHR - SFC \times CVSF) \times LPPF / CVPF \} \times 100 / (100 - AUX)$$

Where,

AUX = Normative auxiliary energy consumption in percentage as per CERC Regulations



CVPF = Gross calorific value of Coal as fired, in kCal per kg for the month

CVSF = Calorific value of secondary fuel, in kCal per ml for the month

ECR = Energy Charge rate, in Rupees per kWh sent out for the month

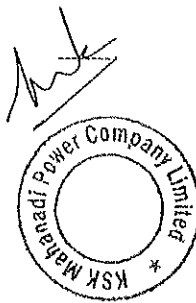
GHR = Gross station heat rate, in kCal per kWh as per CERC Regulations

LPPF = Weighted average landed price of Coal, in Rupees per kg for the month.

SFC = Specific fuel oil consumption, in ml per kWh as per CERC Regulations

3. Landed Cost of Coal

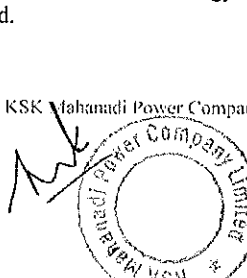
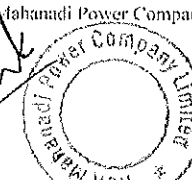
The landed cost of Coal for the month shall include price of Coal corresponding to the grade and quality of Coal inclusive of royalty, taxes and duties as applicable, transportation cost by rail / road or any other means, costs associated with handling of Coal and arrived at after considering normative transit and handling losses as percentage of the quantity of Coal dispatched by the Coal supply company during the month as per CERC Regulations and as amended from time to time.



Managing Director,
CSP TRAD OL, Raipur

SCHEDULE- 7: METERING SYSTEM

- 1.1 The metering system for the project (the "Metering System") shall comprise of;
- (a) A meter on each Unit (the "Generator Meters")
 - (b) A meter at each of the Interconnection Point (the "Interconnection Meter");
 - (c) A meter at each of the station transformer (the "Import Meter"); and
 - (d) Check meters for the Generator Meters, the Interconnection Meter and the Import Meter (the "Check Meters").
- 1.2 Each meter comprising the Metering System shall have an accuracy class of ± 0.2 .
- 1.3 Each meter comprising the Metering system shall, as to their technical standards, description, accuracy and calibration, comply fully with any applicable requirements of the Electricity Rules and in particular the Metering System shall meet the following :
- (i) Each of the Energy Meters:
 - (a) Shall be microprocessor based conforming to IEC:60687, IEC:1036, IEC:13779, IS: 14697.
 - (b) Shall carry out measurement of active energy (both import and export) and reactive energy (both import and export) by 3 phase, 4 wire principle suitable for balanced/unbalanced 3 phase load.
 - (c) Shall have accuracy of energy measurement of 0.2% for active energy and 0.5% for reactive energy.
 - (d) The active and reactive energy shall be directly computed in CT & VT primary ratings and stored in four different registers of memory of the meter as MWH(E), MWH(I), MVARH(E) and MVARH(I) along with a plus sign for export and minus sign for import. The VARH shall be computed and stored in four separate registers corresponding to various system voltage conditions, and these conditions shall be finalised during detailed engineering.
 - (e) Shall compute the energy sent out of the Power Station bus bars during each successive Settlement Period and store in the respective register.
 - (f) Shall display on demand the energy sent out during previous Settlement Period.

