

POWER PURCHASE AGREEMENT

(For 2.76 MW Wind Farm Power Plant at Barabagh, District Jaisalmer)

This POWER PURCHASE AGREEMENT (hereinafter referred to as "Agreement" or "PPA") is made and entered into effective as of 14th day of March, 2001 among:-

1. KALANI INDUSTRIES LIMITED (KIL) with its registered office located at Industrial Area No. 1, Mhow-Neemuch Road, Pitaharnpur, Distt. Dhar (M.P.), India (hereinafter referred to as "KIL", which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees)

AND

2. The RAJASTHAN RAJYA VIDYUT PRASARAN NIGAM LTD., with principal office located at Vidyut Bhawan, R.C. Dave Marg, Jyoti Nagar, Jaipur-302 005, India, a statutory body established under the Companies Act 1956, (hereinafter referred to as "RVPN", which expression shall unless repugnant to the context or meaning thereof, include its successors and assignees)

AND

3. The Jodhpur Vidyut Vitran Nigam Ltd. with principal office located at New Power House Heavy Industrial Area, Jodhpur established under the Companies Act 1956 (hereinafter referred to as "Jodhpur Discom.", which expression shall unless repugnant to the context or meaning thereof, include its successors and assignees)

WHEREAS the GOVERNMENT OF RAJASTHAN has granted developmental rights to KIL to set-up wind energy based Power Project of 2.76 MW capacity in Rajasthan, to generate power and to sell such power to RVPN.

AND, WHEREAS KIL desires to invest in and set-up such Wind Energy based Power Plant at BaraBagh District Jaisalmer of 2.76 MW capacity using the Wind Electric Generator and to produce and sell for commercial purposes electric power from such Power Plant to the RVPN;

AND, WHEREAS the RVPN desires to purchase such power;

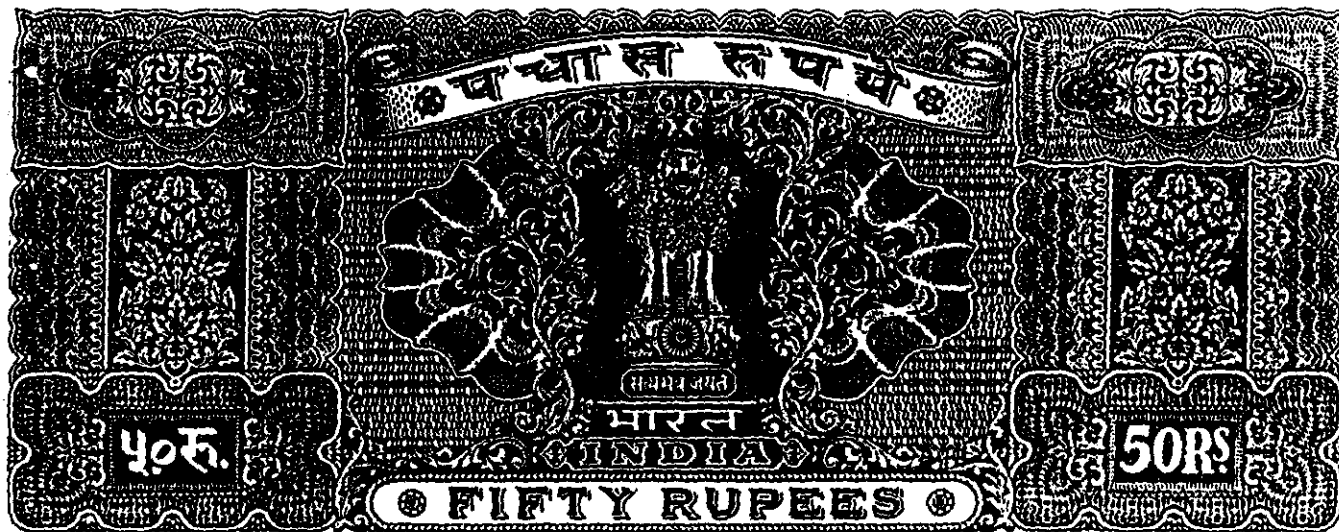
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Chairman & M. D.
R.V.P.N. Ltd., JAIPUR

For Kalani Industries Ltd.,

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C. & M. D., Jodhpur Discom.

