

गुजरात, गुजरात GUJARAT

24 FEB 2016

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स्टे.वे.र.नं. ६१५८२ श. १० ता. २४/२/२०१६

नाम : श्री. वी. पी. खेन्ड. पी. डोजेरे अगेविम

हेकागुं : डेसडोर, वडोदा

हस्ते : मौलवी महेमूद

स्टे. वे. नीसही : २१६ नम

शाह जयंतीलाल पुनमचंद न्यायकर्तार

ला. नं. २६/७८ ता. २१-१०-१९८६

बी-१३, विद्याविहार सोसायटी, पाघोडीया रोड, वडोदा-३९०००७

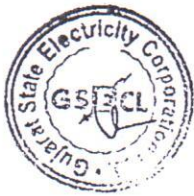
This Power Purchase Agreement is made and entered into at Vadodara on this 25th day of February 2016 between

1. M/s. Gujarat state Electricity Corporation Limited (GSECL) incorporated under Companies Act, 1956 (1 of 1956) having its registered Office at Vidhyut Bhavan, Race Course, Vadodara-390007, India (hereinafter referred to as "Power Producer"/ Seller", which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees) as party of first part.
- AND
2. Paschim Gujarat Vij Company Limited (PGVCL) incorporated under the Companies Act 1956 (1 of 1956) having its Registered office at "Paschim Gujarat Vij Seva Sadan", Laxminagar, Off Nana Mava Road, Rajkot (hereinafter referred to individually, as "Power procurer" or "Buyer", which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees) as party of the second part



3. WHEREAS, the Government of Gujarat through GR No: SLR-11-2015-15-B dated 24th June 2015 has decided to set up Pilot Project of 1 MW distributed solar power each at Sikka TPS & Kutch Lignite TPS, Gujarat and has designated the Implementing Agency (IA) M/s. Gujarat State Electricity Corporation Ltd. for tying up and finalizing collaboration details with an Agricultural University (AU) and/or Expert Agency in Agriculture and setting up Solar Photovoltaic based power project of 1 MW distributed solar power each at Sikka TPS & Kutch Lignite TPS, Gujarat.
4. AND, WHEREAS the Power Producer desires to set-up such Solar Photovoltaic Grid connected Power Plant of 1 MW capacity each at Sikka TPS & Kutch Lignite TPS using new Solar Photovoltaic Grid connected power plants to produce the Electric Energy and exercise the option under aforesaid regulations, for sale of entire electrical energy, so produced, from such Project to PGVCL not for profit but research and development and experimental project for the long term and large benefit to the power sector.
5. AND, WHEREAS, the Power Producer has taken responsibility to deliver power at dead end tower in the switchyard of the Solar Photovoltaic based power project and also approach PGVCL for arranging evacuation of power from the project at 11 KV voltage level.
6. AND, WHEREAS the PGVCL agrees to purchase such power in accordance with GR No: SLR-11-2015-15-B dated 24th June 2015 and Gujarat Electricity Regulatory Commission (power procurement from renewable sources) Regulations, notified from time to time.

NOW THEREFORE IN VIEW OF THE FOREGOING PREMISES AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREINAFTER SET FORTH, PGVCL AND THE POWER PRODUCER, EACH TOGETHER WITH THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNS, A PARTY AND COLLECTIVELY THE PARTIES, HEREBY AGREE AS FOLLOWS:



ARTICLE 1

DEFINITIONS

1.1 For all purposes of this Agreement, the following words and expressions shall have the respective meanings set forth below:

"Agreement" shall mean this Power Purchase Agreement executed hereof, including the schedules hereto, amendments, modifications and supplements made in writing by the Parties from time to time.

"ALDC" means Area Load Dispatch Centre

"Approvals" means the permits, clearances, licenses and consents as are listed in Schedule 3 hereto and any other statutory approvals.

"Billing Period" means (subject to Clause 6.1 of the Agreement) the calendar month ending with the Metering Date. The first Billing Period shall commence from the Commercial Operation Date and end with the Metering Date corresponding to the month in which the Commercial Operation Date occurs.

"Billing Date" shall be the first Business Day after the Metering Date of each Billing Period.

"Business Day" means a Day other than Sunday or a statutory holiday on which banks remain open for business in Rajkot.

"CDM" is as defined in Clause 12.12

"Commercial Operation Date" with respect to the Project shall mean the date on which the Solar Photovoltaic Grid connected power plant is available for commercial operation (certified by GEDA) and such date as specified in a written notice given at least ten days in advance by the Power Producer to PGVCL..

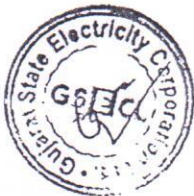
"Commission" means Gujarat Electricity Regulatory Commission.

"Construction Default" shall mean failure to begin Commercial Operation by 26.03.2016 or failure to commence Construction within two (2) months following execution of this Agreement

"Contract Year" shall mean, with respect to the initial Contract Year, the period beginning on the Commercial Operation Date of the Unit and ending at 12.00 midnight on 31st March of that Fiscal Year. Each successive Contract Year shall coincide with the succeeding Fiscal Year, except that the final Contract Year shall end on the date of expiry of the Term or on Termination of this Agreement whichever is earlier.

"Delivery Point" shall be the dead end tower in the Power Producer switchyard of the Project.

