



S. No. 13705 Dt. 30/4/2002 Re. 100/- 03565
 Sold to Venkatesh S. Late B.L. Rao R. F. Chandra is the
 To Whom Ganpati Sugar Industries Ltd K. RAMA CHANDRAVATHI
 STAMP VENDOR (REG. NO. 42/2002)
 6-3-387, Panjagutta, Hyderabad-500 082.

**POWER PURCHASE AGREEMENT
 BETWEEN
 TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED
 AND
 M/s GANPATI SUGAR INDUSTRIES LIMITED**

This Power Purchase Agreement (the "Agreement") entered into this 14th day of May 2002, between Transmission Corporation of Andhra Pradesh Limited, incorporated by the Government of Andhra Pradesh in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956 in place of Andhra Pradesh State Electricity Board, having its office at Vidyut Soudha, Hyderabad - 500 082, India, hereinafter referred to as the "APTRANSCO" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as first party, and M/s Ganpati Sugar Industries Limited a Company incorporated under Indian Company's Act, 1956, having its registered office at 20-B, Abdul Hamid Street, Calcutta - 700 069, West Bengal, hereinafter referred to as the 'Company' (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as second party. This Agreement supersedes in its entirety the Power Purchase Agreement entered into on 09.08.2000 between APTRANSCO and M/s Ganpati Sugar Industries Limited;

[Signature]
 Chief Engineer (IPC)
 APTRANSCO, Vidyut Soudha
 HYDRABAD-500 082.

For Ganpati Sugar Industries Limited

* as subsequently amended
 0130-6-04
[Signature]
 Director
 Ganpati Sugar Industries Ltd.
 CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, Vidyut Soudha,
 HYDRABAD-500 082.


2. WHEREAS, the Company is setting up the Non-conventional Energy Project i.e., the 15 MW capacity Bagasse based co-generation project, at Kulubgoor/Fasalwadi Village, Sanga Reddy Mandal, Medak District, Andhra Pradesh. The ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION (APERC) permitted the Company to utilize 2.74 MW and 1.9 MW for Captive consumption during season and offseason respectively. NEDCAP indicated the auxiliary consumption of 1.9 MW as detailed in Schedule 1 attached herewith, hereafter called the project, and the Non-conventional Energy Development Corporation of Andhra Pradesh Limited, hereafter referred to as NEDCAP has accorded approval to the said proposal in their letter No. NEDCAP/PD/8433/2000-2001/1143, Date: 17.6.2000, NEDCAP/P&D/8433 /2000/541 Dated 13.5.2002, copies whereof are attached herewith as Schedule 2A & 2B and NEDCAP entered into MOU with the Company on 18.7.2000, copy whereof is attached herewith as Schedule 3A. APERC's consents issued for captive consumption attached as Schedule 4 and Schedule 5.

3. The Company shall fulfil the conditions of MOU entered with NEDCAP and obtain extensions wherever required till the Project is completed. In the event of cancellation of the Project allotted to the Company by NEDCAP for any reason, the PPA with APTRANSCO will automatically get cancelled.

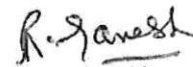
4. WHEREAS, it has been agreed that the Project will be designed, engineered and constructed and operated by or on behalf of the Company with reasonable diligence subject to all applicable Indian laws, rules, regulations and orders having the force of law;

5. This Agreement is enforceable subject to obtaining consent of Andhra Pradesh Electricity Regulatory Commission as per Section 21 of Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998).

6. 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:


10/10/2000
HYDRA...

For Ganpatij Sugar Industries Limited



Director *itoban.*

ARTICLE 1 DEFINITIONS

As used 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.

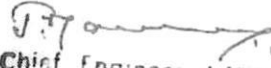
- 1.1 **Billing Date:** means the fifth (5th) day after the Metering Date.
- 1.2 **Billing Month:** means the period commencing from 25th of the calendar month and ending on the 24th of the next calendar month.
- 1.3 **Commercial Operation Date (COD):** means, with respect to each Generating unit, the date on which such Generating unit is declared by the company to be operational, 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.

Explanation: In respect of Non-conventional based power projects the date of synchronisation of the first unit of the project will be treated as the Commercial Operation Date of the project since Ministry of Non-conventional Energy Sources has not specified any guide lines for declaration of the Commercial Operation Date (COD).

- 1.4 **Delivered Energy:** means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the APTRANSCO at the Interconnection Point as defined in Article 1.8, as measured by the energy meters at the Interconnection Point during that Billing Month.

Explanation: For the purpose of clarification, Delivered Energy excludes all energy consumed in the Project for Captive consumption, by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by energy meter at Interconnection Point.