  Managing Director,
CSPTADCO, Bhubaneswar

- (g) Shall continuously integrate the energy readings of each register upto the previous Settlement Period. All these readings shall be displayed on demand.
- (h) Cumulative reading of each register shall be stored in a separate non-volatile memory and displayed on line.
- (i) The reading shall be stored for a period of forty (40) days before being erased.
- (j) Shall have a built in clock and calendar having an accuracy of atleast one minute per month or better without assistance of external time synchronizing pulse.
- (k) Date/time shall be displayed on demand. The clock shall be synchronized by GPS time synchronization equipment.
- (l) Each meter shall have a unique identification code provided by Procurers and shall be marked permanently on the front and also in the non-volatile memory.
- (m) The voltage monitoring of all the three voltages shall be provided. The meter shall normally operate with power drawn from the VT supplies.
- (n) The power supply to the meter shall be healthy even with a single phase VT supply. An automatic backup, in the event of non-availability of voltage in all the phases, shall be provided by a built in long life battery and shall not need replacement for atleast 10 years with a continuous VT interruption of atleast 2 years. Date and time of VT interruption and restoration shall be automatically stored in a non-volatile memory. It shall be to take the readings of the meter when no VT supply is available.
- (o) Shall have an optical port on the front of the meter for data collection. Meter Reading Instrument (MRI) for downloading data from front optical ports on the meter shall be provided by the Seller.
- (p) The stored data shall be continuously transferred through necessary serial/parallel ports to a local Personnel Computer to be provided by the Seller. Necessary hardware and software shall be provided for downloading data on the local PC for display and printing.



- (q) The necessary software shall be provided to accept the data on line and store in memory and on a floppy diskette and also to print the same.
 - (r) The meter shall have means to test MWH accuracy and calibration at site and test terminal blocks shall be provided for the same.
- 1.4 The SLDC may require the Seller at the Sellers expense, to install such additional remote monitoring equipment as the SLDC may reasonably require for the purpose of measuring and monitoring the performance of the Power Station.
- 1.5 The Metering System shall measure :
- (a) In respect of the Generator Meter and the corresponding Check Meters, the Generator Capacity of each Unit at its generator terminal;
 - (b) In respect of the Interconnection Meters and the corresponding Check Meter, the Electrical Output delivered at the Interconnection Points; and
 - (c) In respect of the Import Meter and the corresponding Check Meter, energy imported by the Company into the Power Station at the station transformers.
- 1.6 The Check Meters shall be installed by the Procurers and the Seller shall provide all co-operation and assistance (including by providing sufficient space and right of way) to the Procurers for the same.
- 1.7 Test/Calibration Equipment
- 1.7.1 Solid state sub-standard meter suitable for checking the accuracy of class ± 0.2 meters shall be used. These shall be duly calibrated and sealed by government authorised meter testing house/lab or by a mutually agreed independent test house where such facilities are available.
- 1.7.2 Similarly, suitable primary/secondary injection sets should also be available at the Power Station.



Managing Director,
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SCHEDULE- 8: COMMISSIONING AND TESTING

1.1 General:

Subject to Article 4.2.5 & 4.2.6 the Company shall conduct with respect to each Unit :

- (a) a Performance Test in accordance with Clause - 1.2 of this Schedule-8 and in accordance with the provisions of ASME PTC 6; and
- (b) a Characteristics Test in accordance with Clause -1.3 of this Schedule-8.

1.2 Performance Test

- 1.2.1 (a) The Performance Test shall be run under any and all ambient conditions (temperature, humidity etc.) that may exist during the time of the Performance Test and no corrections in final gross output of the Unit will be allowed as a result of prevailing ambient conditions.

(b) The ability of the Unit to meet Contracted Capacity with fuel of lowest quality permitted under Fuel Supply Agreement shall be demonstrated.

(c) The correction curves will only be used if the Grid System operation during the Performance Test exceeds Electrical System Limits.

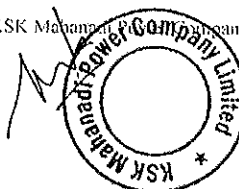
(d) The Performance Test shall be deemed to have demonstrated the Contracted Capacity of the Unit under all designed conditions and therefore no adjustments shall be made on account of fuel quality or ambient conditions.

(e) The Company shall perform in respect of each Unit a Performance Test, which such Unit shall be deemed to have passed if it operates continuously for seventy two consecutive hours at or above ninety five (95) percent of its Contracted Capacity and within the Electrical System Limits and the Functional Specifications.