"Delivered Energy" means the kilowatt hours of Electricity actually fed and measured by the energy meters at the Delivery Point in a Billing Period and certified by ALDC. The imported energy supplied by the PGVCL to the Project shall be similarly measured during such Billing Period. Such imported energy shall be adjusted against the generated energy and net energy shall be considered for payment by PGVCL. In case of net import of power from DISCOM in billing month, same will be charged at Temporary HT Tariff.



"Due Date of Payment" in respect of a Tariff Invoice means the date, which is 30 (thirty) days from the date of receipt of such invoices by the designated official of the PGVCL..

"Electricity" shall mean the electrical energy in KWH (kilowatt-hours).

"Electricity Laws" shall mean the Electricity Act, 2003 and the relevant Rules, Notifications, and amendments issued there under and all other Laws in effect from time to time and applicable to the development, financing, construction, ownership, operation or maintenance or regulation of electric generating companies and Utilities in India, the rules, regulations and amendments issued by the Commission from time to time.

"Emergency" means a condition or situation of physical damage to GETCO's / DISCOM's electrical system including the Grid System, which threatens the safe and reliable operation of such system or which is likely to result in disruption of safe, adequate and continuous electric supply by GETCO or DISCOM Grid System or could endanger life or property

"Financing Documents" mean the agreements and documents (including asset leasing arrangements) entered/to be entered into between the Power Producer and the Financing Parties relating to the financing of the Project.

"Financial Closure" means the signing of the Financing Documents for financing of the Project and fulfillment of all the conditions precedent to the initial availability of funds there under and the receipt of commitments for such equity as required by the Power Producer in order to satisfy the requirements of the lenders, provided however that the Power Producer has immediate access to funds (subject to giving the required drawdown notices) regarded as adequate by the Power Producer and in any case shall be achieved within two (2) months from the date of signing of this Agreement.

"Financing Parties" mean the parties financing the Project, pursuant to the Financing Documents.

"Fiscal Year" shall mean, with respect to the initial Fiscal Year, the period beginning on the Commercial Operation Date and ending at 12.00 midnight on the following March 31. Each successive Fiscal Year shall begin on April 1 and end on the following March 31, except that the final Fiscal Year shall end on the date of expiry of the Term or on termination of this Agreement, whichever is earlier.

"Force Majeure Event" shall have the meaning set forth in Article 8.

"GERC" means the Gujarat Electricity Regulatory Commission.

"Gol" means the Government of the Republic of India and any agency, legislative body, department, political subdivision, authority or instrumentality thereof.

"GoG" means the Government of the State of Gujarat and any agency, legislative body, department, political subdivision, authority or instrumentality thereof.

"Government Instrumentality" means the Gol, the GoG and their ministries, inspectorate, departments, agencies, bodies, authorities, legislative bodies.



"Grid System" means Discom's power Distribution system through which Delivered Energy is evacuated and distributed.

"Interconnection Facilities" in respect of the Power Producer shall mean all the facilities installed by the Power Producer to enable _PGVCL to receive the Delivered Energy from the Project at the Delivery Point, including transformers, and associated equipment, relay and switching equipment, protective devices and safety equipment.

"Installed Capacity" means the capacity of the Project at the generating terminal(s) and shall be equal to 1 MW.

"KV" means Kilovolts.

"KWH" means Kilowatt-hour.

"Law" means any valid legislation, statute, rule, regulation, notification, directive or order, issued or promulgated by any Governmental Instrumentality.

"Metering Date" for a Billing Period, means the midnight of the last Day of the calendar month.

"Metering Point" for purposes of recording of Delivered Energy will be the Delivery Point and shall include two separate sets of electronic trivector meters, main meter installed by the Power Producer at bus bar of the project and the check meter installed by the PGVCL and both sealed by the PGVCL in presence of the Power Producer, having facilities to record both export and import of electricity to/from the grid,

"Monthly Charge" shall have the meaning set forth in Article 5.

"MW" means Megawatts.

"O & M Default" shall mean any default on the part of the Power Producer for a continuous period of ninety (90) days to (i) operate and/or (ii) maintain (in accordance with Prudent Utility Practices), the Project at all times.

"Project" means a Solar Photovoltaic Grid Interactive Power Station to be established by the Power Producer 1 MW distributed solar power each at Sikka TPS & Kutch Lignite TPS Gujarat comprising of one number of units with an individual installed capacity 1 MW and a total installed capacity of 2 x1 MW shall include land, buildings, plant, machinery, ancillary equipment, material, switch-gear, transformers, protection equipment and the like necessary to deliver the Electricity generated by the Project to the PGVCL at the Delivery Point.

"Project Site" means any and all parcels of real property, rights-of-way, easements and access roads located at Sikka TPS and Kutch Lignite TPS Gujarat State, upon which the Project and its related infrastructure will be located.

"Prudent Utility Practices" means those practices, methods, techniques and standards, that are generally accepted for use in electric utility industries taking into account conditions in India, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to power stations of the size, service and type of the Project, and that generally conform to the manufacturers' operation and maintenance guidelines.



"SBI Base Rate" means rate fixed by State Bank of India from time to time in accordance with regulations and guidelines of Reserve Bank of India. In absence of such rate, any other arrangement that substitutes such rate as mutually agreed to by the Parties.

"Scheduled COD" or "Scheduled Commercial Operation Date" means 26.03.2016.

"Scheduled Energy" means the quantum of energy to be delivered by the Power Producer at the Delivery Point as scheduled by the ALDC

"Tariff" shall have the meaning set forth in Article 5.