- 1.5 **Due Date of Payment:** means the date on which the amount payable by the APTRANSCO 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 Metering Date, and 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 APTRANSCO.
- 1.6 **Installed Capacity:** means the total rated capacity in mega-watts of all the generators installed.
- 1.7 **Interconnection Facilities:** means all the equipment and facilities, including, but not limited to, all metering facilities, switch gear, substation facilities, transmission lines and related infrastructure, to be installed by the APTRANSCO by using the existing dedicated line to Mother Industry or laying independent line to the designated Substation of APTRANSCO at the voltage specified in Article 1.13 at the company's expense from time to time throughout the term of this Agreement, necessary to enable


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.


Director


the APTRANSCO to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement.

Explanation: In respect of Non-Conventional Energy Projects viz., Bagasse/Biomass based cogeneration projects, Biomass based power projects and power projects based on Waste to Energy (projects based on any waste to renewable nature from urban and industrial sector) etc., the Company have to bear the entire expenditure of interconnection facilities for power evacuation as per the sanctioned estimate by the respective field officers.

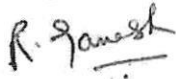
- 1.8 **Interconnection Point:** means the point or points where the Project and the APTRANSCO's grid system are interconnected at designated APTRANSCO sub-station. The metering for the Project will be provided at the interconnection point as per Article 4.1.

Explanation: In case of Bagasse/Biomass based cogeneration projects, Biomass based power projects and power projects based on Waste to Energy (projects based on any waste to renewable nature from urban and industrial sector), the Interconnection Point will be at designated APTRANSCO Substation.

- 1.9 **Metering Date:** means mid-day (i.e., noon) of the 24th (twenty-fourth) day of each calendar month, at the Interconnection Point.
- 1.10 **Project:** means the 15 MW capacity co-generation power plant based on Bagasse at at Kulubgoor/Fasalwadi Village, Sanga Reddy Mandal, Medak District, Andhra Pradesh, with a proposal for **(a) During Season:** Out of 15 MW capacity, 1.90 MW is for Auxiliary Consumption, 2.74 MW is for Captive Consumption and balance 10.36 MW is for export to Grid for Sale to APTRANSCO **(b) During Off-season:** Out of 15 MW capacity, 1.90 MW is for Auxiliary Consumption, 1.9 MW consumption for Captive use and balance 11.20 MW is for export to Grid for Sale to APTRANSCO; as detailed in Schedule 1, entrusted to the Company for construction and operation as detailed in Memorandum of Understanding entered into with NEDCAP as shown in Schedule 3 attached herewith and includes the metering system.
- 1.11 **System Emergency:** means a condition affecting the APTRANSCO'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 APTRANSCO, or which endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.
- 1.12 **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).
- 1.13 **Voltage of Delivery:** means the voltage at which the electrical energy generated by the project is required to be delivered to the APTRANSCO at the Interconnection Point and the Voltage of Delivery is as detailed below.


Chief Engineer (IPS)
APTRANSCO, Hyderabad
20/11/2013

For Ganpati Sugar Industries Limited

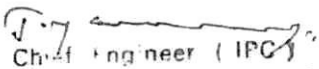


Director

For Bagasse/Biomass based cogeneration projects, Biomass based power projects and power projects based on Waste to Energy (projects based on any waste of renewable nature from urban and industrial sector):

Capacity of the plant	Specified voltage level for interfacing with APTRANSCO grid
Upto 1500 KVA	11 KV
From 1501 KVA to 7500 KVA	33 KV
Above 7500 KVA	132 KV

- 1.14 All other words and expressions, used herein and not defined herein but defined in the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948, Indian Electricity Rules, 1956 and AP Electricity Reform Act, 1998 shall have the meanings respectively assigned to them in the said Acts.


Chief Engineer (IPC)
APTRANSCO Vidyut South
HYDERABAD-500 082.

For Ganpati Sugar Industries Limited


Director

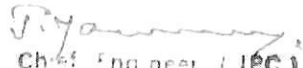
ARTICLE 2
PURCHASE OF DELIVERED ENERGY AND TARIFF

- 2.1 All the Delivered Energy at the interconnection point for sale to APTRANSCO will be purchased at the tariff provided for in Article 2.2 from and after the date of Commercial Operation of the Project. Title to Delivered Energy purchased shall pass from the Company to the APTRANSCO at the Interconnection Point.
- 2.2 The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO at Rs.2.25 paise per unit with escalation at 5% per annum with 1994-95 as base year and to be revised on 1st April of every year upto the year 2003-2004. Beyond the year 2003-2004, the purchase price by APTRANSCO will be decided by Andhra Pradesh Electricity Regulatory Commission. There will be further review of purchase price on completion of ten years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O&M expenses and the Variable Cost.
- 2.3 The tariff is inclusive of all taxes, duties and levies.
- 2.4 All future increase in Taxes, Duties and Levies on Energy generated is to be borne by the Company.
- 2.5 Where in any Billing month, the Gross energy and demand supplied by the APTRANSCO to the Company, shall be billed by the APTRANSCO as per the explanations given, and the Company shall pay the APTRANSCO for such energy and demand supplies. Further, since the Company's power house is running in parallel with APTRANSCO grid, the Company has to pay Grid Support Charges as decided by APERC for grid support given to the process unit in the premises.