- 1.2.2 For the purpose of any Performance Test pursuant to this Clause - 1.2, the Electrical System Limits to be achieved shall be as follows :

(a) Voltage

The Unit must operate within the voltage levels described in the Functional Specification for the duration of the Performance Test. If, during the Performance Test, voltage tests cannot be performed due to Grid System, data supplied from tests of the generator step-up transformers and generators supplied by the manufacturers shall be used to establish the ability of the Unit to operate within the specified voltage limits.



(b) Grid System Frequency

The Unit shall operate within the Grid System frequency levels described in the Functional Specification for the duration of the Performance Test.

(c) Power Factor

The Unit shall operate within the power factor range described in the Functional Specification for the duration of the Performance Test. If, during the Performance Test, power factor tests cannot be performed due to the Grid System, data supplied from tests of the generators and the generator step-up transformers supplied by the manufacturers shall be used to establish the ability of the Unit to operate within the specified power factor range.

(d) Fuel quality and cooling water temperature

The Unit must operate to its Contracted Capacity with worst fuel quality and worst design water temperature value.

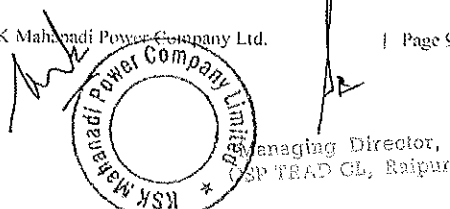
1.3 Characteristics Test

1.3.1 The Company shall perform in respect of each Unit, atleast the following set of tests (the "Characteristics Test") to determine that the Unit when tested complies with Clause -1.2 of Schedule-3 of the Functional Specification in accordance with Article - 4.2.5 and 4.2.6.

- (i) A representative samples of ramp rates, by ramping up or down the gross turbine load while maintaining the required temperatures and temperature differences associated with each ramp rate within the turbine while maintaining all other operational parameters within equipment limits;
- (ii) Capacity for each Unit shall be tested for a period of atleast two (2) hours with the turbine valves wide open and at normal turbine operation pressure.
- (iii) Automatic voltage regulator droop test;
- (iv) On load tap changer test;
- (v) Reactive capability test;
- (vi) Minimum load capability without oil support for atleast two (2) hours;
- (vii) House load operation;
- (viii) Response of a Unit to step load changes;
- (ix) Full load rejection test;
- (x) Three days operation at variable loads; and
- (xi) Tests for start up times for Cold, Warm and Hot Starts.

1.3.2 A Unit shall pass a Characteristics Test if it achieves atleast the same level as that referred to in Clause -1.2 and 1.3 of Schedule-3 of the Functional Specification in respect of each of the characteristics referred to in Clause -1.3 of this Schedule-8.

1.3.3 A unit shall pass a characteristic test if its associated electrostatic precipitator are tested to demonstrate their ability to limit particular emissions to the permitted



values set forth under Functional Specification and RFP document using the fuel of worst quality.

1.4 NOx Emission

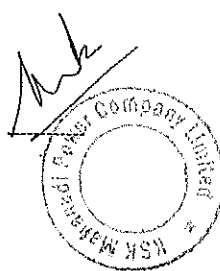
- 1.4.1 The maximum total NOx emission from the Unit shall not be more than 260 grams of NOx per giga joule of heat input (from thermal as well as fuel) to the boiler during the entire operating range of steam generator and w.r.t. load upto 50% of total load for the range of coals as may be available from the Fuel Supplier. The Company shall demonstrate the above to the CSPTadeco.

1.5 Plant Effluent

- 1.5.1 All effluents emerging out of the Unit shall meet the quality requirements of the laws of India including the permissions/clearances accorded by Chhattisgarh Environment Conservation Board and by the Ministry of Environments and Forests. The Company shall demonstrate the above to the CSPTadeco.

1.6 Noise

- 1.6.1 All the plant, equipment and systems of a Unit shall perform continuously without exceeding the noise level over the entire range of output and operating frequency. The Company shall demonstrate the above to the CSPTadeco.
- 1.6.2 Noise level measurement shall be carried out with a calibrated integrating sound level meter meeting the requirement of IEC 651 or BS 5969 or IS 9779.



Managing Director,
CSP TADCO City Raigarh