"Tariff Invoices" shall have the meaning set forth in Article 6.

"Technical Limits" means the limits and constraints described in Schedule 2, relating to the operations, maintenance and dispatch of the Project.

"Term" means the term of the Agreement as defined in Article 9.1.

"Unit" means one set of Solar Photovoltaic Grid Interactive power plant and auxiliary equipment and facilities forming part of the Project.

"Voltage of Delivery" means 11 KV voltage at which the Electricity generated by the Project is required to be delivered to the PGVCL.

1.2 Interpretation:

(a) Unless otherwise stated, all references made in this Agreement to "Articles" and "Schedules" shall refer, respectively, to Articles of, and Schedules to, this Agreement. The Schedules to this Agreement form part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement.

(b) In this Agreement, unless the context otherwise requires (i) the singular shall include plural and vice versa; (ii) words denoting persons shall include partnerships, firms, companies and Discom (iii) the words "include" and "including" are to be construed without limitation and (iv) a reference to any Party includes that Party's successors and permitted assigns.



ARTICLE 2

LICENCES, PERMITS & CONDITIONS PRECEDENT

- 2.1 The Power Producer, at its sole cost and expense, shall acquire and maintain in effect all clearances, consents, permits, licenses and approvals required from time to time by all regulatory / statutory competent authority(ies) in order to enable it to perform its obligations under the Agreement. PGVCL will render all reasonable assistance to the Power Producer to enable the latter to obtain such clearances without any legal obligation on part of PGVCL.

Provided, however, non-rendering or partial rendering of assistance shall not in any way absolve the Power Producer of its obligations to obtain such clearances. Nor shall it mean to confer any right or indicate any intention to waive the need to obtain such clearances.



ARTICLE 3

CONSTRUCTION AND OPERATION

- 3.1 The Power Producer shall complete the Construction of the project on or before the Scheduled Commercial Operate Date.
- 3.2 For the purposes of such completion of the Project, the Power Producer and PGVCL shall together endeavour to ensure that all Approvals pursuant to Article 2.1 are cleared within the Commercial Operate Date.
- 3.3 For the purposes of such completion of the Project, the Power Producer shall take all necessary steps for obtaining Approvals pursuant to Article 2.1.
- 3.4 If the Power Producer commits an O & M Default other than due to Force Majeure Events, PGVCL shall give notice of 90 days in writing to the Power Producer, calling upon the Power Producer to remedy such default and if the Power Producer fails to take steps to remedy such default within the aforesaid period the Agreement shall stand terminated as per Article 9 of this agreement.
- 3.5 The Power Producer shall provide to the SLDC and –Managing Director, PGVCL, information regarding Electricity generated during testing, commissioning, synchronization and startup.
- 3.6 Upon the occurrence of an Emergency in GETCO's /PGVCL's evacuation system for safe operation of its Grid, GETCO /PGVCL reserves the right to shut down the line and has no obligation to evacuate the Electricity nor to pay any compensation during such period. The Power Producer shall suitably back down their generation. PGVCL will, however, make reasonable endeavors to remedy such Emergency, and bring back normalcy at the earliest.
- 3.7 The Power Producer shall comply with the provisions of the applicable law including, in particular, GERC Grid Code as amended from time to time regarding operation and maintenance of the Power Project and all matters incidental thereto. Further, power producer shall submit forecast for availability of power to SLDC as per Regulation of Hon'ble GERC/CERC.
- 3.8 The Power Producer shall be required to submit bi-monthly progress report to PGVCL beginning with signing of PPA till the Project gets fully commissioned



ARTICLE 4

UNDERTAKINGS

4.1 Obligations of the Power Producer:

- (i) The Power Producer shall obtain all statutory approvals, clearances and permits necessary for the Project at his cost in addition to those Approvals as listed in Schedule 3.
- (ii) The Power Producer shall construct, operate and maintain the Project during the term of PPA at his cost and risk including the Interconnection Facilities.
- (iii) The Power Producer shall sell all available capacity from identified Solar Photovoltaic Grid Interactive Power Plants to the extent of contracted capacity on first priority basis to PGVCL and not to sell to any third party.
- (iv) The Power Producer shall undertake at its own cost maintenance of the Interconnection Facilities as per the specifications and requirements of PGVCL, as notified to the Power Producer, in accordance with Prudent Utility Practices.
- (v) The Power Producer shall operate and maintain the Project in accordance with Prudent Utility Practices. Further, Power Producer shall submit forecast for availability of power to ALDC as per Regulation of Hon'ble GERC/CERC
- (vi) The Power Producer shall be responsible for all payments on account of any taxes, cesses, duties or levies imposed by the GoG or its competent statutory authority on the land, equipment, material or works of the Project or on the Electricity generated or consumed by the Project or by itself or on the income or assets owned by it.
- (vii) To procure start up power required for the plant from PGVCL.
- (viii) Fulfilling all other obligations undertaken by him under this Agreement.
- (ix) To comply with the provisions of CEA (Technical Standards for connectivity of the Distributed Generation Resources) Regulations, 2013 and its amendments from time to time.

4.2 Obligations of PGVCL:

PGVCL agrees:

- (i) To allow Power Producer to operate the Project as a base load-generating station.
- (ii) Pay to Power Producer for month energy bills for scheduled energy as certified by ALDC.