Explanation 1: The Generating Plants viz., Bagasse/Biomass based cogeneration projects, Biomass based power projects and power projects based on Waste to Energy (projects based on any waste of renewable nature from urban and industrial sector) 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 APTRANSCO 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, and 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 purposes of the power plant.
- ii) The Company will not have a separate H.T. Service connection number, H.T. Agreement and contracted Maximum Demand. The Gross energy and the recorded maximum demand shall be billed as per APTRANSCO's the then tariff rates applicable to H.T-I consumers.



Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082


Director

- iii) In the event of exceeding the declared load, penal charges will apply as per Tariff conditions.
- iv) In case the developer wants the power from grid for their processing plant during planned outage, a separate requisition for sanction of Temporary supply for the purpose shall be made utilising the existing infrastructure for the project.

Explanation 3: If the Company is willing to avail power from APTRANSCO for their processing unit in the same premises during outages of their power plant, and desires to draw power from Grid for starting and maintenance purposes of the Generating station through the dedicated line intended for export of power, the following conditions will apply.

- i) The Company will have a separate H.T. Agreement and Contracted Maximum Demand with APTRANSCO.
- ii) The Gross energy and the Demand will be billed by APTRANSCO as per the then tariff applicable to H.T-I consumers.

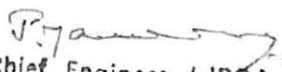

Chief Engineer (IPC)
APTRANSCO, Adalat Soudha
HYDRA ABAD-500 082

For GanpatiSugar Industries Limited


Director

**ARTICLE 3
INTERCONNECTION FACILITIES**

- 3.1 Upon receipt of a requisition from the Company the APTRANSCO will prepare an estimate for arranging interconnection facilities for power evacuation at the voltage level as per Article 1.13. The Company have to bear the entire cost of the interconnection facilities as per the sanctioned estimate. APTRANSCO shall evaluate, design, install, own, operate and maintain the Interconnection Facilities and perform all work, at the Company's expense, necessary to economically, reliably and safely connect the APTRANSCO's existing system to the Project switch yard.
- 3.2 APTRANSCO may also permit the Company to execute the interconnection facilities for power evacuation as per the sanctioned estimate at its discretion duly collecting the supervision charges as per procedure in vogue.
- 3.3 The maintenance expenses of the interconnection facilities from time to time have to be borne by the Company. The maintenance work on the Generating units has to be done in coordination with the APTRANSCO.
- 3.4 APTRANSCO has got the right to add any additional loads on the feeder without detrimental to the interests of the existing generating companies on the same feeder.
- 3.5 Any modifications or procedures or changes in arranging interconnection facilities for power evacuations rests with Government of Andhra Pradesh/APTRANSCO.
- 3.6 During the period prior to the Commercial Operation Date, on the request of the Company, the APTRANSCO will supply energy to the Project for any purpose, on the Terms and Conditions and at the tariff rates that are applicable from time to time to the category of consumers of the APTRANSCO to which the Company belongs, provided separate metering arrangements as may be required under the Terms and Conditions of such tariff have been installed at the Project.



Chief Engineer (IPC)
APTRANSCO Vidyut Soudha
HYDERABAD-500 082.

For Ganpati Sugar Industries Limited


Director

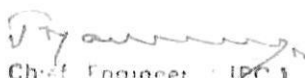
ARTICLE 4
METERING AND PROTECTION

- 4.1 The Company shall install main meters of Static type 0.2 class accuracy at the Interconnection Point and the APTRANSCO shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters will each consist of a pair of export and import meters.
- 4.2 All of the meters required to be installed pursuant to Article 4.1 above shall be jointly inspected and sealed on behalf of both parties and shall not be interfered with, tested or checked except in the presence of representatives of both parties.
- 4.3 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 immediately be replaced.
- 4.4 Where the half yearly meter check indicates an error in one of the main meter/meters beyond the limits for such meter 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 half yearly test checks, both the main meters and the corresponding check meters are found to be beyond permissible limits of error, both the meters shall be immediately replaced 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.
- 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 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 If both the main and check meters fail to record or if any of the PT fuses are blown out, then the energy will be computed on a mutually agreeable basis for that period of defect.
- 4.8 The main and check meters 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 Andhra Pradesh, as per Terms and Conditions of supply.


Chief Engineer (1970)
APTRANSCO, Hyderabad
HYDRAABAD 500 082.



