



# NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

Corporate Office, # 2-5-31/2, Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal – 506 001

From

Chief General Manager,  
IPC & RAC,  
TSNPDCL, Warangal.

To

✓ The Secretary TSERC  
# 11-4-660, 5<sup>th</sup> Floor,  
Singarani Bhavan, Red Hills,  
Hyderabad – 500 004.

**Lr.No.CGM(IPC&RAC)/GM(IPC&RAC)/DE/ADE(IPC)/F.Madhucon/D.No.416/21,Dt.10.12.2021**

Sir,

**Sub:-** IPC Wing – Draft PPA entered with M/s. Madhucon Sugar & Power Industries Limited, 24.2 MW Bagasse co-generation plant at Rajeshwarapuram, Ammagudem Post, Nelakondapally (M), Khammam Dist. for the capacity of 19 MW for the balance life period of 20 years of the project from COD 20.10.2008 i.e., up to 19.10.2028 – Submitted for consent - Reg.

**Ref:-** 1). M/S. Madhucon Sugar & Industries letter Dt:03.12.2021.  
2). e-mail received from ED/Comml./TSPCC Dt:02.12.2021 & 03.12.2021.  
3). e-mail Dt:06.12.2021.  
4). TSERC Order Dt:09.09.2021 in O.P No.9 of 2021.

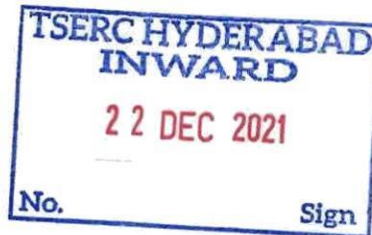
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It is to submit that, the draft PPA was entered on 10.12.2021 with M/s. Madhucon Sugar & Power Industries Limited, for the capacity of 19 MW from their 24.2 MW Bagasse co-generation plant at Rajeshwarapuram, Ammagudem Post, Nelakondapally (M), Khammam Dist. subject to consent and determination of tariff by Hon'ble Telangana State Electricity Regulatory Commission.

In view of the above, the draft PPA is herewith submitted for consent by the Hon'ble Commission.

Yours faithfully

**Encl:** Signed draft amendment to PPA.



*Sreedhary*  
CHIEF GENERAL MANAGER  
IPC&RAC/TSNPDCL/WGL

**Copy Submitted to:**

The Executive Director (Comml.)/TSPCC/TSTRANSCO/Vidyut Soudha, Hyderabad-500082.

**DRAFT POWER PURCHASE AGREEMENT  
BETWEEN  
NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED  
AND  
M/s. Madhucon Sugar and Power Industries Limited**

This Power Purchase Agreement ("Agreement") entered into on this the 10<sup>th</sup> day of December 2021, between the Northern Power Distribution Company of Telangana Limited, incorporated in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956, having its office at # 2-5-31/2, Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal – 506 001, State of Telangana, India, (hereinafter referred to as the "DISCOM" or "TSDISCOM" or "TSNPDCL") which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees as the first party, and M/s. Madhucon Sugar and Power Industries Limited, having registered under the provisions of Companies Act, 1956, office at Rajeswarapuram, Ammagudem Post, Nelakondapalli Mandal, Khammam District (hereinafter referred to as the 'Company') which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees as the second party.


2. WHEREAS, the Company has set up the Renewable Energy Power Project i.e., the **24.2 MW Capacity Bagasse based Co-generation Power Project at Rajeswarapuram, Ammagudem Post, Nelakondapalli Mandal, Khammam District** as detailed in Schedule-1 attached herewith, herein after called as the **Project**, with a proposal to generate and sell 19 MW to DISCOM during both Season, Off-Season, 1.7 MW for Auxiliary Consumption & 3.5 MW for Captive Consumption and the then State Nodal Agency NEDCAP i.e., Non-Conventional Energy Development Corporation of Andhra Pradesh Limited, has accorded approval to the said project in their proceedings No. NEDCAP/PD/2819/06 Dt.9<sup>th</sup> November2006 and the Company entered into an Agreement with NEDCAP on 9<sup>th</sup> November2006 to execute the Project, and copy whereof is attached herewith as Schedule-2 and Schedule- 3 respectively.
3. The Company shall fulfill the conditions stipulated in sanction letter and Agreement entered with NEDCAP and obtain extensions wherever required till the Project life is completed and also follow the above conditions for operation of the plant. In the event of cancellation of the Project allotted to the Company by NEDCAP for any reason, this Power Purchase Agreement with TSNPDCL will automatically gets cancelled.
4. The Company shall follow strictly the Ministry of New and Renewable Energy (MNRE), Government of India and any other State/Central Govt guidelines issued from time to time regarding usage of conventional fuel i.e., coal along with the non-conventional fuel.
5. WHEREAS, it has been agreed that the Project is designed, engineered and constructed and operated by or on behalf of the Company with reasonable diligence, subject to all applicable Indian laws, Rules, Regulations and orders having the force of law including grid code issued by Central and State ERCs;



6. This Agreement is enforceable subject to obtaining consent of Telangana State Electricity Regulatory Commission as per section 61, 62 & 86 (1)(b) of the Electricity Act 2003 and as per section 21 of Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998) adopted by TSERC vide Regulation No. 1 of 2014.
7. The terms and conditions of the Agreement are subject to the provisions of the Electricity Act, 2003 as amended from time to time and also subject to relevant Regulations by the Telangana State Electricity Regulatory Commission (TSERC).
8. The Company shall not be eligible for obtaining renewable energy certificates (RECs), as per prevailing Regulations issued by CERC and TSERC from time to time, for energy generated from this Project and supplied to DISCOM under this Agreement. The DISCOM is entitled to meet the RPP0 to the extent of energy received.
9. NOW, THEREFORE, in consideration of the foregoing premises and their mutual covenants herein, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound hereby agree as follows:



## ARTICLE 1 DEFINITIONS

Unless the context otherwise expressed in this Agreement, the following terms shall have the meanings set forth herein below. Defined terms of singular number shall include the plural and vice-versa.

- 1.1 **"Act"** means the Electricity Act, 2003 and includes any modifications, amendments and substitution from time to time;
- 1.2 **"Agreement"** means this Power Purchase Agreement (PPA), including the articles, schedules, amendments, modifications and supplements made in writing by the parties from time to time.
- 1.3 **"Appropriate Commission"** means TSERC or CERC under the Electricity Act, 2003 as the case may be.
- 1.4 **"Billing Date"** means the fifth (5th) day after the Meter Reading Date.
- 1.5 **"Billing Month"** means the period commencing from 25<sup>th</sup> of the calendar month and ending on the 24<sup>th</sup> of the next calendar month.
- 1.6 **"CERC"** means the Central Electricity Regulatory Commission formed under Section 76 of the Electricity Act, 2003.
- 1.7 **"Change in Law"** means any change or amendment to the provisions of electricity law in force, regulations, directions, notifications issued by the competent authorities and Government of India (GoI), Government of Telangana State (GoTS) from time to time.
- 1.8 **"Commercial Operation Date (COD)"** means, with respect to each Generating unit, the date on which such Generating unit is declared by the Company to be operational in the presence of TSTRANSCO/TSDISCOM authorized representatives, provided that the Company shall not declare a Generating unit to be operational until such Generating unit has completed its Performance Acceptance Test as per standards prescribed in coordination with TSDISCOM/TSTRANSCO/TNREDCL authorities.



