



నార్తర్న్ పవర్ డిస్ట్రిబ్యూషన్ కంపెనీ ఆఫ్ తెలంగాణ లిమిటెడ్
NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(A Govt. of Telangana Undertaking) CIN:U40109TG2000SGC034119

From
Chief Engineer,
IPC & RAC, TGNPDCL,
Corporate Office, Vidyuth Bhavan,
HANUMAKONDA, WARANGAL

To
The Commission Secretary,
TGERC, Vidyut Niyamrantran Bhavan,
G.T.S. Colony, Kalyan Nagar,
HYDERABAD 500 045.

Lr.No.CE(I&R)/GM(I&R)/DE(IPC)/ ADE/F.Gayatri/D.No.166/26,Dt:02.06.2026.

Sir,

SUB :- TGNPDCL/WGL – Filing of petition for extension of Power Purchase Agreement of M/s. Gayatri Sugars limited (Formerly M/s NCS Gayatri Sugars) 6 MW Bagasse based cogeneration power plant at Adloor Yellareddy Village, Kamareddy District for a period of 5 years from 23.05.2026 to 22.05.031 at tariff of Rs.3.14/kWh (Fixed without escalation inclusive of all taxes) – Submission – Regarding.

TGERC HYDERABAD INWARD

- 5 JUN 2026

No.

Sign

In compliance to the Hon'ble commission directions, the petition for extension of Power Purchase Agreement of M/s. Gayatri Sugars limited (Formerly M/s NCS Gayatri Sugars) 6 MW Bagasse based cogeneration power plant at Adloor Yellareddy Village, Kamareddy District for a period of 5 years from 23.05.2026 to 22.05.031 at tariff of Rs.3.14/kWh (Fixed without escalation inclusive of all taxes) is herewith submitted in six sets along with petition fee of Rs. 25,000/- (Rupees Twenty-Five Thousand only) in the form of Cheque drawn in favour of the Secretary/TGERC.

Hence, it is requested to place the petition before the Hon'ble Commission for consideration and approval.

Yours faithfully,

**CHIEF ENGINEER
IPC& RAC/TGNPDCL/WGL**

Encl: 1 Petition in 6 Sets.

2. SBI Cheque Number bearing " 511368 "/Dt:02.06.2026 for Rs. 25,000/-.

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY
COMMISSION**

Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

O.P. No. /2026

INDEX

Sl.No.	Particulars	Page No.
1	Petition	1-3
2	Affidavit	4
3	PPA (Power Purchase Agreement) dated 17.01.2000	5-49
4	1st Amendment to PPA dated 22.12.2000.	50-57
5	2nd Amendment to PPA dated 08.11.2017	58-60
6	3rd Amendment to PPA dated 03.12.2021	61-67
7	TSERC Order O.P. No. 53 of 2021 dated 20.11.2021	68-80
8	Letter of M/s Gayatri Sugars Limited dated 22.12.2025 (Extension Request)	81
9	TGNPDCL Letter dated 12.02.2026 (In-principle willingness for extension at Rs. 3.14/kWh).	82
10	Letter of Acceptance from M/s Gayatri Sugars Limited dated 09.04.2026	83

**BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION
AT ITS OFFICE AT VIDYUT NIYANTRAN BHAVAN, G.T.S. COLONY, KALYAN NAGAR,
HYDERABAD**

O.P No. _____ of 2026

IN THE MATTER OF:

Petition for Consent to Extension of Power Purchase Agreement (PPA) between Northern Power Distribution Company of Telangana Limited (TGNPDCL) and M/s Gayatri Sugars Limited for procurement of power from their 6 MW Bagasse-based Cogeneration Power Plant at Adloor Yellareddy Village, Sadasiva Nagar Mandal, Kamareddy District, Telangana, for a further period of 5 years from 23.05.2026 to 22.05.2031 at a tariff of Rs. 3.14 per kWh (fixed, without escalation, inclusive of all taxes and duties) — under Section 21(4) of the Telangana Electricity Reform Act, 1998 read with Section 86(1)(b) & (e) of the Electricity Act, 2003 and the TGERC (Conduct of Business) Regulations, 2015.

Northern Power Distribution Company of Telangana Limited

Rep. by its Chairman & Managing Director,
TGNPDCL, Vidyut Bhavan, Nakkalagutta, Warangal.

