

Tata Royer



No. 95
MAHARASHTRA

- 5 FEB 2008

Proper Officer
Shri. V. M. Dhanvijay

श्री अशोक स्तुम्भ कदम
(पिल.एस.बी.नं. १५)

ईस्ट-राष्ट्रीय संग्रहालय रोड,
आनंद भुवन, २/२५, कोर्ट, पुणे-१.

क्रमांक 000952

श्री. अशोक स्तुम्भ कदम
वर्तमान न्यायिकता प्रमाण पत्र विभाग,
पुणे-२२६२२९०७

11 FEB 2008

AZ 401163

कमाला - TATA POWER TRADING COMPANY LIMITED

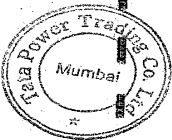
श्री. अशोक स्तुम्भ कदम, Block 'A',
Regd. Office, 2nd Stage, 3rd Block, 3rd Stage,
Basaweshwarnagar, Bangalore - 560 079.
Mumbai-400 009.

परवानाधारक मुद्रांक विक्रेता

POWER PURCHASE AGREEMENT BETWEEN

SLS POWER CORPORATION LTD.
AND
TATA POWER TRADING COMPANY LIMITED

This Agreement, dated as of 11th February 2008, is by and between **SLS POWER CORPORATION LTD.** a limited company incorporated under the Companies Act 1956, having its Corporate Office at No. 700, 2nd 'C' Cross, 9th Main, 3rd Block, 3rd Stage, Basaweshwarnagar, Bangalore - 560 079. and plant at Dommugudum near Bhadrachalam, Andhra Pradesh (hereinafter referred to as "SLSPCL", which expression, unless repugnant to the context or meaning thereof shall be deemed to include its successors and permitted assigns)



(Amulya Charan)
Managing Director

For SLS Power Corporation Ltd.

1 V. [Signature]
Chairman & Managing Director



And

TATA POWER TRADING COMPANY LIMITED, a limited company incorporated under the Companies Act 1956, having its registered office at Corporate Centre, Block A, 34 Sant Tukaram road, Carnac Bunder, Mumbai-400009 (hereinafter referred to as "TPTCL", which expression shall unless repugnant to the context or meaning thereof shall be deemed to include its successors and permitted assigns),

Collectively, referred to as the "**Parties**"

WHEREAS

SLSPCL is desirous to sell and TPTCL is desirous to purchase for trading directly or through power exchange round the clock power (00:00 hrs to 24:00 hrs) upto 21 MW during July-Jan and 10MW during Feb-Apr, and 7MW during May-Jun for a period of Ten years commencing from commercial operation date, which is likely to be 1st June 2010, subjected to availability of open access from State Load Dispatch Center (SLDC).

NOW THEREFORE, it is hereby agreed by and between the parties hereto as under:

1. Quantum of Power

The power to be supplied is on round the clock basis (00:00 hrs to 24:00 hrs), likely to be started from 1st June 2010 and to continue for next Ten years and beyond based on mutual agreement.

The approximate quantum to be supplied is as follows:

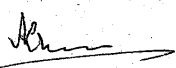
- upto 21 MW during July-Jan
- upto 10 MW during Feb-Apr
- upto 7 MW during May-Jun

Any variations will be informed in advance to TPTCL

2. Delivery Point: -

For the purchase of energy by TPTCL, the Delivery Point shall be 132 kV interconnection point between SLSPCL sub station and APTCL transmission system at 132 kv sub station at Bhadrachalam OR Moneguru, A.P. in SR. SLSPCL will secure open access from APTCL upto PGCIL terminal.




(Amulya Charan)
Managing Director

For SLS Power Corporation Ltd.

2


Chairman & Managing Director



3. Price & Period:

The applicable base Rate at the Delivery point shall be Rs. 3.50 /kWh. For a period upto December 2012 and will be revised as per mutual consent for the later period.

The rates quoted above shall be inclusive of all taxes, duties, cess etc. applicable in the State of Andra Pradesh whether imposed by the Central Government, State Government or any other Statutory/ Local Bodies. Any variation in / imposition of any new tax, duties, cess etc. as mentioned above shall be mutually agreed upon on the occurrence of any new taxes that may be imposed by the said bodies.