**The Commercial Date of Operation of this 24.2 MW Bagasse based Co-generation power project has been declared on 20.10.2008.**

**Explanation:** In respect of Renewable Energy based power projects, the date of Commercial Operation Date of the first unit of the project will be treated as the commercial Operation Date of the Project, since Ministry of New and Renewable Energy, Govt. has not specified any Guidelines for declaration of the Commercial Operation Date (COD).

**1.9 "Contracted Capacity"** means **19 MW** contracted with DISCOM for supply by the Company to the DISCOM at the Interconnection Point from the Project and same shall not be more than the Installed Capacity. Contracted Capacity shall be in MW measured in Alternate Current (AC) terms and shall not change during the tenure of this Agreement.

**1.10 "Delivered Energy"** means with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to TSNPDCL at the Interconnection Point, as measured by the energy meters at the Interconnection Point during that Billing Month at the designated substation of TSTRANSCO or the DISCOM, viz., 132/33 KV Kusumanchi SS.

**Explanation 1:** For removal of doubts, the Delivered Energy, excludes all energy consumed in the Project, by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by the energy meter at Interconnection Point.

**Explanation 2:** The Delivered Energy in a Billing Month shall be limited to the energy calculated based on the Contracted Capacity in KW multiplied with number of hours and fraction thereof, the Project is in operation during that Billing Month.

**Explanation 3:** The Delivered Energy shall be purchased by the DISCOM at a tariff to be determined by TSERC for that year stipulated in Article 2.2 of this Agreement.



- 1.11 **"Delivery Point"** means the Interconnection Point at which the power plant delivers power to the TSTRANSCO or DISCOM substation, viz., 132/33 KV Kusumanchi SS.
- 1.12 **"Due Date of Payment"** means the date on which the amount payable by the DISCOM to the Company hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the date of invoice. If the bill is received after 5 days of metering date in a particular month, the due date shall be reckoned from the date of receipt of invoice. In the case of any supplemental or other bill or claim, if any, the due date of payment shall be thirty (30) days from the date of the presentation of such bill or claim to the designated officer of the TSDISCOM/TSTRANSCO.
- 1.13 **"Effective Date"** means the date of execution of this Power Purchase Agreement (PPA) by both the parties;
- 1.14 **"Financial Year"** means with respect to the initial Financial Year, the period beginning on the Commercial Operation Date and ending at 12.00 midnight on the following March 31. Each successive Financial Year shall begin on April 1<sup>st</sup> and end on the following March 31<sup>st</sup>, except that the final Financial Year shall end on the date of expiry of the term or on termination of this Agreement as per the provisions contained therein.
- 1.15 **"Grid Code"** means the Indian Electricity Grid Code issued by CERC and amended or modified from time to time and the TS Grid Code issued by TSERC as modified and amended from time to time. In case of any conflict between the Indian Electricity Grid Code and TS Grid Code, the provisions of TS Grid Code shall prevail.
- 1.16 **"Installed Capacity"** means the total rated capacity in mega-watts of all the units installed.



1.17 **"Interconnection Facilities"** means all the equipment and facilities, including, but not limited to, all metering facilities, 0.2s class CTs, 0.2 class PTs, switch gear, substation facilities, transmission lines and related infrastructure, to be installed by the Company by laying independent line to the designated Substation of TSTRANSCO/TSDISCOM at the voltage specified in Article 1.20 at the Company's expense from time to time throughout the term of this Agreement, necessary to enable the TSDISCOM/TSTRANSCO to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement.

**Explanation 1:** The Company based on Renewable Energy Projects viz; Biomass, Bagasse, Mini Hydel and Municipal Solid Waste, RDF, Industrial Waste based projects, etc., have to bear the entire expenditure of interconnection facilities for power evacuation as per the sanctioned estimate by the respective field officers.

1.18 **"Interconnection Point"** means the point or points where the Project and the TSTRANSCO/TSDISCOM's grid system are interconnected at designated TSTRANSCO/ TSDISCOM sub-station. The metering for the Project will be provided at the interconnection point as per Article 4.1.

**Explanation:** In case of Biomass, Bagasse based Power Projects, Power Projects based on Waste to Energy and independent Mini Hydel/Wind power projects the Interconnection Point will be at designated TSTRANSCO/ TSDISCOM sub-station, based on voltage level of evacuation.

1.19 **"Interconnection Substation"** means the Interconnection substation agreed in the PPA and the DISCOM for connecting the project to the state transmission or distribution system.

1.20 **"Injection voltage or voltage of delivery"** means the voltage at which the Company injects the power at the Interconnection point.





- 1.21 **"Metering Date"** means mid-day (i.e., noon) of the 24th (twenty-fourth) day of each calendar month, at the Interconnection Point.
- 1.22 **"Plant Load Factor (PLF)"** means the ratio of total kWh (units) of power generated by plant in a tariff year and contracted capacity in kW multiplied with number of hours in the same tariff year.
- 1.23 **"Project"** means the **24.2 MW Capacity Bagasse based Co-generation Power Project at Rajeswarapuram, Ammagudem Post, Nelakondapalli Mandal, Khammam District, Telangana**, as detailed in Schedule-1 attached herewith, entrusted to the Company for construction and operation as detailed in Agreement entered into with NEDCAP in composite state as shown in Schedule-3 attached herewith.
- 1.24 **"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.
- 1.25 **"Scheduled Commercial Operation Date (SCOD) or Scheduled date of Commercial Operations"** means the date whereupon the project is synchronised to start injecting power from the power project to the Delivery Point. The COD of the project was declared on 20.10.2008.
- 1.26 **"SERC"** means the Telangana State Electricity Regulatory Commission of the state constituted under Section-82 of the Electricity Act, 2003 or its successors, and includes a Joint Commission constituted under sub-section (1) of Section 83 of the Electricity Act 2003;



- 1.27 "SLDC" means the State Load Dispatch Center as notified by the Telangana State Government under the provisions of the Electricity Act, 2003.
- 1.28 "System Emergency" means a condition affecting the TSTRANSCO/TSDISCOM's electrical system, which threatens the safe and reliable operation of such system or which is likely to result in the disruption of safe, adequate and continuous electric supply by the TSTRANSCO/TSDISCOM, or which endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.
- 1.29 "Tariff" shall have the same meaning as ascribed in Clause 2.2 of this Agreement.
- 1.30 "Unit" When used in relation to the generating equipment, means one set of turbine generator and auxiliary equipment, and facilities forming part of the Project and when used in relation to electrical energy, means kilo watt hour (kWh).
- 1.31 "Voltage of Delivery" means the voltage at which the electrical energy generated by the project is required to be delivered to the TSTRANSCO/DISCOM at the Interconnection Point and the Voltage of Delivery is as detailed below.