ARTICLE 5
RATES AND CHARGES

- 5.1 Monthly Energy Charges: PGVCL shall pay to the Power Producer every month for Energy injected and as certified by ALDC the amounts (the "Tariff") set forth in Article 5.2 herein.
- 5.2 PGVCL shall pay the tariff at Average Pooled Purchase Cost (APPC) i.e. Rs. 3.22/Kwh* of previous year of commissioning and same shall be escalated by Re. 0.05/unit every year for the first 20 years and for last five years tariff shall be remain constant for all the Energy injected and as certified by ALDC.
- 5.3 For each KVARH drawn from the grid, the Power Producer shall pay at the rate as determined by the Commission payable to GETCO from time to time.



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ARTICLE 6

BILLING AND PAYMENT

6.1 Billing Provision.

Power Producer shall prepare invoices on a monthly basis and shall submit the same to PGVCL along with the copy of certificate of ALDC of energy injected on the second Business Day of the following month. The invoice shall show the amount of Energy injected / as per the certificate issued by ALDC, to PGVCL during such month period. The invoice shall also show any adjustments for sharing of CDM benefits. Based upon such information, the amount due to be paid by PGVCL shall be determined and stated.

- 6.2 Payment: PGVCL shall make payment of the amounts due in Indian Rupees within thirty (30) days from the date of receipt of the Tariff Invoice by the designated office of the PGVCL.

6.3 Late Payment:

For payment of Monthly bill by PGVCL, if paid after Due date of Payment, a late Payment charge shall be payable by PGVCL to the Power Producer at the rate of seven (7) percent in excess of the SBI base rate per annum, on the amount of outstanding payment, calculated on a week or part thereof basis viz.

$$= \frac{(\text{SBI Base rate} + 7\%)}{52} \text{ per week or part thereof.}$$

6.4 Rebate:

For payment of Monthly Bill by PGVCL, if paid before Due Date of Payment, a Rebate shall be deducted by PGVCL at the rate of seven (7) percent in excess of the applicable SBI base rate per annum, on the amount paid before due date, calculated on a week or part thereof basis viz.

$$= \frac{(\text{SBI Base rate} + 7\%)}{52} \text{ per week or part thereof.}$$

- 6.5 Disputes: In the event of a dispute as to the amount of any Tariff Invoice, PGVCL shall notify the Power Producer of the amount in dispute and PGVCL shall pay the Power Producer 100% of the undisputed amount plus 85% of the disputed amount within the due date provided either party shall have the right to approach the GERC to effect a higher or lesser payment on the disputed amount. The Parties shall discuss within a week from the date on which PGVCL notifies the Power Producer of the amount in dispute and try and settle the dispute amicably. Where any dispute arising out of or in connection with this agreement is not resolved mutually then such dispute shall be submitted to adjudication by the appropriate Commission under Section 79 or 86 of Electricity Act 2003 and the appropriate Commission may refer the matter to Arbitration as provided in the said provision read with Section 158 of Electricity Act 2003. For dispute beyond the power conferred upon the appropriate Commission, such dispute shall be subject to jurisdiction of High Court of Gujarat. If



the dispute is not settled during such discussion then the payment made by PGVCL shall be considered as a payment under protest. Upon resolution of the dispute, in case the Power Producer is subsequently found to have overcharged, then it shall return the overcharged amount with an interest of SBI base rate per annum plus 7% for the period it retained the additional amount. PGVCL / Power Producer shall not have the right to challenge any Tariff Invoice, or to bring any court or administrative action of any kind questioning/modifying a Tariff Invoice after a period of three years from the date of the Tariff Invoice is due and payable.



ARTICLE 7

METERING AND COMMUNICATION

7.1 Reading and Correction of Meters

- (i) For the purpose of energy accounting, the power producer shall provide ABT compliant meters at the interface points. Interface metering shall conform to the Central Electricity Authority (Installation and Operation Meters) Regulation, 2006. Commercial settlement of Solar Photovoltaic Grid Interactive based Power Project shall be in accordance with the Commission's order No: 3 of 2006 dated 11.8.2006
- (ii) The **PGVCL** and the Power Producer shall jointly read the Metering System on the first (1st) day of every month at the Delivery Point
- (iii) In the event that the Main Metering System is not in service as a result of maintenance, repairs or testing, then the Backup Metering System shall be used during the period the Main Metering System is not in service and the provisions above shall apply to the reading of the Backup Metering System.
- (iv) Meter reading taken jointly at the appointed date and time will be signed by the representatives of the **PGVCL**, and the Power Producer. If Power Producer's representative is not present, then the **PGVCL** shall provide the Power producer with a signed copy of the meter reading of the Main Metering System or Back up Metering System as the case may be. Such meter readings shall be treated as the accurate and final measurement, unless proved otherwise, of the energy supplied to the **PGVCL** by the Power Producer for the preceding month for the purpose of payment.

7.2 Sealing and Maintenance of Meters.

- (i) The Main Metering System and the Backup Metering System shall be sealed in the presence of representatives of Power Producer and **PGVCL**.
- (ii) When the Main Metering System and/or Backup Metering System and/or any component thereof is found to be outside the acceptable limits of accuracy or otherwise not functioning properly, it shall be repaired, re-calibrated or replaced by the Power Producer and/or the **PGVCL** at Power Producer's cost, as soon as possible.
- (iii) Any meter seal(s) shall be broken only by the **PGVCL**'s representative in the presence of Power Producer's representative whenever the Main Metering System or the Backup Metering System is to be inspected, tested, adjusted, repaired or replaced.
- (iv) All the main and check meters shall be calibrated once in a period of five (5) years.
- (v) In case, both the main meters and check meter are found to be beyond permissible limit of error, both the meters shall be calibrated immediately and the correction applicable to main meter shall be applied to the energy registered by the main meter at the correct energy for the purpose of energy account/ billing for the actual period during which inaccurate measurements



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were made, if such period can be determined or, if not readily determinable, shall be the shorter of:

- a. the period since the immediately preceding test of the relevant Main meter, or
- b. one hundred and eighty (180) days immediately preceding the test at which the relevant Main meter was determined to be defective or inaccurate.