All efforts will be made by TPTCL to secure the highest possible rate based on market dynamism. Thus the additional revenue accrued over the base revenue (based on base rate) will be passed on to SLSPCL after TPTCL has earned its margin as per applicable CERC regulations or in the event of no margin being specified, TPTCL's margin will be capped at Rs. 0.04 / unit OR 3% of the selling rate as permitted by the Supreme Court. Likewise in the event of slack demand, all shortfalls in revenue compared to base revenue (based on base rate) will be adjusted against the additional revenue stated above. This will be done to the extent of exhausting the corpus earned thro' additional revenue as stated above if the situation so warrants.

In the event of APTCL not allowing corridor for inter-state sale and instead there being a need to sell power to APTCL itself, then the rate of sale of power would be based on the offer rate of APTCL which could be different from the rate offered above and the same shall be acceptable to SLSPCL.

If there are any charges payable for reactive energy drawl the same shall be to the account of SLSPCL.

4. Open Access Charges & Losses: -

The Transmission charges and Transmission losses & operation charges upto the Delivery point shall be borne by SLSPCL and all transmission charges, transmission losses and Operation Charges of the Regional (RLDC)/ State Load Despatch Centers applicable beyond the Delivery Point shall be borne by TPTCL.



(Amulya Charan)
Managing Director

For SLS Power Corporation Ltd.

3 V.

Chairman & Managing Director



In case Open Access Application is refused on the ground of no consent from APTCL, then the application fees (presently Rs. 5000) will be payable by SLSPCL.

TPTCL will apply to book the corridor three months in advance in order to ensure that the corridor is granted to evacuate maximum amount of power offered by SLSPCL. For this TPTCL shall pay the corridor charges to the Nodal RLDC three months in advance as required by the Regulations. In case SLSPCL is not able to supply any power, then the open access charges upto the customer end will be reimbursed by SLSPCL. Once the power flow is established and then in the event of SLSPCL not being in a position to supply 80% of the contracted energy, subject to open access granted, on monthly average basis all the open access charges till the importing system for the shortfall below 80% of the contracted energy subject to open access shall be reimbursed by SLSPCL.

5. Energy Accounting: -

Energy delivery measurement and accounting will be in accordance with the prevalent norms and procedure of RPC/RLDC. Total energy supplied by SLSPCL during the month will be based on the Regional energy Account (REA) issued by the concerned RPC/RLDC and will form the basis of final settlements.

6. UI Charges:-

The supplier need to install and commission special energy meter (SEM meter) which is frequency based energy measuring device, suitable for Availability Based (ABT) metering. The Schedule and Despatch of power shall be coordinated with respective RLDCs/ SLDCs as per the relevant provisions of Indian Electricity Grid Code, various statutory regulations/orders of RLDCs and RPCs. In the event SLSPCL does not adhere to the schedule prepared and adopted for the day by various Regional Load Despatch Centers/ State Load Despatch Centers with the consent of SLSPCL and TPTCL at the time of scheduling, then, if this non adherence to the adopted schedule results into Unscheduled Interchange (U.I.) of power which results into any U. I. Charges, the same shall be borne by SLSPCL. TPTCL shall pay to SLSPCL for the energy based on the implemented (final) schedule. SLSPCL shall install a SEM meter at



(Amulya Charan)
Managing Director

For SLS Power Corporation Ltd.

4 V. [Signature]
Chairman & Managing Director



the point of power delivery which shall be approved by APTCL for the purpose of billing/ UI charges, etc.

7. Billing Cycle: -

For the supply of power during a month, SLSPCL shall raise weekly bills on provisional basis. For the purpose of Weekly Bills, each month will be divided into four parts starting from 00:00 hrs. (or any other time decided by RPC/RLDC) of 1st, 9th, 16th, and 24th day of the month to 24:00 hrs. (Or any other time decided by RPC) of 8th, 15th, 23rd and last day of the month respectively. The first three Weekly Bills will be raised on or after 9th, 16th & 24th based on implemented schedule of SRLDC which shall be down loaded from their website for the energy at Delivery Point. The monthly bill shall be raised by SLSPCL as per REA prepared by SRPC/ SRLDC and this will be the basis of monthly settlement.