For Bagasse based Co-generation power projects :

Capacity of the plant	Specified voltage level for interfacing With TSTRANSCO/DISCOM grid
Upto 1500 KVA	11 KV
From 1501 KVA to 7500 KVA	33 KV
Above 7500KVA	132KV



- 1.32 **"Tariff Year"** means each period of 12 months commencing from the Commercial Operation Date of the Project. The last Tariff Year of this Agreement shall end on the date of expiry of this Agreement.
- 1.33 **"Term of the Agreement"** shall have the same meaning as provided for in Article 8 of this Agreement.
- 1.34 **"TSTRANSCO"** means Transmission Corporation of Telangana Limited, incorporated under the Companies Act, 2013.

All other words and expressions used herein and not defined herein but defined in the Electricity Act, 2003, Electricity Duty Act 1939 and its subsequent amendments and AP Electricity Reform Act 1998. shall have the meanings respectively assigned to them in the said Acts and applicable State and Central regulations on grid code and others from time to time.


## ARTICLE 2

### PURCHASE OF DELIVERED ENERGY AND TARIFF

- 2.1 All the Delivered Energy at the interconnection point for sale to DISCOM (net capacity) will be purchased at the tariff provided for in Article 2.2 from the effective date of PPA, subject to the consent to be accorded by TSERC. Title to Delivered Energy purchased shall pass from the Company to TSNPDCL at the Interconnection Point i.e., 132/33 KV Kusumanchi SS.
- 2.2 The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to DISCOM **at the tariff to be determined by TSERC upon filing of Petition by the Company**, specified in Schedule I A. No tariff will be paid for the energy delivered at the interconnection point beyond contracted capacity i.e., 19 MW.
- 2.3 The tariff shall be inclusive of all taxes, duties and levies as imposed by State or Central Governments.
- 2.4 All future increase in Taxes, Duties and Levies on energy generated is to be borne by the Company.
- 2.5 Whereas in any Billing month, the Gross energy and demand supplied by TSNPDCL to the Company as a bilateral arrangement to maintain the auxiliaries in the power plant in situation of non-generation of power plant shall be billed by the TSNPDCL as per the explanations given and the Company shall pay TSNPDCL for such energy and demand supplies. Further, since the Company's power house is running in parallel with TSNPDCL network, the Company has to pay Grid Support Charges as decided by Commission from time to time for grid support given to the process unit in the premises.

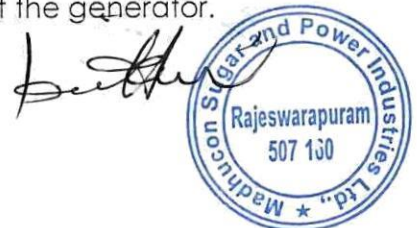
**Explanation 1 :** The generating plant viz., Bagasse based cogeneration plant use the power generated for their captive purpose in the same premises and export surplus power to grid.



**Explanation 2 :** If the Company is not willing to avail power from TSNPDCL for their processing unit in the same premises during outages of their power plant by providing suitable interlocking arrangements between power plant and processing unit.

**Explanation 3 :** If the Company desires to draw power from Grid for starting and maintenance purpose of the generating station through the dedicated line intended for export of power, the following conditions will apply :

- (i) The Company has to declare the load requirement for starting and maintenance purpose of the power plant and agreed by TSNPDCL.
  - (ii) The Company will not have separate HT Service Connection number, HT agreement.
  - (iii) The energy supplied by the TSDISCOM to the Company, shall be billed by the TSDISCOM and the Company shall pay the TSDISCOM for such electricity supplies, at the then-effective TSERC applicable tariff to High tension Category-I Consumers as determined by TSERC from time to time . For this purpose, the maximum demand recorded during such periods in a billing cycle shall be considered. if in shut down period, the billing demand would be 80% of auxiliary consumption or recorded maximum demand whichever is more.
- a) Billing Energy: 50 units per KVA on billing demand or actual units recorded whichever is more.
  - b) For the purpose of billing TOD tariff, TOD compatible meters may be installed.
  - c) However, the minimum HT-I category billing shall be made applicable to the company in a billing cycle that may be decided by Hon'ble TSERC from time to time, based on the voltage of the generator.



### ARTICLE 3

#### INTERCONNECTION FACILITIES, SYNCHRONIZATION, COMMISSIONING AND COMMERCIAL OPERATION

3.1 Upon receipt of a requisition from the company, TSTRANSCO or DISCOM shall prepare an estimate of cost for arranging the Interconnection Facilities for power evacuation at the Voltage of Delivery, based on requirements. The company has to bear the entire cost of the Interconnection Facilities as per the approved estimate made by TSTRANSCO or DISCOM and also take care of right of way issues.

Provided that the TSTRANSCO or DISCOM may allow the company to execute the Interconnection Facilities for power evacuation as per the approved estimate at its discretion duly collecting the supervision charges as per the procedures in vogue.

In case the project connects to a 33 / 11 kV or EHT interconnection substation where available capacity is subject to bay extension and bay extension is not feasible, then the company shall procure land and undertake bay extension at its own cost.

3.2 The Company/Developer shall own, operate and maintain Interconnection Facilities from Project to grid sub-station from time to time and shall bear the necessary expenditure. The maintenance work of the connected bay together with equipment at the grid substation has to be done in coordination with the TSTRANSCO and DISCOM personnel. Where TSTRANSCO or DISCOM carries out the maintenance work, the developer shall pay the expenses to TSTRANSCO or DISCOM as applicable.

3.3 TSDISCOM has been vested with the right to add any additional loads on the feeder without detrimental to the interests of the existing generating company.



- 3.4 Any modifications or procedures or changes in arranging interconnection facilities for power evacuations rests with GoTS/ TSDISCOM/TSTRANSCO.
- 3.5 The company shall allow entry to the site of the Project free of all encumbrances at all times during the term of the agreement to the personnel of TSTRANSCO or DISCOM for inspection and verification of the works being carried out by the company at the site of the Project.
- 3.6 The TSTRANSCO or DISCOM or its representative may verify the construction works or operation of the Project being carried out by the company and if it is found that the construction works or operation of the Project is not as per the Prudent Utility Practices, it may seek clarifications from the Company or require the works to be stopped or to comply with their instructions.
- 3.7 The company shall give a notice in writing to the SLDC and DISCOM, at least (15) days before the date on which it intends to synchronize the Project to the grid system.

**Synchronization:**

- 3.8 The Project may be synchronized by the company to the grid system when it complies with all the connectivity conditions specified in the Grid Code in force.
- 3.9 The synchronization equipment shall be installed by the company at its generation facility of the project at its own cost. The company shall synchronize its system with the grid system only after the approval of synchronization scheme under the supervision of the concerned authorities of the grid system.
- 3.10 The company shall immediately after synchronization/ tripping of generator, inform the sub-station of the grid system to which the Project is electrically connected in accordance with the Grid Code in force.