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Authorised Signatory,

50 Rs.



NOW, THEREFORE, in consideration of the matters described above and the covenants in this Agreement, KIL, RVPN, and Jodhpur Discom intending to be legally bound, agree as follows:

ARTICLE I

TERMS OF AGREEMENT

1. Initial Term and the Extension thereof:
 - (i) Initial term of the Agreement shall be twenty (20) years from COD (Commercial Operation Date). COD means the date which falls thirty (30) days after the date of synchronisation of the last Wind Energy generator (WEG) of the power plant.
 - (ii) On the expiry of twenty (20) years' of initial term, this Agreement may be extended for further ten (10) years with mutual consent among RVPN, Jodhpur Discom. and KIL.
 - (iii) However, it can be terminated earlier also by either party by giving a notice of three months. The KIL will then be free to sale the power to third party(ies) after paying wheeling charges @ 2% to RVPN any where in the jurisdiction of Jodhpur Discom after having sought distribution license from RERC. However, third party sale outside Jodhpur Discom area could also be made on the same terms and conditions subject to agreement with the concerned Distribution Company. The credit for the third party will be given at the prevailing HT rates comprising of Unit charge and fuel surcharge (FCA). The third party will be KIL for its captive consumption or any H.T. consumer.
 - (iv) In case of third party sale, RVPN shall allow banking in a financial year upto 31st March of said financial year. At the end of the financial year if energy remains unsold, it will be bought by RVPN at 60% of the prevailing HT rates comprising of unit charge and fuel surcharge (FCA).

[Signature]
Chairman & M. D.
RVPN L.d., JAIPUR

For Kalani Industries L.d.,

[Signature]
Authorized Signatory.

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C. & M. D., Jodhpur Discom

ARTICLE II

INTERCONNECTION, POWER DELIVERY AND METERING

2.1 Grid Interfacing

- (i) Interfacing, including transformers, panels, kiosks, protection, metering, HT lines from the point of generation to the nearest HT lines (or equivalent distance thereof) etc., as well as their maintenance will be undertaken by KIL as per the specifications and requirements of the RVPN, and /or Jodhpur Discom. for which KIL will bear the entire cost. Alternatively, these works and their maintenance could be undertaken by Jodhpur Discom at charges to be mutually agreed between KIL and Jodhpur Discom.
- (ii) Jodhpur Discom will undertake to augment the sub-station capacity at 33 KV at its cost to receive the power generated by KIL.
- (iii) Jodhpur Discom will also undertake at its cost augmentation of sub-transmission lines, if required from the receiving sub-station.
- (iv) Two separate meters, one for the export of power to the grid and another for import from the grid, will be installed on the HT side by KIL at his cost. The meters and the metering boxes will be sealed by the RVPN and /or Jodhpur Discom.
- (v) Necessary current limiting devices such as Thyristors if required will be installed in the generating equipment by KIL. Capacitors of sufficient rating will also be provided in the equipment to ensure that the power factor is always maintained above 0.80.
- (vi) Technical Parameters - as per Annexure 'A'


2.2 Measurement of Energy and Metering :

- (i) The RVPN and /or Jodhpur Discom. shall own, test and maintain the main metering system. KIL shall also install, test, own and maintain meters and metering devices for back up purposes. Both the metering systems shall be designed so as to measure outgoing energy and power delivered by KIL to RVPN at the delivery point. The 'Delivery Point' means the interconnection point(s) after the 33 KV line isolator and circuit breakers at last gantry of the KIL. power plant.
- (ii) The RVPN and /or Jodhpur Discom and KIL shall jointly read the metering system and shall keep complete and accurate records for proper administration of this Agreement.
- (iii) The energy supplied by KIL at the Delivery Point shall be considered as the energy supplied to RVPN and deemed sale to Jodhpur Discom. The suitable metering arrangement shall be made at 132 KV GSS, Jaisalmer, to have the account of power utilised by Jodhpur Discom. due to generation of power from KIL's power plant.


Chairman & M. D.
R.V.P.N. Ltd., JAIPUR

For Kalani Industries Pvt. Ltd.,


C. & M. D., Jodhpur Discom.


Authorised Signatory.

ARTICLE III

POWER PURCHASE PRICE

- 3.1 (i) The price to be paid by the RVPN, net of all GOR and local taxes and duties as may be leviable on generation and/or sale of electricity for all electricity made available and sold by KIL to RVPN shall be based on the tariff specified at sub clause 3.1 (ii).
- (ii) The RVPN will purchase electricity offered by KIL based on a price level of Rs. 3.03/unit applicable for the year 2000-2001, with no restriction on time or quantum of electricity supplied for sale. This basic rate will be increased at the rate of 5% every year on first April of the year for a period of ten (10) operational years. Thereafter the rate of increase shall be mutually settled between RVPN & KIL.

