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100	 <b>Government of Karnataka</b> Registration & Stamps Department	 Issued by <b>CD/2 217151</b> <b>State Bank of Mysore</b>	100
Certified that a sum of Rs. 100/- (Rupees One Hundred only) has been paid towards Karnataka Stamp duty by			
Sri/Smt. <b>Bhoruka Power Corporation Ltd.</b>			
# 48, Lavella Road, Bangalore - 560 001. residing at			
<b>BANGALORE</b>			
Br. No. <b>G. ROAD BR. 006</b>		<b>For STATE BANK OF MYSORE</b>	
Date: <b>19 SEP 2004</b>		Authorised Agent to collect stamp duty on behalf of Government of Karnataka <b>MANAGER</b> Mahatma Gandhi Road Br, Bangalore-1	
100			100

This Power Purchase Agreement is made and entered into at Bangalore on the Fourth day of November Two Thousand and Four between **KARNATAKA POWER TRANSMISSION CORPORATION LIMITED**, incorporated in India under the Companies Act, 1956 and having its registered office located at Kaveri Bhavan, Bangalore, State of Karnataka hereinafter referred to as the "**Corporation**" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) as party on the first part, and **M/S. BHORUKA POWER CORPORATION LTD.**, a company formed and incorporated under the Companies Act, 1956, and a "Generating Company" under section 2 (4-A) of the Electricity (Supply) Act, 1948 having its registered office at 48, Lavelle Road, Bangalore - 560 001, hereinafter referred to as the "**Company**" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) as party on the second part.

WHEREAS,

- i) The Govt. of Karnataka by its Order Nos. 1] DE 132 NCE 97 Bangalore dated 20.04.1999 2] DE 145 NCE 2001 Bangalore dated 12.09.2001, 3] DE 77 NCE 2002, dated 24.04.2002 and 4] DE 138 NCE 2004 Bangalore dated 15.05.2004 has accorded its sanction to the proposal of the Company for installation of a Mini Hydro Electric Power Generating Station of 9 MW capacity, across river Neria at Nidle Village, Belthangady Taluk, Dakshina Kannada District and permitted Corporation to enter into an agreement with the Company for purchase of Electricity.
- ii) Pursuant to (i) the Company has plans to develop, design, engineer, procure finance, construct, own, operate and maintain a Mini Hydro Electric Power Generating Station, hereinafter defined as the Project, with a gross capacity of 9 MW across Neria River at Nidle Village, Belthangady Taluk, Dakshina Kannada District and desires to sell Electricity to the Corporation.
- iii) Corporation which is engaged in the purchase, transmission and bulk supply of electricity has agreed to purchase Electricity (as hereinafter defined) from the Company to be generated at 9 MW power project across river Neria at Nidle Village, Belthangady Taluk, Dakshina Kannada District on the conditions set forth herein.

NOW THEREFORE IN VIEW OF THE FOREGOING PREMISES AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREINAFTER SET FORTH, CORPORATION AND THE COMPANY, EACH HEREBY AGREE AS FOLLOWS:

**BHORUKA POWER CORPORATION LIMITED**

  
**RAGHURAJ GUJJAR**  
 VICE PRESIDENT-FINANCE



- (x) The Company shall be responsible for obtaining necessary licenses for operation of the Project and sale or transfer of Electricity there from under the provisions of the relevant laws, prior to the Schedule Date of Completion of the first Unit of the Project.
- (xi) The cost of maintenance of the by pass channel, if any, between the Project intake and tailrace shall be borne by the Company.
- (xii) The Company shall obtain and maintain policies of insurance during the Term of this Agreement consistent with prudent utility practice.
- (xiii) The Company undertakes that in case of any emergency or operational limitations in Corporations evacuation system, it will back down/shut down the generation till such time normalcy is restored.
- (xiv) The benefits accruing on account of carbon credit shall be shared between the Company and the Corporation in the ratio of 30:70.

#### 4.2 Obligations of Corporation:

Corporation agrees

- (i) to provide construction power at Corporation's prevailing tariff for Temporary Installations within 60 days, if possible or any other date mutually agreeable, from the date of receipt of the application from the Company for the purpose.
- (ii) to off-take all the Electricity made available by the Company at the Delivery Point subject to system constraints and Force Majeure conditions.
- (iii) to make tariff payments to the Company as set out in Article 5.
- (iv) to undertake maintenance of the transmission lines at its own cost after Commercial Operation Date.

#### 4.3 Representations of the Company:

- (i) The Company represents that it shall not operate the project at any time to the prejudice of Corporation.
- (ii) The Company shall, three months before the commercial operation of the project, develop suitable operation and maintenance procedures with the authorized representative of Corporation
- (iii) The Company represents that in case of any emergency in Corporations evacuation system, it will back down/shut down the generation till such time normalcy is restored.
- (iv) The Company represents that it shall not be entitled to any compensation from Corporation for any event other than the amounts if any decided as per provisions of Article 10.

#### 4.4 Representations of Corporation

- (i) Corporation represents that it shall not act in a manner contrary to this Agreement at any time.
- (ii) Corporation shall at least three (3) months before the Commercial Operation Date confirm that it has accepted the operating and maintaining procedures of the *company*.

### ARTICLE 5

#### RATES AND CHARGES

- 5.1 **Monthly Energy Charges:** Corporation shall for the Delivered Energy pay, for the first 10 years from the Commercial Operation date, to the Company every month during the period commencing from the Commercial Operation Date at the rate of Rs. 2.90 [Rupees Two and Ninety paise only] per Kilowatt-hour ["the base tariff] for energy delivered to the Corporation at the Metering Point with an escalation at a rate of 2% per annum over "the base tariff" every year. This shall mean that the annual escalation will be at the rate of Rs. 0.058 per Kwhr.