- 3.11 The company shall commission the Project within timelines specified in this agreement from the effective date for projects connected and any delay in commissioning of the project shall be subject to the penalties as stipulated. After commissioning of the project, the Company shall invariably register the project with SLDC.
- 3.12 The company may undertake the commissioning of the Project in phases and provisions of Clauses 3.8 to 3.10 and said clauses shall apply mutatis - mutandis for generating units commissioned in phases. However, prior to the completion of the synchronization of the entire project, the Company shall obtain certification for full contracted capacity from the competent authority duly demonstrating the full commissioning of the contracted capacity.
- 3.13 The company shall ensure the connectivity standards as per technical norms of TSTRANSCO/TSDISCOMs
- 3.14 **The Commercial Date of Operation of this 24.2 MW Bagasse based Co-generation power project was declared on 20.10.2008, all the technical requirements with regard to provisions related to interconnection facilities are to be ensured by DISCOM /Company.**

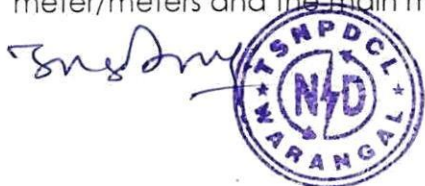
  

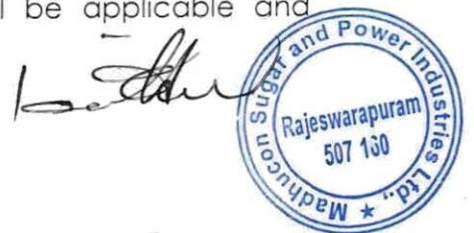



**ARTICLE 4**  
**METERING AND PROTECTION**

- 4.1 The Company shall install main meters and check meter of static type 0.2s class accuracy having both ABT & Trivector features and online data transfer facility (V-SAT) at the inter-connection point and the Company shall also install stand-by meter of static type at the same point and of the same accuracy. The connected metering CTs and PTs shall be of 0.2s and 0.2 class of accuracy as per the norms specified in the T.OO (CE-Construction-2) Ms.No.488, Dt:17.03.2012, metering code by CEA or norms of TSERC and any changes made applicable from time to time. The main meters, check meters and stand-by meter shall each consist of a pair of export and import meters with facility for recording meter readings using Meter Recording Instrument and configured with ToD software compatible to TSTRANSCO EBC data base. For the purpose of uniformity the Company shall follow metering specification as developed by TSDISCOM.
- 4.2 All the meters required to be installed pursuant to Article 4.1 and above shall be jointly inspected and sealed on behalf of both parties, i.e TSDISCOM & Company and shall not be interfered with, tested or checked except in the presence of representatives of both parties.
- 4.3 Though all the reading of Main, Check and Standby meters have to be taken, the meter readings from the main meters will form the basis of billing. If any of the meters required to be installed pursuant to Article 4.1 above are found to be registering inaccurately, the affected meter will be replaced immediately.
- 4.4 Wherein the yearly meter check indicates an error in one of the main meter/meter(s) beyond the limits of errors, for such meter(s), but no such error is indicated in the corresponding check meter/meters, billing for the month will be done on the basis of the reading on the check meter/meters and the main meter will be replaced immediately. -



- 4.5 If during the yearly test checks, both the main meters and the corresponding check meters are found to be beyond permissible limits of error, Standby meters readings shall be taken to in consideration and both Main and check meters shall be immediately replaced. If all the meters during yearly checkings found to be faulty, and the correction applied to the consumption registered by the main meter to arrive at the correct delivered energy for billing purposes for the period of the one month upto the time of such test check, computation of delivered energy for the period thereafter till the next monthly meter reading shall be as per the replaced main meter. Alternatively, the energy will be computed on a mutually agreeable basis for that period of defect.
- 4.6 Corrections in delivered energy billing, whenever necessary, shall be applicable to the period between the previous monthly meter reading and the date and time of the test calibration in the current month when the error is observed and this correction shall be for the full value of the absolute error. For the purpose of determining the correction to be applied to any meter registering inaccurately, the meter shall be tested under conditions simulating 100, 50, 20 and 10 percent load at unity power factor and 0.5 power factor. Of these eight values, the error at the load and power factor nearest to the average monthly load served at the Interconnection Point during the applicable period shall be taken as the error to be applied for correction.
- 4.7 The billing meters (main, check and standby) shall be tested and calibrated utilizing a Standard Meter. The Standard Meter shall be calibrated once in every year at the approved Laboratory by Government of India/Government of Telangana, as per Terms and Conditions of supply.
- 4.8 All the billing meters (main, check and standby) tests shall be jointly conducted by the authorized representatives of both parties and the results and correction so arrived at mutually will be applicable and binding on both the parties.



- 4.9 On the Metering Date, each month meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of both parties.
- 4.10 Within six (6) months, following the execution of this Agreement, the Company and the TSDISCOM shall mutually agree to technical and performance specifications (including, but not limited to, the metering configuration for the Project) concerning the design and operation of the facilities required to be installed by the Company in order for the Company to operate in parallel with the TSTRANSCO/DISCOM's grid. Thereafter, any change in such specifications shall be subject to mutual agreement of the parties.
- 4.11 The Project shall be operated and maintained in accordance with good and generally prudent accepted utility standards with respect to synchronizing, voltage, frequency and reactive power control.
- 4.12 Voltage regulation shall be such as to enable continued paralleling and synchronisation with the grid voltage at the point of interconnection.
- 4.13 The equipment of the Company shall be designed for fluctuations in the frequency within limits of 49.70 cycles per second to 50.10 cycles per second of the standard frequency of 50 cycles per second.
- 4.14 The Company shall ensure that the power factor of the power delivered to the TSTRANSCO/TSDISCOM is maintained at or above the Minimum Power Factor as per Tariff Notification, or otherwise pay Surcharge as per Tariff Notification in force.
- 4.15 Any change in rupturing capacity of switch-gear, settings of the relays, etc., shall be subject to approval of the TSTRANSCO/TSDISCOM as the case may be.



- 4.16 As the Project's generator may carry fault currents that may occur on the TSTRANSCO/DISCOM's grid, the Company shall provide adequate generator and switchgear protection against such faults. The TSDISCOM is not responsible for damage, if any, caused to the Project's generator and allied equipment during parallel operation of the generator with the TSTRANSCO/DISCOM's grid.
- 4.17 The Company shall make a good faith effort to operate the Project in such a manner as to avoid fluctuations and disturbances to the TSTRANSCO / DISCOM's grid due to parallel operation with the grid.
- 4.18 The Company shall control and operate the Project. The TSTRANSCO/ TSDISCOM shall only be entitled to request the Company to reduce electric power and energy deliveries from the Project during a System Emergency, and then only to the extent that in the TSTRANSCO/ TSDISCOM's reasonable judgment such a reduction will alleviate the emergency. The TSTRANSCO/TSDISCOM shall give the Company as much advance notice of such a reduction as is practicable under the circumstances and shall use all reasonable efforts to remedy the circumstance causing the reduction as soon as possible. Any reduction required of the Company hereunder shall be implemented in a manner consistent with safe operating procedures.
- 4.19 The Company has to establish Protection System, Online data Scheme, its allied equipment to conform with grid code from time to time. Also, the Protection System shall conform with the TRANSCO/DISCOM norms.


**ARTICLE-5**  
**CHANGE IN LAW**

In this Article, the following terms shall have the following meanings:

5.1 "Change in Law" means the occurrence of any of the following events after the date on which PPA to be signed, resulting into any additional recurring/non-recurring expenditure by the Company or any income to the Company, the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law and any notifications issued thereunder.