.....Petitioners

The Petitioners most respectfully submit as under:

**PETITION FOR CONSENT TO EXTENSION OF POWER PURCHASE AGREEMENT
(PPA)**

The Northern Power Distribution Company of Telangana Limited (hereinafter 'TGNPDCL' or 'the Petitioner'), a distribution licensee under the Electricity Act, 2003, most respectfully submits as under:

BACKGROUND AND HISTORY OF THE PPA

1. M/s NCS Gayatri Sugars Limited (presently M/s Gayatri Sugars Limited) entered into a Power Purchase (PPA) with the erstwhile APTRANSCO on **17.01.2000** for sale and purchase of power from the **6 MW Bagasse-based Cogeneration Plant** located at Adloor Yellareddy Village, Sadasiva Nagar Mandal, Kamareddy District. The Commercial Operation Date (COD) was declared on **23.05.2001**. The original PPA had a tenure of 20 years from COD.
2. The PPA was subsequently amended: the **1st Amendment (22.12.2000)** enhanced capacity from 8 MW to 9 MW, with 6 MW allocated for export to grid. The **2nd Amendment (08.11.2017)** effected name changes from M/s NCS Gayatri Sugars Limited to M/s Gayatri Sugars Limited and from APTRANSCO to TSNPDCL.
3. The PPA was extended vide the **3rd Amendment dated 03.12.2021** for a period of 5 years from 23.05.2021 to 22.05.2026 at a tariff of **Rs. 3.14/kWh** (fixed, without escalation, inclusive of all taxes and duties), pursuant to the consent accorded by the Commission vide **O.P. No. 53 of 2021 (Suo Moto) dated 20.11.2021**. The current extended PPA is due to expire on **22.05.2026**.


Chief Engineer
IPC & RAC, TGNPDCL

4. After detailed deliberations, M/s Gayatri Sugars Limited has accepted and requested for extension of PPA at the tariff of Rs. 3.14/kWh (fixed, without escalation, inclusive of all taxes and duties), proposed for the extended period is the same as the existing tariff mutually agreed and accepted by both parties in O.P. No. 53 of 2021, on the same terms and conditions stipulated in the existing PPA.

5. Need of this Power Procurement:

- Renewable Purchase Obligation (RPO) Compliance:** TGNPDCL is obligated to meet the Renewable Purchase Obligation (RPO) as specified by the Commission from time to time. The subject 6 MW Bagasse-based Cogeneration Plant is classified as a Non-Conventional Energy (NCE) source. Power procured from this plant qualifies for meeting TGNPDCL's Non-Solar RPO obligation.
- ii. **Historical Non-Solar RPO Compliance:** TGNPDCL's non-solar RPO compliance has been marginal, with achievement barely meeting targets in recent years (2018-19: 0.83%; 2019-20: 0.67%; 2020-21: 0.79%, against targets of 0.67%, 0.73%, and 0.79% respectively). With consumer sales registering positive growth year-on-year, the energy requirement from renewable sources is increasing proportionally.
- iii. **Reduction in Available NCE Capacity:** Several biomass, bagasse, and mini hydel PPA agreements expired around FY 2021-22, reducing the contracted NCE capacity available to TGNPDCL. The continuation of the subject plant's PPA is therefore necessary to sustain non-solar RPO compliance during FY 2026-31.
- iv. Besides, in pursuance of the **Energy Conservation Act, 2001**, MoP, Govt of India vide Gazette dated 20.10.2023 specified the following minimum share of consumption of renewable energy by the electricity distribution licensee as a percentage of total share of energy consumption for different designated consumers (including DISCOMs as a percentage of their total share of energy consumption), as indicated below:

Year	Wind (%)	Hydro (%)	Distributed renewable energy (%)	Other renewable energy(%)	Total renewable energy (%)
2024-25	0.67	0.38	1.50	27.35	29.91
2025-26	1.45	1.22	2.10	28.24	33.01
2026-27	1.97	1.34	2.70	29.94	35.95
2027-28	2.45	1.42	3.30	31.64	38.81
2028-29	2.95	1.42	3.90	33.10	41.36
2029-30	3.48	1.33	4.50	34.02	43.33

*Above targets are effective from 01.04.2024

- Obligations under Wind, Hydro, and Other renewable energy components are fungible (shortfalls in one may be met by surpluses from others), while Distributed renewable energy is non-fungible for its shortfall but its surplus may offset other components. **Distributed component is to be met from RE projects of capacity less than 10 MW in size.**

Under the above, it was stipulated that any shortfall in above specified RE consumption targets shall be treated as non compliance and penalty shall be imposed as such rate specified under sub section(3) of section 26 of the said act.

The Sec.26(3) of the Act is reproduced below for kind perusal:

"If any person fails to comply with the directions issued under clauses(n) and (x) of section 14, he shall be liable to a penalty which shall not exceed ten lakh Rupees for each such failure. Provided that he shall be liable to an additional penalty which shall not exceed twice the price of every metric ton of oil of equivalent prescribed under this act, which is in excess of the prescribed norms"

As this proposed power procurement will help to meet the RCO compliance particularly DRE Component.