ARTICLE IV

METER READING AND BILLING PROCEDURE

4.1 Reading and Correction of Meters

- (i) The RVPN and /or Jodhpur Discom. and KIL shall jointly read the Metering System on the first (1st) day of every month at the Power Plant.
- (ii) 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.
- (iii) Meter reading taken jointly at the appointed date and time will be signed by the representatives of the RVPN and /or Jodhpur Discom and of KIL. If KIL's representative is not present, then the RVPN and /or Jodhpur Discom shall provide KIL with a signed copy of the meter reading within twenty four (24) hours of such 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 RVPN by KIL for the preceding month for the purpose of payment.

4.2 Sealing and Maintenance of Meters.

- (i) The Main Metering System and the Backup Metering System shall be sealed in the presence of all the parties.
- (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 KIL and/or the RVPN/Jodhpur Discom. as soon as possible.
- (iii) Any meter seal(s) shall be broken only by the RVPN's/Jodhpur Discom's representative in the presence of KIL's representative whenever the Main Metering System or the Backup Metering System is to be inspected, tested, adjusted, repaired or replaced.

Chairman & M. D.
R.V.P.N. Ltd., JAIPUR

[Signature]
C. & M. D., Jodhpur Discom.

For Kalani Industries Pvt. Ltd.,

[Signature]
Authorised Signatory.

4.3 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 Plant. Among such other records and data, KIL shall maintain an accurate and up-to-date operating log at the Power Plant with records of :

- a. hourly 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 ;
- b. any unusual conditions found during operation/ inspections;
- c. chart and printout of event loggers, if any, for system disturbances/outages.

4.4 Billing Provision.

The Billing will be on monthly basis. The RVPN will be billed by KIL based on joint meter reading promptly following the end of each month for the energy supplied and payment will be due on the fourth working day following the delivery of the billing invoice.

ARTICLE V

PAYMENT PROCEDURE

5.1 Payment Provisions

- (a) A monthly invoice containing detailed statements reflecting the quantity of electricity sold and price payable shall be submitted by KIL to RVPN at its designated office, for the net electricity supplied by it to RVPN. The RVPN shall make payment of the amounts due, calculated at the purchase price for that particular month within a period of 15 days without interest. The RVPN will pay the agreed tariff together with any related GOR and local taxes and duties on electricity generated and/or sold, by immediately available funds to such banking institution in Jaipur or elsewhere in Rajasthan, as KIL may designate by notice to RVPN.
- (b) Late payments shall carry, for the period of delay, interest at an annual rate equal to the Bank rate plus eight percent (8%) but in no event more than the maximum rate of interest allowable under the applicable law. For the purpose of clarification, if Bank Rate is ten percent (10%), then the Bank rate plus eight percent (8%) will be eighteen percent (18%).
- (c) All payments for energy supplied under this Agreement as per the joint meter reading shall be made free of any restriction or condition and without deduction or withholding on account of any other amount, whether by way of set-off or otherwise, but the making of such payments shall be without prejudice to other rights.
- (d) As a security package, RVPN shall provide facilities of an irrevocable, divisible, revolving and confirmed standby Letter of Credit by State Bank of Bikaner and Jaipur or other Nationalised Bank. The amount of Letter of Credit shall be equal to the Expected Payment for one month by RVPN.

A draft of such Letter of Credit shall be provided by RVPN to KIL within thirty (30) days of this Agreement and KIL shall provide its comments thereon within

[Signature]
Chairman & M. D.
RVPN Ltd., JAIPUR

For Kalani Industries Ltd.,

[Signature]
C. & M. D., Jodhpur District.

[Signature]
Authorised Signatory.

fourteen (14) days of receipt of such draft. RVPN shall, at the time of providing such draft, nominate the Scheduled Commercial Bank.

ARTICLE VI

CLARIFICATIONS

In case, the Agreement is silent on any issue which needs clarification, the terms contained in the "Policy for Promoting Generation of Power through Non-Conventional Energy Sources" issued vide Energy Department letter No. F.20(3) Energy/98 dated 4.2.2000 shall be applicable.