- 4.9 All main and check meter 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.
- 4.10 On the Metering Date each month meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of both parties.
- 4.11 Within six (6) months following the execution of this Agreement, the Company and the APTRANSCO 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 APTRANSCO's grid. Thereafter, any change in such specifications shall be subject to mutual agreement of the parties.
- 4.12 The Project shall be operated and maintained in accordance with good and generally accepted utility standards with respect to synchronizing, voltage, frequency and reactive power control.
- 4.13 Voltage regulation shall be such as to enable continued paralleling and synchronisation with the grid voltage at the point of interconnection.
- 4.14 The equipment of the Company shall be designed for fluctuations in the frequency within limits of -5% and +3% of the standard frequency of 50 cycles per second.
- 4.15 The Company shall ensure that the power factor of the power delivered to the APTRANSCO is maintained at or above the Minimum Power Factor as per Tariff Notification, or otherwise pay Surcharge as per Tariff Notification in force.
- 4.16 Any change in rupturing capacity of switchgear, settings of the relays, etc., shall be subject to approval of the APTRANSCO.
- 4.17 As the Project's generator may carry fault currents that may occur on the APTRANSCO's grid, the Company shall provide adequate generator and switchgear protection against such faults. The APTRANSCO is not responsible for damage, if any, caused to the Project's generator and allied equipment during parallel operation of the generator with the APTRANSCO's grid.
- 4.18 The Company shall make a good faith effort to operate the Project in such a manner as to avoid fluctuations and disturbances to the APTRANSCO's grid due to parallel operation with the grid.
- 4.19 The Company shall control and operate the Project. The APTRANSCO 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 APTRANSCO's reasonable judgment such a reduction will alleviate the emergency. The APTRANSCO 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.


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.

ARTICLE 5
BILLING AND PAYMENT

- 5.1 For Delivered Energy purchased, the Company shall furnish a bill to the APTRANSCO calculated at the rate provided for in Article 2.2, in such form as may be mutually agreed between the APTRANSCO and the Company, for the billing month on or before the 5th working day following the metering date.
- 5.2 Any payment made beyond the due date of payment, APTRANSCO shall pay interest at a rate of 10% per annum as per existing nationalised bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction.
- 5.3 The APTRANSCO shall pay the bill on monthly basis as per Article 5.1, by opening a revolving Letter of Credit for a minimum period of one year in favour of the Company.
- 5.4 **Letter of Credit:** Not later than 30 days prior to the Scheduled COD of the first Generating Unit, APTRANSCO 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 the issuer of such Letter of Credit supported by a meter reading statement accepted and signed by both parties or a certification from the Company that the APTRANSCO failed to sign the meter reading statements within five days of the metering date or that a supplemental bill has been issued and remains unpaid until the due date of payment;
 - (c) provide that the Company shall have the right to draw upon such Letter of Credit notwithstanding any failure by the APTRANSCO to reimburse the issuer thereof for any draw down made under; and
 - (d) not less than 30 days prior to the expiration of any Letter of Credit, the APTRANSCO 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 thereunder. 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.
- 5.5 **Direct Payment:** Notwithstanding the fact that a Letter of Credit has been opened, in the event that through the actions of the APTRANSCO, 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 the APTRANSCO to make direct payment of any bill by cheque or otherwise on or before the due date of payment by delivering to the APTRANSCO on or prior to the due date of payment of such bill a notice 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 APTRANSCO shall have the right to make direct payment by cheque or otherwise of any bill such that within 30 days after the date of its presentation to the designated officer of the

Ch
APTR
F.Y.
1. 1/11/2011
1. 1/11/2011
1. 1/11/2011

R. G. G. G.
1. 1/11/2011

APTRANSCO, 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.

- 5.6 **Billing disputes:** The APTRANSCO shall pay the bills of the Company promptly subject to the clauses 5.1 and 5.2 above.

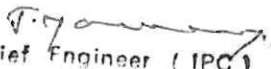
The APTRANSCO shall notify the Company in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. The Company shall immediately take up issue with all relevant information with APTRANSCO which shall be rectified by the APTRANSCO, if found satisfactory. Otherwise notify its (APTRANSCO's) rejection of the disputed claim within reasonable time with reasons therefor. The dispute may also be decided by mutual agreement. If the resolution of any dispute requires the APTRANSCO to reimburse the Company, the amount to be reimbursed shall bear interest at 10% per annum from the date of disallowance to the date of reimbursement.

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

Address : M/s Ganpati Sugar Industries Ltd.,
8-2-438/5, Road No. 4,
Banjara Hills, Hyderabad - 500 034.

Fax : 040 - 3350959

Telephone : 040 - 3355212, 3355213, 3355214


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD - 500 082.