- (a) change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law; or the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;
- (b) a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits; except due to any default of the Company;
- (c) any change in tax or introduction of any tax made applicable for supply of power by the Company as per the terms of this Agreement but shall not include:
  - (i) any change in any withholding tax on income or dividends distributed to the shareholders of the Company, or
  - (ii) change in respect of UI Charges or frequency intervals by an Appropriate Commission or
  - (iii) any change on account of regulatory measures by the Appropriate Commission including calculation of Availability.



**ARTICLE 6**  
**BILLING AND PAYMENT**

- 6.1 For Delivered Energy purchased, the Company shall furnish a bill to the TSDISCOM calculated at the rate provided for in Article 2.2 (to be decided by TSERC), in such form as may be mutually agreed between the TSDISCOM and the Company, for the billing month on or before the 5<sup>th</sup> working day following the metering date.
- 6.2 Any payment made beyond the due date of payment, TSDISCOM shall pay interest at a rate of 10% per annum as per existing nationalized bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction.
- 6.3 The TSDISCOM shall make payment for the bills on monthly basis as per Article 6.1, by opening a revolving Letter of Credit for a minimum period of one year in favour of the Company.
- 6.4 **Letter of Credit:** Not later than 30 days prior to the Scheduled COD of the first Generating unit, TSDISCOM shall cause to be in effect an irrevocable revolving Letter of Credit issued in favour of the Company by a Scheduled Bank (the Letter of Credit). Each Letter of Credit shall
- a) on the date it is issued, have a term of one year;
  - b) be payable upon the execution and presentation by an Officer of the Company of a sight draft to issuer of such Letter of Credit supported by a Meter Reading Statement accepted and Signed both the Parties or a certification from the Company that the TSDISCOM failed to sign the Meter Reading Statements within 5 days of the Metering date or that a supplemental bill has been issued and remains unpaid until the due date of payment;

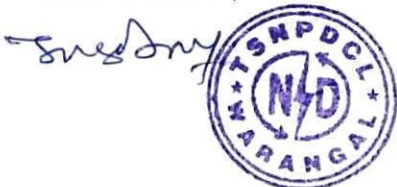
  


- c) provided that the Company shall have the right to draw upon such Letter of Credit not withstanding any failure by the TSNPDCL to reimburse the issue therefore for any draw down made under, and
- d) not less than 30 days prior to the expiration of any Letter of Credit, the TSDISCOM shall provide a new or replacement Letter of Credit. Each monthly bill or supplemental bill shall be presented at the said Scheduled Bank for payment under the Letter of Credit and shall become payable there under. The Opening Charges for Letter of Credit (L/C) and Letter of Credit (L/C) negotiation charges will be borne by the beneficiary i.e. Company.
- e) The TSDISCOM is entitled for a discount of 1% on exported energy, if the payment is made within the due date.

6.5 **Direct Payment:** Notwithstanding the fact that a Letter of Credit has been opened, in the event that through the actions of TSDISCOM, the Company is not able to make a draw upon the Letter of Credit for the full amount of any bill, the Company shall have the right to require in writing the TSDISCOM to make direct payment of any bill by cheque or otherwise on or before the due date of payment by delivering such requisition to the TSDISCOM on or prior to the due date of payment of such bill requiring payment in the foregoing manner. Without prejudice to the right of the Company to draw upon the Letter of Credit if payment is not received in full, the TSDISCOM shall have the right to make direct payment by cheque or otherwise of any bill as such, within 30 days after the date of its presentation to the designated Officer of the TSDISCOM, the Company shall receive payment in full for such bill. When either such direct payment is made, the Company shall not present the same bill to the Scheduled Bank for payment against the Letter of Credit

6.6 **Billing disputes:** The TSDISCOM shall pay the bills of the Company promptly subject to the provisions in Article 2, and in accordance with tariff determined by TSERC.



The TSDISCOM shall notify the Company in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. The Company shall immediately take up issue with all relevant information with TSDISCOM which shall be rectified by the TSDISCOM, if found satisfactory. Otherwise notify its (TSDISCOM's) rejection of the disputed claim within reasonable time with reasons recorded in writing therefor. The dispute may also be decided by mutual agreement. If the resolution of any dispute requires the TSDISCOM to reimburse the Company, the amount to be reimbursed shall bear interest rate of 10% per annum as per existing nationalized bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction.

- 6.7 All payments by the TSDISCOM to the Company hereunder shall be made to such address as may be designated by the Company to the TSDISCOM in writing from time to time.

Address : M/s. Madhucon Sugar and Power Industries Limited,  
Reg. Office & Factory: Rajeswarapuram,  
Ammagudem post, Nelakondapally Mandal,  
Khammam District – 507160.

Telephone No. : +91-8742 -275796/275521.

Fax No. : +91-8742-275644





**ARTICLE 7**  
**UNDERTAKING**

7.1 The Company shall be responsible:

- (i) For the proper maintenance of the project in accordance with established prudent utility practices.
- (ii) For the operation, maintenance, overhaul of the plant, equipment, works, switch yard and transmission lines and equipment up to the Interconnection Point of the project in close coordination with the TSDISCOM.
- (iii) For making all payments on account of any taxes, cesses, duties, or levies imposed by any Government or competent statutory authority on the land, equipment, material or works of the project or on the energy generated or consumed by the project or the Company or on the income or assets of the Company.
- (iv) For obtaining necessary approvals, permits or licenses for operation of the project and sale of energy to TSTRANSCO/TSDISCOM there from under the provision of the relevant laws.

7.2 The TSDISCOM agrees:

- (i) to make all reasonable efforts for making arrangements for evacuation of power from the project to be completed prior to the Commercial Operation Date of the Project subject to Article 3.
- (ii) for purchase of Delivered Energy from the project as per Article 2.2.



**ARTICLE 8**  
**DURATION OF AGREEMENT**

This Agreement shall be effective upon its execution of PPA and delivery thereof between parties hereto and shall continue in force until the twentieth (20th) anniversary that is for a life period of twenty years from the Commercial Operation Date (COD). The agreement is valid till 19.10.2028. This Agreement may be renewed for such further period of time and on such terms and conditions as may be mutually agreed upon by the parties, 90 days prior to the expiry of the said period of twenty years, subject to the consent of the TSERC. Any and all incentives/conditions envisaged in the Articles of this Agreement are subject to modification from time to time as per the directions of TSERC, Government of Telangana and TSDISCOM.


## ARTICLE 9

### NOTICES

- 9.1 Except as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted hereunder shall be in writing and sufficient, if delivered personally or sent by registered post or certified mail, teletype, telex addressed as follows:

**If to the Company:**

Attention : M/s. Madhucon Sugar and Power Industries Limited,  
Reg. Office & Factory: Rajeswarapuram,  
Ammagudem post, Nelakondapally Mandal,  
Khammam District – 507160.