- v. **Grid Benefits and Decentralized Generation:** The plant operates seasonally (during crushing season) as a bagasse-based cogeneration unit. Its output is decentralized and local, reducing transmission losses..
- vi. **Fixed Tariff:** Unlike thermal power tariffs (which contain a fuel/variable cost component subject to periodic escalation), the tariff for proposed Bagasse plant is **fixed for the entire 5-year PPA period**, providing long-term cost predictability and insulating DISCOM from fuel price volatility.

7. PROPOSED TARIFF

The proposed tariff for the extended period is Rs. 3.14/kWh (fixed, without escalation, inclusive of all taxes and duties) is the same tariff as the existing PPA period, mutually accepted by both parties and approved by the Commission in O.P. No. 53 of 2021. Any alternative procurement of NCE power to meet Non-Solar RPO/DRE component during the same period through fresh competitive bidding would involve higher tariffs (given current market rates for renewable energy), additional connection charges, new grid infrastructure, and longer lead times. Therefore, continuation of the existing PPA at Rs. 3.14/kWh is the least-cost option for meeting the energy requirement along with compliance RPO norms specified particularly DRE component.

8 . **Further Bagasse-based cogeneration plants** utilize agricultural residue (bagasse, the fibrous by-product of sugarcane) as fuel, thereby preventing open burning and environmental degradation. This is consistent with GoI and GoTG policies on waste utilization and emission reduction.

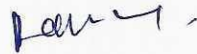
9. PRAYERS

In view of the foregoing facts and submissions, the Petitioner TGNPDCL most respectfully prays that the Hon'ble Telangana State Electricity Regulatory Commission may be pleased to:

- i. Accord **consent/approval for extension of the Power Purchase Agreement (PPA)** between TGNPDCL and M/s Gayatri Sugars Limited for procurement of power from the **6 MW Bagasse-based Cogeneration Plant** at Adloor Yellareddy Village, Sadasiva Nagar Mandal, Kamareddy District, Telangana, for a further period of **five (5) years from 23.05.2026 to 22.05.2031** at a tariff of **Rs. 3.14 per kWh** (inclusive of all taxes and duties, without any escalation);
- ii. To accord approval to execute the **4th Amendment to the PPA** incorporating the above terms upon receipt of the Commission's consent and as per the enclosed draft amendment attached.
- iii. Pass such other order(s) as this Hon'ble Commission may deem fit and proper in the facts and circumstances of the case and in furtherance of Renewable Energy policy objectives.

Place: Warangal

Date: 02/06 / 2026


Chief Engineer, IPC & RAC
TGNPDCL, Warangal

Chief Engineer
IPC & RAC, TGNPDCL
WARANGAL

BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION
AT ITS OFFICE AT VIDYUT NIYANTRAN BHAVAN, G.T.S. COLONY, KALYAN NAGAR,
HYDERABAD

O.P No. _____ of 2026

IN THE MATTER OF:

Petition for Consent to Extension of Power Purchase Agreement (PPA) between Northern Power Distribution Company of Telangana Limited (TGNPDCL) and M/s Gayatri Sugars Limited for procurement of power from their 6 MW Bagasse-based Cogeneration Power Plant at Adloor Yellareddy Village, Sadasiva Nagar Mandal, Kamareddy District, Telangana, for a further period of 5 years from 23.05.2026 to 22.05.2031 at a tariff of Rs. 3.14 per kWh (fixed, without escalation, inclusive of all taxes and duties) — under Section 21(4) of the Telangana Electricity Reform Act, 1998 read with Section 86(1)(b) & (e) of the Electricity Act, 2003 and the TGERC (Conduct of Business) Regulations, 2015.

Northern Power Distribution Company of Telangana Limited

Rep. by its Chairman & Managing Director,

TGNPDCL, Vidyut Bhavan, Nakkalagutta, Warangal.

.....Petitioners

VERIFICATION AFFIDAVIT

I, K. Venkata Ramana, S/o K. Rathnakar Rao, Age: 57 Years Occ: Chief Engineer (IPC & RAC), Northern Power Distribution Company of Telangana Limited (TGNPDCL) residing at Hanumakonda do solemnly affirm and say as follows:

1. I am the Chief Engineer(IPC & RAC), TSNPDCL having its office at Corporate Officer, TGNPDCL, Corporate Office, Hanumakonda, and I am competent and duly authorized by TGNPDCL to file this affidavit.
2. I have read and understood the contents of the Counter. The contents of the Counter now shown to me are true to my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