For Ganpati Sugar Industries Limited


Director


ARTICLE 6 UNDERTAKING

6.1 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 APTRANSCO.
- (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 licences for operation of the project and sale of energy to APTRANSCO there from under the provision of the relevant laws.
- (v) Non-conventional energy projects sanctioned by NEDCAP, which use the generation partially or fully for captive purposes, will have to seek permission from the Commission U/S 21 (3) of Andhra Pradesh Electricity Reform act, 1998 for captive use of the energy generated.
- (vi) for payment of Grid support Charges as fixed by APERC from time to time.
- (vii) the Company have to comply with the provisions of the AP Code of Technical Interface (Grid Code).

6.2 The APTRANSCO 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 section 2.2.
- (iii) for providing grid support for the essential load of the power plant and for manufacturing process.



Chief Engineer (APERC)
APTE
HYDRA
400 082,

For GaapatiSugar Industries Limited


Director

**ARTICLE 7
DURATION OF AGREEMENT**

This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) and upto 30.6.2004. 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, subject to the consent of the APERC. 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 APERC, Government of Andhra Pradesh and APTRANSCO.


Chief Engineer (IRC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.

For GanpatiSugar Industries Limited


Director

**ARTICLE 8
NOTICES**

- 8.1 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 or certified mail, telecopy, telex or telegram addressed as follows

If to the Company:

Attention	M/s Ganpati Sugar Industries Ltd., 8-2-438/5, Road No. 4, Banjara Hills, Hyderabad - 500 034.
Fax	040 - 3350959
Telephone	040 - 3355212, 3355213, 3355214

If to the APTRANSCO:

Attention	Chief Engineer, Investment Promotion Cell, APTRANSCO, Vidyut Soudha, Hyderabad - 500 082.
Fax No	040-3313791
Telephone No	040-3393304

- 8.2 All notices or communications given by telecopy, telex or telegram 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 telecopy, telex or telegram regardless of the date the confirmation of such notice is received.
- 8.3 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.

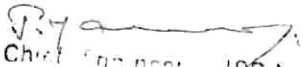

Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
M. Y. D. Road, Hyderabad - 500 082.

For Ganpati Sugar Industries Limited


-frd-2

**ARTICLE 9
DEFAULT**

- 9.1 In the event, APTRANSCO commits a breach of any of the terms of this Agreement, the Company shall be entitled to specific performance of this Agreement or claimed such damages as would be available under Law or both, at its option, by giving 30 days notice to APTRANSCO.
- 9.2 In the event, Company commits a breach of any of the terms of this Agreement, the APTRANSCO shall be entitled to specific performance of this Agreement or claimed such damages as would be available under Law or both, at its option, by giving 30 days notice to Company.
- 9.3 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 this Agreement. If the default is not cured within 30 days thereafter, either party can terminate this Agreement and can claim damages at its option.



Chief Engineer (IPC)
APTRANSCO, V. V. Soudha
HYDERABAD-500 082.

For GanpatiSugar Industries Limited

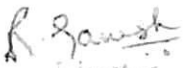

Director

ARTICLE 10
SUBSEQUENT COMMISSION / GOVERNMENTAL ACTIONS

If as a result of any act, restraint or regulation by the AP Electricity Regulatory Commission, 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, APTRANSCO 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 the APTRANSCO would purchase the energy produced by the Project.

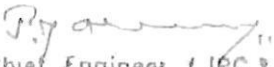

Ch
APTRANSCO, Plot Southa
HYDERABAD-500 082.

For GanpatiSugarcultures Limited


Director

**ARTICLE 11
SPECIAL PROVISIONS**

- 11.1 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.
- 11.2 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 APTRANSCO, subject to the condition that any further modification of the Agreement shall be done only with the prior approval of Andhra Pradesh Electricity Regulatory Commission. However, the amendments to the Agreement as per the respective orders of APERC from time to time shall be carried out. All the conditions mentioned in the Agreement are with the consent of APERC.
- 11.3 However, in respect of power evacuation, the voltage levels for interfacing with APTRANSCO's Grid will be as per Article 1.13. The cost of interconnection facilities have to be borne by the Company as per Article 3.
- 11.4 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.
- 11.5 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.
- 11.6 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 APERC.
- 11.7 This Agreement, including Schedule 1, 2, 3, 4 & 5 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.
- 11.8 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.
- 11.9 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.


Chief Engineer (IPC)
APTRANSCO Vidyut Soudha
HYDRABAD-500 082.

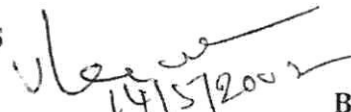

Director

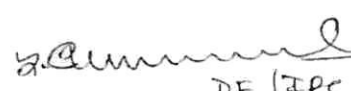
- 11.10 In the event of the merger or re-organisation of APTRANSCO, if the resulting entity is able to perform APTRANSCO's obligations hereunder in no less a manner than APTRANSCO, the resulting entity shall take the right and responsibility for performance of APTRANSCO's obligations.
- 11.11 In the event of the merger or re-organisation of Company if the resulting entity is able to perform Company's obligations hereunder in no less a manner than Company, the resulting entity shall take the right and responsibility for performance of Company's obligations.
- 11.12 **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


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

For and behalf of
TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

WITNESS


1. 
14/5/2002 By:

2. 
DE/IPC Its:


Chief Engineer (IPC) 14/5/2002
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.