7.3 Records

Each Party shall keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement and the operation of the Power Project. Among such other records and data, the Power Producer shall maintain an accurate and up-to-date operating log at the Power Project with records of:-

- a. Fifteen minutes logs of real and reactive power generation, frequency, transformer tap position, bus voltage(s), Main Meter and Back up Meter readings and any other data mutually agreed ; Till the Intra-State ABT is implemented the details under this clause shall be maintained half hourly basis instead of 15 minutes.
- b. any unusual conditions found during operation/ inspections;
- c. chart and printout of event loggers, if any, for system disturbances/ outages.
- d. All the records will be preserved for a period of 36 months.



ARTICLE 8

FORCE MAJEURE

8.1 Force Majeure Events:

- (a) Neither Party shall be responsible or liable for or deemed in breach hereof because of any delay or failure in the performance of its obligations hereunder (except for obligations to pay money due prior to occurrence of Force Majeure events under this Agreement) or failure to meet milestone dates due to any event or circumstance (a "Force Majeure Event") beyond the reasonable control of the Party experiencing such delay or failure, including the occurrence of any of the following:
- (i) acts of God;
 - (ii) typhoons, floods, lightning, cyclone, hurricane, drought, famine, epidemic, plague or other natural calamities;
 - (iii) acts of war (whether declared or undeclared), invasion or civil unrest;
 - (iv) any requirement, action or omission to act pursuant to any judgment or order of any court or judicial authority in India (provided such requirement, action or omission to act is not due to the breach by the Power Producer or PGVCL of any Law or any of their respective obligations under this Agreement);
 - (v) inability despite complying with all legal requirements to obtain, renew or maintain required licenses or Legal Approvals;
 - (vi) earthquakes, explosions, accidents, landslides; fire;
 - (vii) expropriation and/or compulsory acquisition of the Project in whole or in part by Government Instrumentality;
 - (viii) chemical or radioactive contamination or ionising radiation; or
 - (ix) damage to or breakdown of transmission facilities of GETCO / DISCOMs;
 - (x) exceptionally adverse weather condition which are in excess of the statistical measure of the last hundred (100) years.
- (b) **Force Majeure Exclusions:**
Force Majeure shall not include the following conditions, except to the extent that they are consequences of an event of Force Majeure:
- 1. Unavailability, Late Delivery or Change in cost of plants and machineries, equipment, materials, spares parts or consumables for the project;
 - 2. Delay in performance of any contractor / sub contractor or their agents.
 - 3. Non performance resulting from normal wear and tear experience in power generation materials and equipments
 - 4. Strike or Labour Disturbances at the facilities of affected parties
 - 5. In efficiency of finances or funds or the agreement becoming onerous to perform, and
 - 6. Non performance caused by, or concerned with, the affected party's
 - I. Negligent and intentional acts, errors or omissions;
 - II. Failure to comply with Indian law or Indian Directive; or
 - III. Breach of, or default under this agreement or any Project agreement or Government agreement.
- (c) The affected Party shall give notice to other party of any event of Force Majeure as soon as reasonably practicable, but not later than 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 any event of Force Majeure results in a break down of communication rendering it not reasonable to give notice within the applicable time limit specified herein, then the party claiming Force Majeure shall give notice as soon as reasonably practicable after reinstatement of communication, but not later than

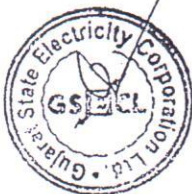


one day after such reinstatement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed, and the Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other party may reasonably request about the situation.

- (d) The affected Party shall give notice to the other Party of (1) the cessation of the relevant event of Force Majeure; and (2) 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.
- (e) 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 event of Force Majeure as soon as practicable.

8.2 Available Relief for a Force Majeure Event:

No Party shall be breach of its obligations pursuant to this agreement to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure event. For avoidance of doubt, neither Party's obligation to make payments of money due and payable prior to occurrence of Force Majeure events under this Agreement shall be suspended or excused due to the occurrence of a Force Majeure Event in respect of such Party.



ARTICLE 9

TERM, TERMINATION AND DEFAULT

9.1 Term of the Agreement: This Agreement shall become effective upon the execution and delivery thereof by the Parties hereto and unless terminated pursuant to other provisions of the Agreement, shall continue to be in force for such time until the completion of a period of 25 years (Twenty Five) from the Commercial Operation Date.