Telephone No. : +91-8742 -275796/275521

Fax No. : +91-8742-275644

E-mail : [info@madhuconsugars.com](mailto:info@madhuconsugars.com)

**If to the TSDISCOM :**

Attention : Northern Power Distribution Company of  
Telangana Limited

Telephone/Mobile No. : 9491044275

E-mail : [cgmir@tsnpdcl.in](mailto:cgmir@tsnpdcl.in)

- 9.2 All notices or communications given by teletype, telex etc shall be confirmed by depositing a copy of the same in the post office in an envelope properly addressed to the appropriate party for delivery by registered or certified mail. All notices shall be deemed delivered upon receipt, including notices given by teletype, telex regardless of the date the confirmation of such notice is received.

- 9.3 Any party may by written notice change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.



**ARTICLE 10**  
**SPECIAL PROVISIONS**

- 10.1 The waiver of any breach or failure to enforce any of the terms, covenants or conditions of this Agreement shall not in any way affect, limit, modify or waive the future enforcement of such terms, covenants or conditions.
- 10.2 No oral or written modification of this Agreement either before or after its execution shall be of any force or effect unless such modification is in writing and signed by the duly authorized representatives of the Company and the TSDISCOM, subject to the condition that any further modification of the Agreement shall be done only with the prior approval of Telangana State Electricity Regulatory Commission. However, the amendments to the Agreement as per the respective orders of TSERC from time to time shall be carried out. All the conditions mentioned in the Agreement are with the consent of TSERC.
- 10.3 However, in respect of power evacuation, the voltage levels for interfacing with TSTRANSCO/DISCOM's Grid will be as per Article 1.33. The costs of interconnection facilities have to be borne by the Company as per Article 3.
- 10.4 The invalidity or unenforceability for any reason of any provision of this Agreement shall not prejudice or affect the validity or enforceability of any other provision of this Agreement.
- 10.5 The failure of any party to insist in one or more instances upon the strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights but the same shall continue in full force and effect.
- 10.6 Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under any of the provisions of this Agreement, required to be mutually agreed upon between the parties, shall be



concluded by a written Agreement between the parties not later than the date specified in the concerned clause of this Agreement, subject to the consent of the TSERC.

- 10.7 This Agreement, including Schedule 1, 2 & 3 attached hereto, constitute the entire Agreement between the parties with respect to the subject matter hereof, and there are no oral or written understandings, representations or commitments of any kind, express or implied, not set forth herein.
- 10.8 The headings contained herein are included solely for the convenience of the parties and are not to be used as a basis for interpreting the various sections of this Agreement.
- 10.9 The parties each agree to act in good faith in implementing the terms and conditions of this Agreement and in carrying out their respective obligations hereunder.
- 10.10 **Assignment and Financing:** Neither party shall assign this Agreement or any portion thereof to any third party without the prior written consent of the other party which consent shall not be unreasonably withheld.



**ARTICLE 11**  
**FORCE MAJEURE**

**11.1 Definition of Force Majeure:**

(a) "Force Majeure" shall mean any event or circumstance or combination of events or circumstances that materially and adversely affects the performance by either party (the "Affected Party") of its obligations pursuant to the terms of this Agreement (including by preventing, hindering or delaying such performance), but only if and to the extent that such events and circumstances are not within the Affected Party's reasonable control and were not reasonably foreseeable and the effects of which the Affected Party could not have prevented by Prudent Utility Practices or, in the case of construction activities, by the exercise of reasonable skill and care. Any events or circumstances meeting the description of Force Majeure which have the same effect upon the performance of any of the Company Power Project setup and which therefore materially and adversely affect the ability of the Project or, as the case may be, the DISCOM to perform its obligations hereunder shall constitute Force Majeure with respect to the Company or the DISCOM, respectively.

(b) Force Majeure circumstances and events shall include the following events to the extent, that they or their consequences satisfy the above requirements.

(i) Non Political Events such as acts of GOD including but not limited to any storm, flood, Drought, Lightning, Earthquake or other natural calamities, fire, accident, explosion, strikes, labour difficulties, epidemic, plague or quarantine, air crash, shipwreck, train wrecks or failure ("Non Political Events").

(ii) Indirect Political Events such as acts of war sabotage, terrorism or act of public enemy, blockades, embargoes, civil disturbance, revolution or radioactive contamination ("Indirect Political Events").

The block contains a handwritten signature in blue ink that reads "J. S. D." and a blue circular stamp. The stamp has "NTPC" in the center, "WARANGAL" at the bottom, and "NTPDCL" around the top inner edge.

The block contains a handwritten signature in blue ink and a blue circular stamp. The stamp has "Madhuran Sugar and Power Industries Ltd." around the top inner edge, "Rajeswarapuram" in the center, and "507 150" at the bottom.

(iii) Direct Political Events such as any Government Agencies' or the DISCOM's unlawful or discriminatory delay, modification, denial or refusal to grant or renew, or any revocation of any required permit or Change in Law (Direct Political Events).

(iv) In the event of a delay in COD due to:

(a) Force Majeure Events affecting the Company;

or

(b) DISCOM Event of Default as defined in 11.2, the scheduled COD shall be deferred, for a reasonable period but not less than 'day-for-day' basis subject to a maximum period of 12 months, to permit the Company or to overcome the effects of the Force Majeure events affecting the Company or DISCOM, or till such time such event of default is rectified by the Company or the DISCOM, whichever is earlier. Provided further that, the validity of Performance Bank Guarantee shall be extended suitably covering the extended period.

## 11.2 DISCOM Event of Default

11.2.1 The occurrence and the continuation of any of the following events, unless any such event occurs as a result of a Force Majeure event or a breach by the Company of its obligations under this Agreement, shall constitute the Event of Default on the part of defaulting DISCOM ("DISCOM Event of Default"):

- (i) DISCOM fails to pay (with respect to payments due to the Company according to Article 2), for a period of ninety (90) days after the Due Date of Payment and the Company is unable to recover the amount outstanding through the Letter of Credit, or
- (ii) DISCOM repudiates this Agreement and does not rectify such a breach within a period of thirty (30) days from a notice in writing from the Company in this regard; or



(iii) except where due to any Company's failure to comply with its obligations, DISCOM is in material breach of any of its obligations pursuant to this Agreement, and such material breach is not rectified by DISCOM within thirty (30) days of receipt of notice in writing in this regard from the Company to DISCOM; or

(iv) if:-

DISCOM becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or any winding up or bankruptcy or insolvency order is passed against DISCOM, or

DISCOM goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to law,

Provided that it shall not constitute a DISCOM Event of Default, where such dissolution or liquidation of DISCOM or DISCOM is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and has creditworthiness similar to DISCOM and expressly assumes all obligations of DISCOM and is in a position to perform them; or

(v) If DISCOM is subject to any of the above defaults and DISCOM does not designate another DISCOM for purchase of power; or

(vi) Occurrence of any other event which is specified in this Agreement to be a material breach or default of DISCOM.