For and behalf of
M/s GANPATI SUGAR INDUSTRIES LIMITED

WITNESS

1. 
DE/IPC By:

2. Its:

For Ganpati Sugar Industries Limited


Director
14/5/2002

SCHEDULE 1

Particulars of the Project (referred to in the Preamble to the Agreement)

Name of the Project	Location	No. of Units	Capacity of each Generator	Capacity of the Station
Bagasse based co-generation project by M/s Ganpati Sugar Industries Ltd.,	Kulubgoor/ Fasalwadi Village, Sanga Reddy Mandal, Medak District, Andhra Pradesh.	1	15 MW	15 MW (*)

- (*) (a) **During Season:** Out of which 1.90 MW is for Auxiliary Consumption, 2.74 MW is for Captive Consumption and 10.36 MW is for export to grid for sale to APTRANSCO.
- (b) **During Off-Season:** Out of which 1.90 MW for Auxiliary Consumption, 1.9 MW Captive Consumption and 11.20 MW for export to grid for sale to APTRANSCO.

For Ganpati Sugar Industries Limited

R. Ganesh

Director

[Signature]
B. S. ERAPATI



ఆంధ్ర ప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

02AA 421328

7408 286/04 100/

Sold to K. Harinath & Co. Sugarcane Growers' Cooperative Society Ltd., (A.P.)

Sugar Growers' Cooperative Society Ltd., (A.P.)

K. RAMULU
S.V.L. No. 2/85 R No 2/2000
R. R. Dist. Court.

Amendment dated 30th day of June, 2004 to the Power Purchase Agreement dt.14.05.2002 between M/s Ganpati Sugar Industries Limited and APTRANSCO

Whereas the Power Purchase Agreement dt. 14.5.2002 entered into (herein after referred to as "Agreement") between M/s Ganpati Sugar Industries Limited and APTRANSCO and this Agreement is in force now.

2. Whereas APERC vide letter No. APERC/Secy/Dir-Engg/F-/D.No.1762/2003, dt:23.07.2003 and letter No. APERC/Secy/Dir(Engg)/DD(Tr)/F-PPA/D.No.2739/2003, dt: 15.11.2003 has communicated approval to the modifications to Tariff clause at Article 2.2 and Delivered Energy clause at Article 1.4 of PPA and directed APTRANSCO to amend PPA accordingly.

2A

S. P. Rao
CHIEF ENGINEER
(COMMERCIAL & IT)
APTRANSCO, 4, out South
Hyderabad-500 082.

For Ganpati Sugar Industries Limited,
Harinath
(K HARINATH)
Executive Director

3. The Amendment to the Articles mentioned at 1.4, 1.5, 1.14, 2.2, 2.5, 4.1 & 7 of the Agreement along with incorporation of new Articles at Preamble para 3(a) and Preamble para 5(a), 4.12(a), and 6.1(ii) (b) are incorporated at pages 2A, 2B, 2C, 2D, 2E, 2F, 2G & 2H of the Agreement. Where as APERC vide letter dt.21-5-04 directed for deletion of Article 6.1(v) with regard to obtaining the permission from APERC for captive use.

4. The Amendments as mentioned in paragraph 3 above and in the APPENDIX shall be deemed always to have been made from the 14.5.2002 that is from the date of original Agreement. The other terms and conditions of the Agreement remain unaltered.

5. The Agreement including these Amendments are enforceable subject to obtaining the consent of Andhra Pradesh Electricity Regulatory Commission under Section 21 of A.P. Electricity Reform Act 1998 (Act No.30 of 1998).


CHIEF ENGINEER
(COMMERCIAL & IT)
APTRANSCO, Vidyut Soudha,
Hyderabad-500 082.

For Ganpati Sugar Industries Limited


(K. HARINATH)
Executive Director.