8. Payment: -

The payment will be made by TPTCL through Electronic transfer to designated Bank in the TRA Account in full within Ten days after the date of receipt of the weekly and monthly bills by SLSPCL through fax / e-mail and confirmation copy sent through courier to TPTCL. In the event of 10th day being a Bank holiday in the station domicile of either party, the next day would be the due date for payment.

9. Payment Security Mechanism: -

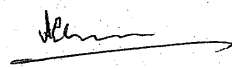
That TPTCL will furnish a standby, irrevocable, weekly revolving and confirmed Letter of Credit (LC), as per mutual agreement.

The said LC will be operated in case of default in any weekly/monthly payment.

The said L/c will cover atleast one week of energy bill amount and will be a revolving one with due replenishment from M/s TPTCL in case of presentation for payment.

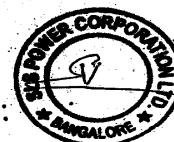
Further any charges of opening the said L/c or the charges of payment, if any as well as the amendments due to TPTCL will be to the account of TPTCL.




(Amulya Charan)
Managing Director

For SLS Power Corporation Ltd.

5 V. 
Chairman & Managing Director



10. Rebate for prompt payment: -

SLSPCL shall allow 2% rebate on billed amount if the payment is made within stipulated period as specified in clause 8. A surcharge @ 15% per annum for the number of days delay will be applicable on all payments remaining outstanding after the 30 days from the date of the bill.

11. Power supply & Scheduling: -

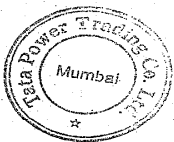
The purchase of electrical energy by TPTCL from SLSPCL is without any "Take or pay liabilities on either side" and also subject to technical and transmission corridor constraints and Force Majeure conditions. Scheduling and despatch of the power shall be coordinated by TPTCL with the respective RLDC/SLDC as per relevant provisions of IEGC and the decision of RLDC's, RPC's and STU.

12. Force Majeure: -

The supply of power from SLSPCL to TPTCL shall be subject to "Force Majeure" conditions, as defined in clause below.

"Force Majeure" means any event or circumstance or combination of events or circumstances, direct and/or indirect, which is or are beyond the control of a Party and that results in or causes the failure of that Party (the "non-performing party") to perform any of its obligations under this Agreement, and includes: -

- (a) Act of strike, Lockout, war, invasion, armed conflict, blockade, revolution, riot, insurrection or civil commotion, terrorism, sabotage, fire, explosion or criminal damage;
- (b) Act of God, including lightning, cyclone, typhoon, flood, famine, fire, hurricane, droughts tidal wave, earthquake, landslide, epidemic or similar cataclysmic event and such other extreme weather or environmental situations.
- (c) The expropriation or compulsory acquisition by any Government or Governmental agency of the Bulk Supply Business of TPTCL;
- (d) Any curtailment/suspension/non availability of transmission capacity by intervening SLDCs and/or RLDCs
- (e) Change of Law



(Amulya Charan)
Managing Director

For SLS Power Corporation Ltd.

6V. [Signature]
Chairman & Managing Director



- (f) Regulatory intervention in the matter of power trading as also orders from CERC/ SERCs/ Appellate Tribunal of Electricity/ High Courts/ Supreme Court particularly related to rates at which power can be sold/ purchased/traded. This will also include regulations / orders already issued but yet to be conclusively enforced.

12.1 Where a non-performing party is unable to perform its obligations under this Agreement by reason of Force Majeure, the non-performing party shall notify the other party as soon as practicable of the occurrence of Force Majeure, identifying the nature of the event or circumstance of Force Majeure, the expected duration of such Force Majeure, the particular obligations of the non-performing party which are affected by such Force Majeure and the period for which such obligations are expected to be so affected.

12.2 The obligations of the Parties under this Agreement shall be suspended only to the extent that:

- a) Such suspension is of no greater scope and no longer duration than is required by the effects of the relevant event or circumstance of Force Majeure; and
- b) The non-performing Party uses all reasonable efforts to remedy, as soon as practicable, its inability to perform the affected obligations.

13. Confidentiality: -

Parties undertake to treat this Agreement and each of its terms as confidential. Neither Party shall disclose to any third party the existence or the terms of this Agreement without the prior written consent of the other Party. The obligations undertaken hereto shall not apply to any information obtained which is or becomes published or is otherwise generally available to the public other than in consequence of any willful or negligent act or omission of either of the Parties hereto or any of their or its employees and such obligations shall survive the termination of this Agreement.