## ARTICLE 12

### DATA ACQUISITION SYSTEM & DAY-AHEAD SCHEDULES

- 12.1 The company shall establish Data Acquisition System (DAS) with necessary communication facilities in line with TSTRANSCO procedures and ensure that the online data shall be completely integrated with State Load Dispatch Centre (SLDC) from the effective date of PPA. The company shall furnish Block-wise availability on day ahead basis to SLDC and abide by the scheduling procedures as per the orders, regulations, policies, Suo-motu orders, directions issued by the Indian Grid Code and State Grid Code, CEA, MNRE any other statutory Government agency etc., from time to time.
- 12.2 The company shall abide by the revision of declared capacity by the generator having two part tariff and requisition by beneficiary for the remaining period of the day shall be permitted with advance notice. Revised schedules/declared capacity in such cases shall become effective from the 4<sup>th</sup> time block, counting the time block in which the request for revision has been received to be the first one.


**ARTICLE 13**  
**OTHER PROVISIONS**



13.1 Incentives:

Any incentives, including but not limited to interest rates, Government grants, generation based incentives shall be passed on the Distribution Company (TSNPDCL).

13.2 Scheduling and Despatch :

The Bagasse based cogeneration Power Projects in the state of Telangana shall be treated as must-run i.e., not subjected to the Merit Order Despatch. The generating company has to furnish the Day-Ahead Schedule and maintain it in line with the TSERC Regulations from time to time. However, for the purpose of Grid stability and discipline in the event of contingencies arise and when no other means of Grid discipline is available, the schedule can be changed by the State Load Despatch Centre (SLDC) keeping in view the CERC (Indian Electricity Grid Code) Regulation, 2010 (as amended up-to-date) and CERC (Un-scheduled Interchange and related matters), Regulations, 2009 including amendments thereto.

## ARTICLE 14

### DEFAULT

- 14.1 In the event, TSDISCOM commits a breach of any of the terms of this Agreement, the Company shall be entitled to specific performance of this Agreement or claim such damages as would be available under Law or both, at its option, by giving 30 days notice to TSDISCOM.
- 14.2 In the event, Company commits a breach of any of the terms of this Agreement, the TSDISCOM shall be entitled to specific performance of this Agreement or claim such damages as would be available under Law or both, at its option, by giving 30 days notice to the Company.
- 14.3 If the default continues for a period of 30 days or more, either party will have a right to issue a preliminary notice for termination of the this Agreement. If the default is not cured within 30 days thereafter, either party can terminate this Agreement and can claim damages at is option.
- 14.4 In the event of cancellation of the Project allotted to the Company by NEDCAP/TNREDCL for any reason, the PPA with TSDISCOM will automatically get cancelled.



**ARTICLE 15**  
**SUBSEQUENT COMMISSION / GOVERNMENTAL ACTIONS**

If as a result of any act, restraint or regulation by the TSERC, State or Central Government authority, department, Ministry, whether part of legislative, executive or judicial branch, the Company 's ability to use the energy for captive consumption can be materially abridged or abrogated, at the request of the Company, TSNPDCL agrees to negotiate in good faith with the company for an arrangement mutually agreed to by both the parties, whereby, the Company would sell and TSNPDCL would purchase the energy produced by the Project.




**ARTICLE 16**  
**DISPUTE RESOLUTION**

- 16.1 Each party shall designate in writing to the other party a representative who shall be authorized to resolve any dispute arising under this agreement in an equitable manner.
- 16.2 Following notice by one party to the other setting out the particulars of the dispute, if the designated representatives are unable to resolve a dispute under this Agreement within 15 days, such dispute shall be referred by such representative to a senior officer designated by the Company and a senior officer designated by TSDISCOM, respectively, who shall attempt to resolve the dispute within a further period of 15 days.
- 16.3 The parties hereto agree to use their best efforts to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith and further agree to provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such dispute.
- 16.4 Failing resolution of the dispute in terms of the above provisions or even otherwise any party may approach the TSERC to adjudicate upon the dispute in terms of Section 86 (1) (f) of the Electricity Act, 2003.




IN WITNESS WHEREOF, the Company and the TSNPDCL have caused this Agreement to be executed as of the date and the year first set forth above.

For and behalf of

Northern Power Distribution Company of Telangana Limited

WITNESS

1.   
General Manager  
IPC & RAC, TSNPDCL  
Warangal.

By:

  
10/12/2021  
T. Madhusudhan.,  
Chief General Manager,  
IPC & RAC, TSNPDCL,  
Warangal

Its:

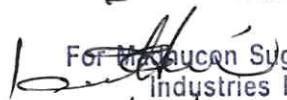
2.   
Divisional Engineer/IPC  
TSNPDCL/WARANGAL

For and behalf of

M/s. Madhucon Sugar and Power Industries Limited

WITNESS

1.   
M-SRINIVASA RAO  
2. DIRECTOR (OPERATIONS) Its:

  
For Madhucon Sugar and Power  
Industries Limited  
10/12/2021

Managing Director

**SCHEDULE 1**  
**Particulars of the Project**  
**(Referred to in the Preamble to the Agreement)**

Name of the Project	Location	No. of Units	Capacity of the Generator (in MW)	Capacity of the Station (in MW)	Sale to Discom (in MW)
M/s. Madhucon Sugar and Power Industries Limited	Rajeswarapuram, Ammagudem Post, Nelakondapalli Mandal, Khammam District	1	24.2	24.2 (*)	19

(\*) Out of which 1.7 MW is for auxiliary consumption, 3.5 MW is for captive consumption and balance 19 MW is for export to grid for sale to TSNPDCL at interconnection point viz., 132/33 KV Kusumanchi SS

*Sudhakar*



*Sudhakar*



**SCHEDULE 1 A**

Tariff to be decided by the TSERC upon filing of Petition by the Company

**SCHEDULE 2**

NEDCAP/TNREDCL Proceedings

**SCHEDULE 3**

NEDCAP/TNREDCL Agreement

**SCHEDULE 4**

TOO. 488, dated 17.03.2012

*[Handwritten signature]*



*[Handwritten signature]*





GOVERNMENT OF ANDHRA PRADESH  
ENERGY (Pr. II) DEPARTMENT

Letter No. 5205/Pr. II(3)/2009-1

Dated: 28.10.2009

From  
The Special Chief Secretary to Govt.,  
Energy Department  
A.P. Secretariat, Hyderabad

To  
The Executive Director,  
M/s. Madhucon Sugar & Power Industries Ltd.,  
Regd. Office: 1-7-70,  
Wailipura, Khammam - 507 003.

Sub: Energy Department - Enhancement of Co-Generation  
Power Plant Capacities of M/s. Madhucon Sugar and Power  
Industries Ltd., Rajeswarapuram, Khammam District from  
20 MW to 24.2 MW - Reg.

- Ref. 1) From Chief Engineer/IPC, APPCC, Vidyut Soudha, Hyd  
Lr. No. CE/IPC/F. Madhucon/D No. 146/09 dt. 05.08.09  
2) From The Executive Director, M/s. Madhucon Sugar &  
Power Industries Ltd., Khammam Lr. No. MSP11/COGEN/  
CMD-APTRANSCO/09-10 dated 24.08.09  
3) From The Executive Director, M/s. Madhucon Sugar &  
Power Industries Ltd., Khammam Lr. No. MSPL/ED/0001/  
2009 dated 18.09.09.