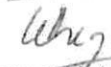
APPENDIX

Sl.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
1	Preamble para 3(a)	New Article	The Company shall follow strictly the Ministry of Non-Conventional Energy Sources (MNES), Government of India guidelines issued from time to time regarding usage of conventional fuel i.e., Coal along with the non-conventional fuel.
2	Preamble para5(a)	New Article	The terms and conditions of this Agreement are subject to the provisions of the Electricity Act 2003 (36 of 2003).
3	Article 1.4	<p>Delivered Energy: means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the APTRANSCO at the Interconnection Point as defined in Article 1.8, as measured by the energy meters at the Interconnection Point during that Billing Month.</p> <p>Explanation: For the purpose of clarification, Delivered Energy, excludes all energy consumed in the Project for Captive consumption, by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by energy meter at Interconnection Point.</p>	<p>Delivered Energy: means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the APTRANSCO at the Interconnection Point as defined in Article 1.8, as measured by the energy meters at the Interconnection Point during that Billing Month.</p> <p>Explanation 1: For the purpose of clarification, 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 energy meter at Interconnection Point.</p> <p>Explanation 2: The delivered energy shall be limited to the energy calculated at 100% PLF with net exportable capacity i.e., after deducting capacities for Auxiliary consumption and Captive consumption from Installed Capacity as mentioned in Preamble & Schedule 1 of Agreement for sale to APTRANSCO. Whenever generation exceeds the installed capacity, the</p>

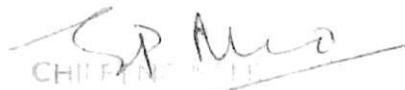

CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, Vidut Soudha,
 Hyderabad-500 082.

20


For GanpatiSugar Industries Limited


(B. HARINATH)
 Executive Director

Sl.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
			energy delivered by the project above 100% PLF during such periods will not be accounted for the purpose of payment.
4.	Article 1.5	Due Date of Payment: means the date on which the amount payable by the APTRANSCO 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 Metering Date, and 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 APTRANSCO.	Due Date of Payment: means the date on which the amount payable by the APTRANSCO 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 Metering Date provided the bill is received by APTRANSCO within 5 days from metering date, and 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 APTRANSCO.
5.	Article 1.14	All other words and expressions, used herein and not defined herein but defined in the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948, Indian Electricity Rules, 1956 and AP Electricity Reform Act, 1998 shall have the meanings respectively assigned to them in the said Acts.	All other words and expressions, used herein and not defined herein but defined in the Indian Electricity Rules 1956, AP Electricity Reform Act 1998 and Electricity Act 2003 shall have the meanings respectively assigned to them in the said Acts.
6	Article 2.2	The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO at Rs.2.25 paise per unit with escalation at 5% per annum with 1994-95 as base year and to be revised on 1 st April of every year upto the year 2003-2004. Beyond the year 2003-2004, the purchase price by APTRANSCO will be decided by Andhra Pradesh Electricity Regulatory	The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO as applicable as on date of commercial operation subject to the reviews of the prices by the APERC from time to time. Notwithstanding these reviews there will be a special review of purchase price on completion of 10 years from the date of commissioning of the project, when the purchase price will be reworked on


 CHIEF MANAGER
 (COMMERCIAL & I.T.)
 APTRANSCO, Vidyanand Reddy,
 Hyderabad-500052

20

For Ganpati Sugar Industries Limited

 (R. HARINATH)
 Executive Director

Sl.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
		Commission. There will be further review of purchase price on completion of ten years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O&M expenses and the Variable Cost.	the basis of Return on Equity, O & M expenses, and the Variable Cost.
7	Article 2.5	<p>Where in any Billing month, the Gross energy and demand supplied by the APTRANSCO to the Company, shall be billed by the APTRANSCO as per the explanations given, and the Company shall pay the APTRANSCO for such energy and demand supplies. Further, since the Company's power house is running in parallel with APTRANSCO grid, the Company has to pay Grid Support Charges as decided by APERC for grid support given to the process unit in the premises.</p> <p>Explanation 1: The Generating Plants viz., Bagasse/Biomass based cogeneration projects, Biomass based power projects and power projects based on Waste to Energy (projects based on any waste of renewable nature from urban and industrial sector) use the power generated for their captive purpose in the same premises and export surplus power to grid.</p> <p>Explanation 2: If the Company is not willing to avail power from APTRANSCO 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, and desires to draw power from Grid for</p>	<p>Where in any Billing month, the Gross energy and demand supplied by the APTRANSCO 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 APTRANSCO as per the explanations given, and the Company shall pay the APTRANSCO for such energy and demand supplies. Further, since the Company's power house is running in parallel with APTRANSCO grid, the Company has to pay Grid Support Charges as decided by APERC for grid support given to the process unit in the premises.</p> <p>Explanation 1: The Generating Plants viz., Bagasse based cogeneration projects, Biomass based power projects and power projects based on Waste to Energy (projects based on any waste of renewable nature from urban and industrial sector) use the power generated for their captive purpose in the same premises and export surplus power to grid.</p> <p>Explanation 2: If the Company is not willing to avail power from APTRANSCO for their processing unit in the same premises during outages of their power plant by providing suitable interlocking arrangements between</p>



CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, Indrath Soudha,
 Hyderabad-500 088

2E


For Ganpati Sugar Industries Limited.