9.2 Events of Default:

9.2.1 Power Producer's Default: The occurrence of any of the following events at any time during the Term of this Agreement shall constitute an Event of Default by Power Producer:

- a. O&M Default on part of Power Producer.
- b. Failure or refusal by Power Producer to perform any of its material obligations under this Agreement.
- c. Power producer fails to make any payment required to be made to Procurer under this agreement within three (3) months after the due date of a valid invoice raised by the **PGVCL** on the Power Producer.
- d. If the Power Producer (i) assigns or purports to assign its assets or rights in violation of this agreement; or (ii) transfers or novates any of its rights and / or obligations under this agreement, in violation of this agreement.
- e. If the Power producer becomes voluntarily or involuntarily the subject of proceeding under any bankruptcy or insolvency laws or goes into liquidation or dissolution or has a receiver appointed over it or liquidator is appointed, pursuant to Law, except where such dissolution of the Power producer is for the purpose of a merger, consolidated or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and creditworthiness similar to the Power Producer and expressly assumes all obligations under this agreement and is in a position to perform them; or
- f. Not operating the plant as per GERC's Grid Code, ALDC instruction and prudent practices of industries.
- g. The Power Producer repudiates this Agreement.

9.2.2 PGVCL's Default: The occurrence of any of the following at any time during the Term of this Agreement shall constitute an Event of Default by **PGVCL**:

- a. Failure or refusal by **PGVCL** to pay any portion of undisputed monthly bill for a period of 90 days after due date.
- b. **PGVCL** repudiates this Agreement.
- c. If **PGVCL** becomes voluntarily or involuntarily the subject of proceeding under any bankruptcy or insolvency laws or goes into liquidation or dissolution or has a receiver appointed over it or liquidator is appointed, pursuant to Law, except where such dissolution of **PGVCL** is for the purpose of a merger, consolidated or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and creditworthiness similar to **PGVCL** and expressly assumes all obligations under this agreement and is in a position to perform them; or



9.3 Termination:

9.3.1 Termination for Power Producer's Default:

Upon the occurrence of an event of default as set out in sub-clause 9.2.1 above, **PGVCL** may deliver a Default Notice to the Power Producer in writing which shall specify in reasonable detail the Event of Default giving rise to the default notice, and calling upon the Power Producer to remedy the same.

At the expiry of 30 (thirty) days from the delivery of this default notice and unless the Parties have agreed otherwise, or the Event of Default giving rise to the default notice has been remedied, **PGVCL** may deliver a Termination Notice to the Power Producer. **PGVCL** may terminate this Agreement by delivering such a Termination Notice to the Power Producer and intimate the same to the Commission. Upon delivery of the Termination Notice this Agreement shall stand terminated and **PGVCL** shall stand discharged of all its obligations. The matter shall be referred to the State Government for settlement.

However, all payment obligations as per the Article 6 prior to the date of termination of the Agreement shall be met by the Parties.

Where a Default Notice has been issued with respect to an Event of Default, which requires the co-operation of both **PGVCL** and the Power Producer to remedy, **PGVCL** shall render all reasonable co-operation to enable the Event of Default to be remedied without any legal obligations.

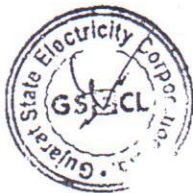
9.3.2 Termination for **PGVCL**'s Default:

Upon the occurrence of an Event of Default as set out in sub-clause 9.2.2 above, the Power Producer may deliver a Default Notice to **PGVCL** in writing which shall specify in reasonable detail the Event of Default giving rise to the Default Notice, and calling upon **PGVCL** to remedy the same.

At the expiry of 30 (thirty) days from the delivery of the Default Notice and unless the Parties have agreed otherwise, or the Event of Default giving rise to the Default Notice has been remedied, the Power Producer may serve a "Suspension Notice" to **PGVCL** for a duration not exceeding one year ("Suspension Period").

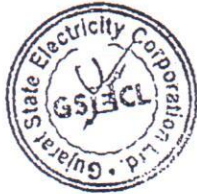
During the "Suspension Period" mentioned herein above, **PGVCL** shall allow the Power Producer to sell power from the project, to any HT consumers of the State, in the open market either by finding the said consumers on its own or through any Central / State power trading utilities. In case of wheeling of power to such third parties, the transmission charges, transmission losses, wheeling charges and losses and cross subsidy surcharge etc. shall be applicable as per GERC's regulation in force from time to time and paid directly to respective agencies by third party. No banking facility shall be allowed to Power Producer and third parties.

On expiry of the Suspension Period, **PGVCL** will be entitled to cure its default and buy power from the Power Producer. In the event **PGVCL** fails to cure the default, the Power Producer may terminate this Agreement by delivering a Termination Notice to **PGVCL** / its successor entity. The matter shall be referred to the State Government for settlement.



ARTICLE 10**DISPUTE RESOLUTION**

- 10.1 All disputes or differences between the Parties arising out of or in connection with this Agreement shall be first tried to be settled through mutual negotiation.
- 10.2 The Parties hereto agree to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith.
- 10.3 Each Party shall designate in writing and communicate to the other Party its own representative who shall be authorized to resolve any dispute arising under this Agreement in an equitable manner and, unless otherwise expressly provided herein, to exercise the authority of the Parties hereto to make decisions by mutual agreement.
- 10.4 In the event that such differences or disputes between the Parties are not settled through mutual negotiations within sixty (60) days, after such dispute arises, then it shall be adjudicated by the Commission in accordance with Law.