14. Dispute Resolution:-

If any dispute or difference of any kind whatsoever ("Dispute") shall arise between the Parties in connection with or arising out of this Agreement or out of the breach, termination or invalidity of the Agreement hereof, the Parties shall resolve them by resort to the following in the order so mentioned:



(Amulya Charan)
Managing Director

For SLS Power Corporation Ltd.

7V.
Chairman & Managing Director



(a) Parties shall attempt to decide through mutual discussions within 15 days.

(b) In case both the parties are unable to resolve the issue of dispute or difference, the matter will be referred for arbitration as a measure of dispute resolution based on Arbitration and Conciliation Act, 1996. Their decision shall be binding on both parties.

Notwithstanding the existence of any Dispute, whether referred to arbitration or not, the Parties hereto shall continue to perform their respective obligations under this Agreement throughout the Term of this Agreement

15. Termination of Agreement :-

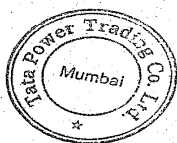
In case TPTCL does not make timely payments of SLSPCL dues for the above power for a period of 60 days, SLSPCL shall have right to terminate prevailing arrangement for sale of above power without prejudice to all the rights to recover the amounts due to SLSPCL and


In case SLSPCL defaults consistently for 60 days in supply of power TPTCL shall have the right to terminate prevailing arrangement and recover full cost of open access charges till drawal point i.e. at customers end.

In case of default by either party, the other party will issue a notice with a period of 60 days before terminating the agreement.

For SLS Power Corporation Ltd.


Chairman & Managing Director




(Amulya Charan)
Managing Director

16. Notices and Correspondence: -

All notices for billing, load dispatch and correspondence must be delivered personally, by registered or certified mail or facsimile to the following addresses mentioned below:

For SLSPCL:

For Operation and control, Billing and other correspondence:

Address: No. 700, 2nd 'C' Cross, 9th Main, 3rd Block, 3rd Stage, Basaweshwarnagar, Bangalore - 560 079.
plant at Dommugudum near Bhadrachalam, Andhra Pradesh
e-mail: slspowercorporation@gmail.com
Attention: Mr. V. Chenchiah, CMD
Telephone No.: Plant:
Office: 080 - 23233058 / 3066
Mobile No: 9243434750
Facsimile No.: Plant:
Office: 080 - 23233603

For TPTCL:

Address: Tata Power Trading Company Limited
Corporate Center, A Block,
34, Sant Tukaram Road, Carnac Bunder
Mumbai-400009

For Operation and control:

Attention: Mr. A S Kakirde/ Load Despatcher on Duty
Telephone No.: 022-25543331/66687091/93
Facsimile No.: 022-25541908

For Billing and other correspondence:

Attention: Mr. Sunil Agrawal / Mr. G J Bhatia
Telephone No.: 022-67172854/67172856
Facsimile No.: 022-66658614/22069669



For SLS Power Corporation Ltd.

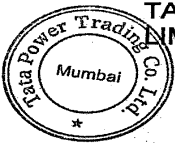


(Amulya Charan)
Managing Director

V. Chenchiah
Chairman & Managing Director

In WITNESS whereof the duly authorized representatives of the Parties have signed on the day and year first hereinbefore written.

For and on behalf of
TATA POWER TRADING COMPANY
LIMITED




(AMULYA CHARAN)
MANAGING DIRECTOR

Tata Power Trading Company Limited
Sterling Cinema Building, 4th Floor,
Munzhan Road, Mumbai - 400 001.

Signature With Seal

For and on behalf of
SLS POWER CORPORATION
LIMITED



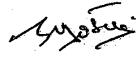

(V. CHENCHIAH)
CMD



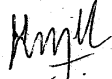
Signature With Seal

Witnesses

1

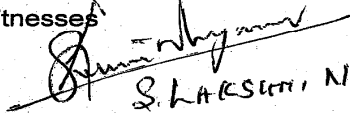

(SUNIL JOSHI)

2



(RAJENDRAN NAIRS)

Witnesses

1


S. LAKSHMI NARAYANAN

2


(J. C. REDDY)