\*\*\*\*

I am to invite your attention to the references cited and after  
consideration of the circumstances explained therein and taking into  
advice of the CE/IPC, APTRANSCO in the letter 1<sup>st</sup> cited, it is hereby  
permitted the Industry to operate the Power Plant at enhanced  
capacity of 24.2 MW from 20 MW, subject to the terms and conditions  
fixed by the APPCC

Yours faithfully,

*[Signature]*  
for Special Chief Secretary to Govt.

Copy to:  
Chief Engineer/IPC, APPCC, Vidyut Soudha, Hyderabad



**ఆంధ్రప్రదేశ్ సంప్రదాయేతర ఇంధన వనరుల అభివృద్ధి సంస్థ ల.,**  
**Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.,**  
(A State Government Company)



Regd. Office: 5-8-207/2, Pishah Complex, Nampally, Hyderabad - 500 001. India.  
Tele: Off : 040-23202391 / 23203638 / 23203376 Fax : 040-23201666 E-mail: nedcap@ap.nic.in  
Branch Office : Tel :

Ref: NEDCAP/PD/2819/06 1203

Date: 09-11-2006

To  
The Chairman & Managing Director,  
AP Northern Power Distribution Company Ltd,  
WARANGAL.

Sir,

Sub:- Sanction of 20 MW Bagasse based Cogeneration power plant to M/s Madhucon  
Sugar and Power Industries Ltd - Reg.  
Ref:- Our Proceedings Lr.No. NEDCAP/PD/2819/06, dated 09.11.2002

&&&

In the letter under reference cited, sanction is accorded to M/s Madhucon Sugar and Power Industries Ltd, to set up 20 MW Bagasse based Cogeneration Power Project in the premises of sugar factory at Rajeswarapuram (V), Nelakondapalli (M), Khammam district. They have entered into agreement with NEDCAP on 09.11.2006. The copy of agreement entered with NEDCAP is enclosed herewith for information and necessary action.

Thanking you,

Yours faithfully,

MANAGER (PD)

Encl: aa. original



ఆంధ్రప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

No. 10.2.32 Dated: 9/11/06

B 567502

TO: K. Laxman Mohan & Co. Venkateswara, Rajenapuram, Khammam  
Whom: Madhucon Sugar & Power Industries Ltd.,  
Rajenapuram, Khammam.

ARUNA,  
Classified Stamp Vendor  
KHAMMAM

### AGREEMENT

The Agreement is made this 9<sup>th</sup> Nov '06 between the Non conventional energy Development corporation of Andhra Pradesh Ltd., (NEDCAP) represented by the Vice Chairman & Managing Director whose office shall include his successors, legal representative and assignees etc. and M/s. MADHUCON SUGAR AND POWER INDUSTRIES LIMITED a company, having Registered office at 1-7-70, Madhu Complex, Jublipura, Khammam - 507 003 which expression shall include its successors, legal representatives and assignees.

Whereas the Company has made an application dated 06.08.2006 to M/s. Non Conventional Energy Development Corporation of Andhra Pradesh Ltd., Hyderabad to set up 20 MW capacity Cogeneration power plant based on Begasse in village Rajeswarapuram, Mandal Nelakondapally, District Khammam for captive consumption and or sale of power to AP TRANSCO/Third parties.

For Madhucon Sugar and Power Industries Ltd.,

*[Signature]*  
Vice Chairman & Managing Director

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd. Contd..2

*[Signature]*  
Vice Chairman & Managing Director

And whereas NEDCAP vide delegation of powers issued vide G.O.M.S. No. 253 (E & F) RES Dept. Dated 15.11.1994 has accorded permission to the company to set up 20 MW capacity power plant based on Begasse route vide letter No. NEDCAP / PD / 2819 / 06 dated ----- 9<sup>th</sup> Nov 2006 -----

Now therefore, it is hereby agreed by and between the parties hereto as under.

1. The company shall establish the Begasse based cogeneration power plant as per the guidelines issued by the Govt. of India and Govt. of Andhra Pradesh.
2. The company shall obtain all statutory clearances required to establish the Begasse based cogeneration power plant.
3. The company shall make necessary arrangements for procurement of equipment from the reputed manufactures / Collaborators required for the plant.
4. The company shall operate the cogeneration power plant using fuels like Begasse, Cane trash and Cane tops only. Fossil fuels as per the eligibility limit communicated by Ministry of New and Renewable Energy will be allowed to have extended days of operation. The company shall operate the cogeneration power project only after commissioning of the sugar factory.
5. The company shall abide by the regulations of Andhra Pradesh Electricity Regulatory Commission (APERC). The proceedings issued by APERC shall be exemption from obtaining licence for supply/use of power. In the event of APERC disallowing captive consumption or third party sale, the developer shall be required to enter into PPA with AP TRANSCO. The NEDCAP cannot guarantee either the power purchase price or the AP TRANSCO entering to PPA as these dependent upon the power supply position in the State at a given point of time and requirement of power by AP TRANSCO. The developer will be proceeding at his own risk with regard to either regulatory clearance for supply license or power purchase agreement with AP TRANSCO.
6. The company shall comply with the provisions of the AP Electricity Reform Act, 1998 and also the applicable provisions of the Indian Electricity Act 1910 and the Electricity (supply) Act, 1948 and the Electricity Act 2003 and the rules and regulations framed there under.

For Non-Corporate Energy Development  
Company Ltd. Contd. B

*[Signature]*  
Vice Chairman & Managing Director

7. The company shall pay Rs. 22,97,750/- towards sanction fee to NEDCAP before entering into Agreement.
8. The company shall complete the financial closure within a period of six months from the date of signing of the Agreement or before such extensions as may be accepted and granted by NEDCAP on request by the company on account of delays in obtaining all necessary contents, licenses, authorities and clearances required from the Government of Andhra Pradesh and Govt. of India.
9. The company shall execute the project within 24 months from the date of Agreement entered and generation of power should be made by 30.11.2008. For every quarter the progress report on implementation to be submitted NEDCAP. The company shall provide an irrevocable guarantee of Rs. 25,000/- per MW which will be adjusted against penalty imposed if any, due to the delay in execution of the project. The rate of penalty for delay of execution of every MW for every fortnight will be Rs. 5000/-. If the company fails to execute the project even after the grace period of 3 months, it will be left open for NEDCAP to cancel the project without assigning any reasons.
10. NEDCAP reserves the right to withdraw the approval should there be any default in execution of the terms of the Agreement after giving reasonable opportunity.
11. All disputes are subjected to the jurisdiction of Hyderabad only.
12. The Company shall abide by such terms and conditions as may be prescribed by Govt. of Andhra Pradesh/Govt. of India from time to time in the interest of the implementation of the project.

FOR AND ON BEHALF OF THE DEVELOPER

For Madhuccon Sugar and Power Industries Ltd.,

*[Signature]*  
Executive Director

Witnesses:

1. *[Signature]*  
H. ANJANAYYU R/o. Rajeswarapuram  
Khammam Dist.
2. *[Signature]*  
K. Srinivas

For Non Conventional Energy Development Corporation of Andhra Pradesh Ltd.

*[Signature]*

Vice Chairman & Managing Director

FOR AND ON BEHALF OF  
NON - CONVENTIONAL  
ENERGY DEVELOPMENT  
CORPORATION OF  
ANDHRA PRADESH  
LIMITED (NEDCAP)