ARTICLE 11

INDEMNITY

- 11.1 Power Producer's Indemnity:** The Power Producer agrees to defend, indemnify and hold harmless **PGVCL**, its officers, directors, agents, employees and affiliates (and their respective officers, directors, agents and employees) from and against any and all claims, liabilities, actions, demands, judgments, losses, costs, expenses, suits, actions and damages arising by reason of bodily injury, death or damage to property sustained by third parties that are caused by an act of negligence or the willful misconduct of the Power Producer, or by an officer, director, sub-contractor, agent or employee of the Power Producer except to the extent of such injury, death or damage as is attributable to the willful misconduct or negligence of, or breach of this Agreement by, **PGVCL**, or by an officer, director, sub-contractor, agent or employee of the **PGVCL**.
- 11.2 PGVCL's Indemnity:** **PGVCL** agrees to defend, indemnify and hold harmless the Power Producer, its officers, directors, agents, employees and affiliates (and their respective officers, directors, agents and employees) from and against any and all claims, liabilities, actions, demands, judgments, losses, costs, expenses, suits, actions and damages arising by reason of bodily injury, death or damage to property sustained by third parties that are caused by an act of negligence or the willful misconduct of **PGVCL**, or by an officer, director, sub-contractor, agent or employee of **PGVCL** except to the extent of such injury, death or damage as is attributable to the willful misconduct or negligence of, or breach of this Agreement by, the Power Producer, or by an officer, director, sub-contractor, agent or employee of the Power Producer.



ARTICLE 12

MISCELLANEOUS PROVISIONS

- 12.1 Governing Law:** This Agreement shall be interpreted, construed and governed by the Laws of India.
- 12.2 Insurance:** The Power Producer shall obtain and maintain necessary policies of insurance during the Term of this Agreement consistent with Prudent Utility Practice.
- 12.3 Books and Records:** The Power Producer shall maintain books of account relating to the Project in accordance with generally accepted Indian accounting principles.
- 12.4 Waivers:** Any failure on the part of a Party to exercise, and any delay in exercising, exceeding three years, any right hereunder shall operate as a waiver thereof. No waiver by a Party of any right hereunder with respect to any matter or default arising in connection with this Agreement shall be considered a waiver with respect to any subsequent matter or default.
- 12.5 Limitation Remedies and Damages:** Neither Party shall be liable to the other for any consequential, indirect or special damages to persons or property whether arising in tort, contract or otherwise, by reason of this Agreement or any services performed or undertaken to be performed hereunder.
- 12.6 Notices:** Any notice, communication, demand, or request required or authorized by this Agreement shall be in writing and shall be deemed properly given upon date of receipt if delivered by hand or sent by courier, if mailed by registered or certified mail at the time of posting, if sent by fax when dispatched (provided if the sender's transmission report shows the entire fax to have been received by the recipient and only if the transmission was received in legible form), to :
- In case of the Power Producer:
- (i) Name : Shri. M.B. Kaka
Designation : Sr. Chief General Manager (F&A)
Address : Vidyut Bhavan, Race Course,
Vadodara 390007
- Ph. Nos.: 0265-6612003, Fax No.0265-2344537
- (ii) In case of PGVCL:
Designation: Additional Chief Engineer (R&C)
Address : "Paschim Gujarat Vij Seva Sadan", Laxminagar, Off Nana Mava
Road, Rajkot - 360 004 Ph. Nos.: (0281) 2380425 / 2380427
Fax No.: (0281) 2380428 _____

12.7 Severability:

Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof



and without affecting the validity, enforceability or legality of such provision in any other jurisdiction.

12.8 Amendments:

This Agreement shall not be amended, changed, altered, or modified except by a written instrument duly executed by an authorized representative of both Parties. However, **PGVCL** may consider any amendment or change that the Lenders may require to be made to this Agreement.

12.9 Assignment:

Neither Party shall assign this Agreement nor any portion hereof without the prior written consent of the other Party, provided further that any assignee shall expressly assume the assignor's obligations thereafter arising under this Agreement pursuant to documentation satisfactory to such other Party.

In furtherance of the foregoing, **PGVCL** acknowledges that the Financing Documents may provide that upon an event of default by the Power Producer under the Financing Documents, the Financing Parties may cause the Power Producer to assign to a third party the interests, rights and obligations of the Power Producer thereafter arising under this Agreement. **PGVCL** further acknowledges that the Financing Parties, may, in addition to the exercise of their rights as set forth in this Section, cause the Power Producer to sell or lease the Project and cause any new lessee or purchaser of the Project to assume all of the interests, rights and obligations of the Power Producer thereafter arising under this Agreement.

12.10 Entire Agreement, Appendices:

This Agreement constitutes the entire agreement between **PGVCL** and the Power Producer, concerning the subject matter hereof. All previous documents, undertakings, and agreements, whether oral, written, or otherwise, between the Parties concerning the subject matter hereof are hereby cancelled and shall be of no further force or effect and shall not affect or modify any of the terms or obligations set forth in this Agreement, except as the same may be made part of this Agreement in accordance with its terms, including the terms of any of the appendices, attachments or exhibits. The appendices, attachments and exhibits are hereby made an integral part of this Agreement and shall be fully binding upon the Parties.

In the event of any inconsistency between the text of the Articles of this Agreement and the appendices, attachments or exhibits hereto or in the event of any inconsistency between the provisions and particulars of one appendix, attachment or exhibit and those of any other appendix, attachment or exhibit **PGVCL** and the Power Producer shall consult to resolve the inconsistency.

12.11 Further Acts and Assurances:

Each of the Parties after convincing itself agrees to execute and deliver all such further agreements, documents and instruments, and to do and perform all such further acts and things, as shall be necessary or convenient to carry out the provisions of this Agreement and to consummate the transactions contemplated hereby.

