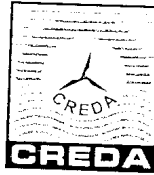


Chhattisgarh State Renewable Energy Development Agency
(CREDA)
RAIPUR



Agreement
Of
Small Hydel Project- Ghamarmund
Village- Ghamarmund, Tahsil- Jagdalpur, District- Bastar
Estimated Potential 21000 kW

Between

C R E D A

&

M/s GS Energies (P) Ltd.
502, Apurupa Elegance,
Dharma Karam Road Ameerpet,
Hyderabad (A.P.)



छत्तीसगढ़ CHHATTISGARH

A 872378

THIS AGREEMENT IS EXECUTED AT RAIPUR ON THIS THE 25th DAY OF April, 2008 BETWEEN

THE Chhattisgarh Renewable Energy Development Agency (CREDA) REPRESENTED HEREIN BY Shri P.U.Kulkarni, THE DIRECTOR, CREDA, D-2, D-3, Shriram Nagar, Vidhan Sabha Road, Near Railway Crossing, Raipur (C.G.) (hereinafter referred to as the "CREDA" which expression shall whenever the context so requires or admits, means and includes its successors and assignees)

AND

GS Energies Private Limited (GSEPL), 502, Apurupa Elegance, Dharma Karam Road Ameerpet, Hyderabad, a registered company under the Companies Act 1956, represented by Shri M. Krishna Prasad, Director (GSEPL) (Hereinafter referred to as "Company" which expression shall whenever the context so requires or admits, means and include its successors and assignees)

P.U. Kulkarni
Director
CREDA
Chhattisgarh State Renewable Energy
Development Agency RAIPUR

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G.S. Energies Pvt. Ltd.


Authorised Signatory

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- I. WHEREAS the State Government of Chhattisgarh vide Energy Department Notification No. 1660/अपां./13/1/उ.वि./2006 Dated 13/07/2006 have declared CREDA as the nodal agency for development and establishment of Small Hydro Projects up to 25 MW in state of Chhattisgarh and entrusted CREDA to develop Small Hydro Projects through private sector as per the policy of the State Government of Chhattisgarh on Small Hydro Projects notified by order No. 131/उपां./2002 dated 29.08.2002 Energy Department.
- II. WHEREAS GSEPL requested CREDA to permit them to set up Small Hydro Plant (hereinafter called as "Plant") at **Village- Ghamarmund, Tahsil- Jagdalpur, District- Bastar**, on River **Indrawati** with location of diversion weir at 19°12' 07" / 81° 41' 19", and power house location at 19°11' 14" / 81° 40' 12", for estimated potential of **21000 kW** and CREDA was pleased to accord approval to them in the matter vide letter no. **6162/CREDA/SMD/SHP/07-08** Dated **27.03.2008**, overriding the previous allotted project of **10000 kW** for **Ghamarmund** as per the agreement dated **02.06.2007**.
- III. Now, this agreement witnesseth and parties hereto agree as follows:

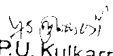
1. The ownership of the said "plant" would vest with the Company for a period of 30 years from the date of commissioning of powerhouse. The Company undertakes that it shall not hypothecate the sites and the structures, installations, machinery, building etc., thereon for any period longer than the period for which the sites are leased to it by the State Government/ Competent authority or 30 years plus the period of construction whichever is lower. This lease is subsequently renewable for a further period of 20 years at the option of the Company.
2. The land required by the company shall be acquired by the Company either from:
 - (a) The State Government/competent authority as per Govt. Policy in this regard for a period of the above mentioned 30 years or:
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- (b) From the Private owners through direct purchase if the land required is a private land.
- (c) After expiry of the above mentioned period of 30 years after commissioning of power house or such further period for which the lease is renewed the sites with the structures including the electrical installations, machinery, building and other appurtenant works constructed in connection with such "plant" generation shall vest with the State Government and no amount will be payable by the State Government on any account.
3. The Company shall pay statutory levies such as Electricity tax, Electricity duty etc. as applicable to Chhattisgarh State Electricity Board/ Chhattisgarh Renewable Energy Development Agency / State Government from time to time.
4. (i) The Company agrees that the cost of any modification or improvements to any existing Water Resource structures that may have to be carried out at any time during the implementation of the components required for power generation shall be borne by the Company as per actuals. Any modifications required for the head works like anicut etc., for power generation shall be borne by the Company as per actuals. The estimated cost shall be deposited with the Water Resource Department within 2 months from the communication of the acceptance of the Detailed Project Report. The Water Resource Department shall execute the work within the stipulated time, mutually agreed upon.. If the estimated cost is revised as per actuals the difference of the revised cost and the estimated cost shall also be borne by the company and the same shall be paid within a period of two months from the date of intimation.