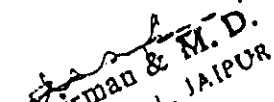
ARTICLE VII

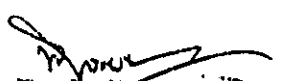
DISPUTES

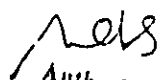
7.1 Settlement of Disputes

Except where expressly stated to the contrary in this Agreement, any matter or dispute or difference of whatever nature howsoever arising under, out of or in connection with this Agreement (collectively called 'Disputes') between the Parties shall be resolved, if not earlier resolved by mutual agreement or through some mechanism such as reference to an expert that may be mutually agreed upon in the future, through binding arbitration using the following rules and procedures

- (a) The Dispute shall be submitted to arbitration at the request of either Party upon written notice to that effect to the other Party ('a Notice of Reference'). Each party shall appoint an arbitrator of its own choice and inform the other Party. Before entering upon the reference, the two arbitrators shall appoint an umpire.
- (b) In case either of the Parties fails to appoint its arbitrator within thirty (30) days from the receipt of a notice from the other Party in this regard or the two (2) arbitrators fail to appoint the umpire, the Chief Secretary, Govt. of Rajasthan, shall appoint the arbitrator and/or the umpire, as the case may be.
- (c) In the event of a disagreement between the two (2) arbitrators, the matter shall be referred to the umpire whose decision shall be final and binding on the Parties. The arbitration proceedings shall be held in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996 or any statutory modifications or re-enactment thereof. The arbitrators and/or the umpire as the case may be shall give a reasoned item-wise award.
- (d) The arbitration proceedings shall be conducted in English language. The venue of arbitration shall be at Jaipur.
- (e) Each Party shall bear fees and costs of its nominee arbitrator. The fees and cost of umpire shall be shared equally by both the Parties. The umpire shall also decide as to which of the Parties shall bear the cost of the proceeding.
- (f) The arbitrators and the umpire may from time to time, with the consent of the Parties, extend the time to make and publish their/his award.


Chairman & M. D.
R V P N Ltd., JAIPUR



C. & M. D., Jodhpur Discom.

For Kalani Industries Ltd.,

Authorised Signatory.


IN WITNESS WHEREOF Parties have entered into Agreement as of the day and year first above written.


RAJASTHAN RAJYA VIDHYUT PRASARAN NIGAM LTD.



By D.C. Samant
Chairman & Managing Director
R.V.P.N. Ltd., JAIPUR

WITNESS
(1)  14.3.2011
K.L. VYTA
CE (P.M) R.V.N.

Jodhpur Vidyut Vitran Nigam Ltd.


WITNESS
(2)  14.3.2011
SE (NPP),


By A.D. Chandra
Chairman & Managing Director
Jodhpur Discom.

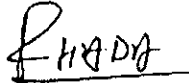
WITNESS
(1)  UMITTAL
J.P. Chandra
J.P. Chandra
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J.P. Chandra
J.P. Chandra

KALANI INDUSTRIES LIMITED
For Kalani Industries Ltd.,

By A.K. Pandey
President, Wind Farm Division
Authorised Signatory.

WITNESS
(1)  P. Kerlani

A-18 Nu lite colony
Tonk Road
Jaipur

(2)  RAJVEER SINGH
Rajveer Singh Hada
550, Subhash colony
Chastri Nagar Jaipur

PARAMETERS AND TECHNICAL LIMITS OF SUPPLY

1. Electrical characteristics

- Three phase alternating current
- Nominal declared frequency : 50.0 Hz + 3%/-5%
- Final Voltage at Delivery Point : 33 KV (+10%/-10%)
Ultimately. Initially it may be 11KV.

Short circuit rating :

As part of the detailed design process, KIL shall calculate the short circuit rating (minimum and maximum), and supply this information to the RVPN and Jodhpur Discom.

• Basic insulation level of	33 KV	11 KV
(i) Transformer(s)	170 KVp	95 KVp
(ii) Bushing(s)	170 KVp	95 KVp
(iii) Equipment	170 KVp	95 KVp

2. Quality of Service

KIL shall be responsible for the production of energy in accordance with good prudent utility practices.


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

Generator shall have a power factor rating of 0.80 lagging. KIL shall also provide capacitors of sufficient rating at the power plant itself to compensate for reactive KVA drawn from the system by induction generators and to maintain at all times the power factor of not less than 0.8 lagging at the point of inter-connection. KIL shall provide suitable protection devices, so that the Electric Generators could be isolated automatically when grid supply fails.

4. The RVPN/Jodhpur Discom. and KIL may mutually agree to revise the electrical characteristics in item 1 above for supply at inter connection voltages less than 33 KV for the initial stages of the Power Plant.


Chairman & M. D.
R.V.P.N. Ltd., JAIPUR


C. & M. D., Jodhpur Discom,

For Kalani Industries Ltd.,

Authorized Signatory