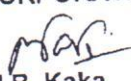

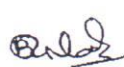

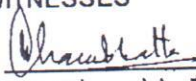
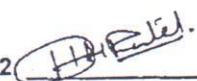


12.12 Sharing of benefits from Clean Development Mechanism (CDM):

Power Producer shall share CDM benefits with **PGVCL** on gross basis, starting from 100% to power producer in the first year after commissioning and thereafter reducing by 10% every year till the sharing becomes equal (50:50) between the Power Producer and **PGVCL**, in the sixth year. Thereafter sharing of CDM benefit shall remain equal till the time that benefit accrues.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their fully authorized officers, and copies delivered to each Party, as of the day and year first above stated.

| | |
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| <p>FOR AND ON BEHALF OF GUJARAT STATE ELECTRICITY CORPORATION LIMITED.</p> <p> M.B. Kaka Sr. Chief General Manager (F&A) Corporate Office, Vadodara</p> <p>Authorised Signatory</p> <p>WITNESSES</p> <p>1.  (A. J. MEHTA) SE (G & GERC), C.O., GSECL-VADODARA.</p> <p>2.  R. R. NASK (B.E. (PMS)) P & P Dept. C.O. GSECL. Vadodara.</p> | <p>FOR AND ON BEHALF OF PASCHIM GUJARAT VIJ COMPANY LIMITED</p> <p> J. J. Gandhi Additional Chief Engineer (R&C) Corporate Office, Rajkot</p> <p>WITNESSES</p> <p>1.  (A. N. Khambhatta) SE, GUVNL, Vadodara</p> <p>2.  (H. H. Patel) JE, GUVNL, Vadodara</p> |
|--|---|



SCHEDULE 1
PARAMETERS AND TECHNICAL LIMITS OF SUPPLY

1. Electrical characteristics

- Three phase alternating current
- Nominal declared frequency :
- Final Voltage at Delivery Point:
(Pooling stations)
- Short circuit rating:

50.0 Hz

* Shall be decided by PGVCL

As a part of the detailed design process, the Power Producer shall calculate the short circuit rating (minimum and maximum), and supply this information to the PGVCL.

Note: The tolerances & Electrical characteristics variations will be as per PGVCL performance Standards. The electrical clearances will be as per relevant standard.

| | | | |
|-------|---------------------------|--------|-------|
| • | Basic insulation level of | 11 kV | 66 KV |
| (i) | Transformer(s) | 75 kVp | |
| (ii) | Bushing(s) | 75 kVp | |
| (iii) | Equipment | 75 kVp | |

2. Quality of Service

The Power Producer shall be responsible for the delivery of energy conforming Performance Standards for Transmission and Bulk Supply as approved by GERC.

The maximum current and voltage waveform distortion shall be in accordance with table III of G.5/3, Engineering Recommendations, System Design and Development Committee, Limits for Harmonics in the United Kingdom Electricity Supply System. Phase voltage unbalance will be limited to one percent (1%).

3. Power Factor

The Generator shall maintain the Power Factor as per the prevailing GERC regulations and as may be stipulated / specified by PGVCL from time to time. The Power Producer shall provide suitable protection devices, so that the Electric Generators could be isolated automatically when grid supply fails.

Connectivity criteria like short circuit level (for switchgear), neutral Grounding, fault clearance time, current unbalance (including negative and zero sequence currents), limit of harmonics etc. shall be as per Grid Code.

The Project Site is located each at Sikka TPS & Kutch Lignite TPS in the State of Gujarat



SCHEDULE 2

TECHNICAL LIMITS

1. The nominal steady state electrical characteristics of the system are as follows:
 - a) three phase alternating current at 50 Hertz plus or minus 0.5 Hertz
 - b) nominal voltage of 11KV with +10% to - 12.5% variation.
2. The Project shall be designed and capable of being synchronized and operated within a frequency range of 47.5 to 51.5 Hertz and voltage as decided by PGVCL.
3. Operation of the Project outside the nominal voltage and frequency specified above will result in reduction of power output consistent with generator capability curves.

SCHEDULE 3

APPROVALS

1. Consent from the GETCO for the evacuation scheme for evacuation of the power generated by the 1 MW Solar Photovoltaic Grid Interactive Power Projects.
2. Approval of the Electrical Inspectorate, Government of Gujarat for commissioning of the transmission line and the Solar Photovoltaic Grid Interactive Power converters installed at the Project Site.
3. Certificate of Commissioning of the Solar Photovoltaic Grid Interactive Power Project issued by GEDA.
4. Permission from all other statutory and non-statutory bodies required for the Project.
5. Clearance from the Airport Authority of India, if required.
6. Clearance from the Department of Forest, Ecology and Environment, if required.

SCHEDULE 4

TESTING PROCEDURES

Power Producer and PGVCL shall evolve suitable testing procedures three (3) months before the Commercial Operation Date of the Project considering relevant standards.

SCHEDULE 5

SPECIFICATION OF ELECTRICAL ENERGY DELIVERY

1. The generation voltage from the Solar Photovoltaic Grid Interactive Power Project of M/s. Gujarat State Electricity Corporation Ltd. shall be as decided by PGVCL. It uses unit connection of generator, generator transformer and unit transformer.
2. The generated power at 440 Volt will be stepped up to the voltage level as decided by PGVCL at the Project Site and connected at the Sending Station for the purpose of interconnection with the Grid System at the Sending Station.