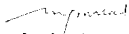

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- (ii) Cost of existing structure built only for the purpose of providing Water Resource facilities and which remains unaltered under the new scheme shall not be apportioned to the Small Hydro.
 - (iii) If any works are taken up by the Water Resource Department for safeguarding and strengthening the head works at any future date during the lease period, the cost of the same shall be borne by the Company and Water Resource Department, in the proportion as decided by the State Government at that time.
5. If the site does not require any alteration to WRD structures then the company will take up construction/development after obtaining required permission from competent authorities.
 6. Construction of Transmission line from the Power House to the Chhattisgarh State Electricity Board (CSEB) grid point and Maintenance will be done as per State Govt./CSEB policy in this regard. The Company shall pay Wheeling and Banking charges to CSEB at the rates applicable from time to time. A separate agreement would be made by the Company with CSEB in this regard.
 7. The Company shall furnish its scheme of construction of the Small Hydro Plant with broad details of layout and get it approved by the CREDA. The Company shall execute the works connected with the construction and installation of the hydraulic structures likely to affect the existing Water Resource facility after obtaining due approval of the Chhattisgarh Renewable Energy Development Agency. CREDA shall have the right to ensure quality control and to insist compliance of the designs to the prescribed standard specifications in respect of such components.

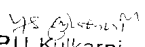
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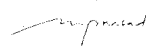

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The broad details of layout and the detailed design and drawings of the hydraulic structures as mentioned above shall be got approved by Chhattisgarh Renewable Energy Development Agency on payment of charges applicable from time to time.


8. The release of water shall be totally controlled by the Water Resource Department when there is no power generation. In the event of power generation the inflow into the turbine in the powerhouse shall be controlled by the Water Resource Department to the extent of the flows required either for Water Resource or otherwise from time to time and the Company will provide suitable mechanism, for this purpose. No claim by the Company for compensation or whatsoever shall be entertained, when the quantity of flow of water is varied or when the water supply is entirely cut-off, depending on the Water Resource needs. Programming of the operations of the canal, in each season as soon as finalised shall be informed to the company. The Water Resource Department shall have the right to vary the quantities of water in the canal, depending on the needs of Water Resource. The Company shall incorporate a suitable mechanism or device in the system, which ensures the required discharge in the canal at the tail race, when the generator fails by itself or due to the fault in the grid.
9. The Company shall pay all the expenditure incurred by CREDA/ Chhattisgarh State Electricity Board on the project till the date of agreement and all the commitments made by CREDA/ Chhattisgarh State Electricity Board, on these projects with various departments of the State Government such as Revenue Department for Land Acquisition, Water Resource Department for charge of water / Water Resource structure etc., within three months from the date of execution of the agreement.


P.U. Kulkarni
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10. The company shall take up investigations of their own by engaging consultants in the private sector. The data considered by the Company authorities, shall be based on the surveys conducted by them through their consultants. The water Resource Department will not take on any responsibility on the data considered by the company authorities, in formulating their schemes.
11. The company/investor/developer has to execute the entire project strictly as per the conditions and time limits mentioned in the sanction letter vide no. 6162/CREDA/SMD/SHP/07-08 Dated 27.03.2008.
12. The company shall ensure that the construction of the powerhouse does not endanger either the dam or any other structure in the vicinity. If blasting operations etc. are to be resorted to, the same shall be through controlled blasting as per specification/directions of the Water Resources Department. In case some damage occurs to the dam or structures located in the vicinity of the dam due to the construction activities by the company, the company would be liable to pay compensation to the department of Water Resources Department for repair of such structures in lieu of damages.
13. The damages to any property belonging to State Government caused by any action of the company shall be made good by the Company at their cost.
14. Incentives declared by the State in its Small Hydro Policy, benefits applicable to establishment of new industrial units and exemption of Electricity Tax on power generated for own consumption, shall as per State Government order in force from time to time.

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P.U. Kulkarni
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15. In the event of any disputes of differences arising between the Water Resource Department, CREDA, CSEB, WRD on the one hand and the Company on the other hand, with regard to the execution, implementation and commissioning of this project or interpretation of this agreement or provisions there or any claim arising there under, the decision of the State Government in the Energy Department shall be final and binding.
16. This agreement shall be subject to the guidelines issued by the Government of India and State Govt. of Chhattisgarh from time to time.

IN WITNESS WHEREOF THE parties above named have executed these presents in the presence of witnesses attesting hereunder:

P.U. Kulkarni
P.U. Kulkarni
FOR AND ON BEHALF OF
CREDA
Chhattisgarh State Renewable Energy
CREDA and Govt. of Chhattisgarh

G.S. Energies Pvt. Ltd.
FOR AND ON BEHALF OF THE COMPANY
G.S. Energies Pvt. Ltd.
Authorised Signatory

WITNESSES: *S.M. Deshpande*
1. S.M. DESHPANDE
Executive Engineer (Hydro)
Chhattisgarh State Renewable Energy
Development Agency (CREDA), Raipur

2. *A.S. Thakur*
अधीन निरक्षर
निर्देशक निरक्षर