(R. HARTNATH)
 Executive Director

Sl.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
		<p>starting and maintenance purpose of the generating station through the dedicated line intended for export of power, the following conditions will apply:</p> <p>i) The Company has to declare the Load requirement for Starting and Maintenance purposes of the power plant.</p> <p>ii) The Company will not have a separate H.T. Service connection number, H.T. Agreement and contracted Maximum Demand. The Gross energy and the recorded maximum demand shall be billed as per APTRANSCO's the then tariff rates applicable to H.T-I consumers.</p> <p>iii) In the event of exceeding the declared load, penal charges will apply as per Tariff conditions.</p> <p>iv) In case the developer wants the power from grid for their processing plant during planned outage, a separate requisition for sanction of Temporary supply for the purpose shall be made utilising the existing infrastructure for the project.</p> <p>Explanation 3: If the Company is willing to avail power from APTRANSCO for their processing unit in the same premises during outages of their power plant, and desires to draw power from Grid for starting and maintenance purposes of the Generating station through the dedicated line intended for export of power, the following conditions will apply.</p>	<p>power plant and processing unit, and 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:</p> <p>i) The Company has to declare the Load requirement for Starting and Maintenance purposes of the power plant and agreed to by APTRANSCO/DISCOM.</p> <p>ii) The Company will not have a separate H.T. Service connection number, H.T. Agreement and contracted Maximum Demand. The Gross energy and the recorded maximum demand shall be billed as per APTRANSCO's tariff rates applicable to H.T-I consumers from time to time.</p> <p>iii) In the event of exceeding the declared load, penal charges will apply as per Tariff conditions.</p> <p>iv) In case the developer wants the power from grid for their processing plant during planned outage, a separate requisition for sanction of Temporary supply for the purpose shall be made utilising the existing infrastructure for the project.</p> <p>Explanation 3: If the Company is willing to avail power from APTRANSCO for their processing unit in the same premises during outages of their power plant, and desires to draw power from Grid for starting and maintenance purposes of the</p>


 CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, Vidvut Soudha
 Bhopal-462002.

2P

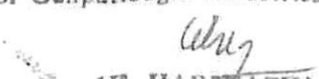
For GanpatiSugar Industries Limited.

 (K. HARI NATH)
 Executive Director

Sl.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
		<p>i)The Company will have a separate H.T. Agreement and Contracted Maximum Demand with APTRANSCO.</p> <p>ii)The Gross energy and the Demand will be billed by APTRANSCO as per the then tariff applicable to H.T-I consumers.</p>	<p>maintenance purposes of the Generating station through the dedicated line intended for export of power, the following conditions will apply.</p> <p>i) The Company will have a separate H.T. Agreement and Contracted Maximum Demand with APTRANSCO/DISCOM.</p> <p>ii) The Gross energy and the Demand will be billed by APTRANSCO as per tariff applicable to H.T-I consumers.</p>
8.	Article 4.1	The Company shall install main meters of Static type 0.2 class accuracy at the Interconnection Point and the APTRANSCO shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters will each consist of a pair of export and import meters.	The Company shall install main meters of Static type 0.2 class accuracy at the Interconnection Point and the APTRANSCO shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters shall each consist of a pair of export and import meters with facility for recording meter readings using Meter Recording Instrument. For the purpose of uniformity the Company shall follow metering specification as developed by APTRANSCO.
9.	Article 4.12(a)	New Article	The Company shall install communication system in the Project and at the designated Sub-station at the cost of the Company, to establish contact with the Sub-station to which it is interconnected for co-ordination of the Project operation. The regular maintenance of the Wireless sets is to be carried out by the Company.



CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, Vidyut Soudha,
 Hyderabad-500 082.

29

For Ganpati Sugar Industries Limited


(B. HARTNATH)
 Executive Director

Sl.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
10.	Article 6.1(ii)(b)	New Article	The Company shall furnish the generation and maintenance schedules every year.
11.	Article 6.1(v)	Non-conventional energy projects sanctioned by NEDCAP, which use the generation partially or fully for captive purposes, will have to seek permission from the Commission U/S 21 (3) of Andhra Pradesh Electricity Reform act, 1998 for captive use of the energy generated.	DELETED
12.	Article 7	<p>DURATION OF AGREEMENT</p> <p>This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) and upto 30.6.2004. 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, subject to the consent of the APERC. 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 APERC, Government of Andhra Pradesh and APTRANSCO.</p>	<p>DURATION OF AGREEMENT</p> <p>This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) i.e. from 01.01.2003 and until the twentieth (20th) anniversary that is for a period of twenty years from the Commercial Operation Date (COD). 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 APERC. 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 APERC.</p>


CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, J. U. S. Road,
 Hyderabad-500 082.

24

For Ganpati Sugar Industries Limited


(K. HARINATH)
 Executive Director