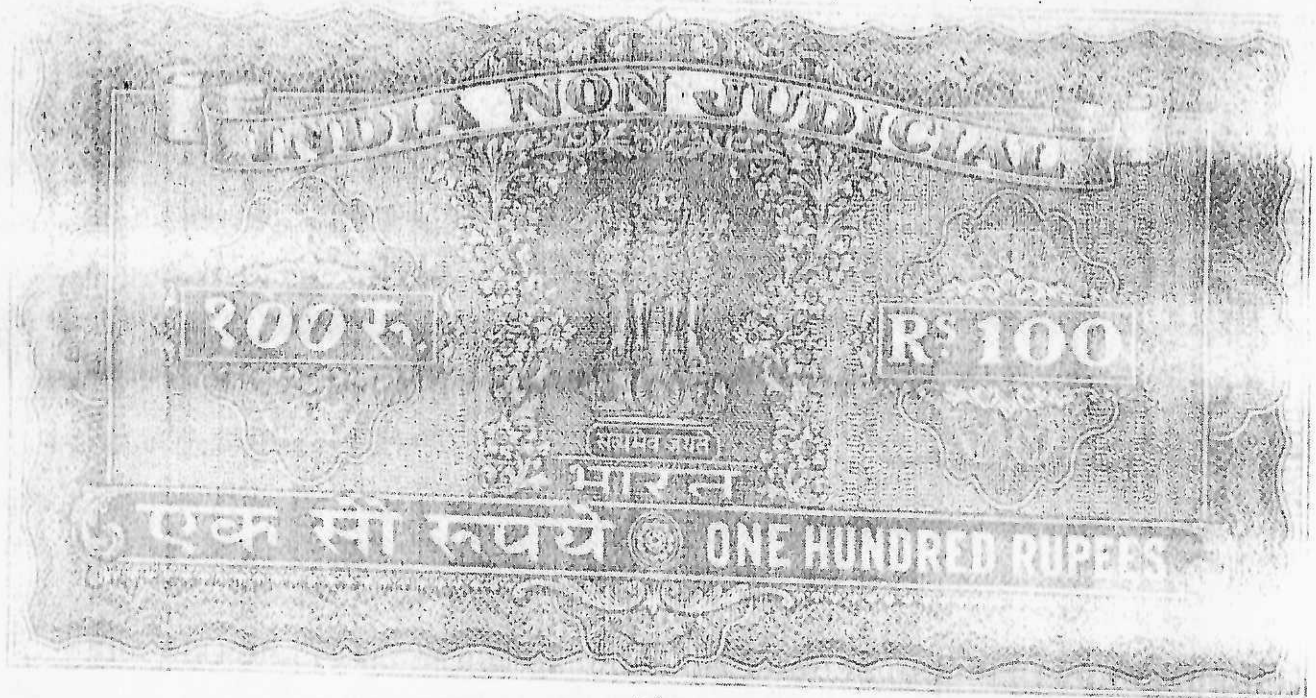
VERIFICATION:

I, solemnly affirm at Hanumakonda on this ...02..... day of June, 2026 that the affidavit has been signed in my presence.

DEPONENT
[Signature]
Chief Engineer
IPC & RAC, TGNPDCL

ATTESTED

[Signature]
General Manager
IPC & RAC, TGNPDCL
Warangal.



83571

**POWER PURCHASE & WHEELING AGREEMENT
BETWEEN
TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED
AND
M/s NCS GAYATRI SUGARS LIMITED**

This Power Purchase and Wheeling Agreement entered into this 17th day of January, 2000, between Transmission Corporation of Andhra Pradesh Limited, incorporated by the Government of Andhra Pradesh in accordance with the Andhra Pradesh Electricity Reforms 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 NCS Gayatri Sugars Limited (a company incorporated under Indian Company's Act, 1956), having its registered office at TSR Towers, 2nd Floor, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Andhra Pradesh, hereinafter referred to as the 'Company' (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as party of the second part;

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

For NCS GAYATRI SUGARS LTD.

Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha

For NCS GAYATRI SUGARS LTD.

WHEREAS, the Company has proposed to setup Non-Conventional Energy Project i.e., Bagasse based Cogeneration Project to generate 8 MW on an average basis, at Adloor Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District, Andhra Pradesh, as detailed in Schedule 1 attached herewith, hereafter called the project, and the Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd., (NEDCAP), has accorded approval to the said proposal in their Lr.No.NEDCAP/PD/3575/99-2000/2723 dated 22.11.1999, copy whereof is attached herewith as Schedule 2. The Company entered into Memorandum of Understanding (MOU) with NEDCAP on 9.12.1999 to execute the Project, the copy whereof is attached herewith as Schedule 3;

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;

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);

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:


Chief Engineer (IPC)
APGENCO, Vengal Rao, Nizamabad-500 052

For NCS GAYATRI SUGARS LTD.

DIRECTOR.

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 **Allocated Energy:** means the portion of the Delivered Energy allocated in a Billing Month to the Scheduled Consumer(s).
- 1.2 **Billing Date:** means the fifth (5th) day after the Metering Date.
- 1.3 **Billing Month:** means the period commencing from 25th of the calendar month and ending on the 24th of the next calendar month.
- 1.4 **Banking:** means keeping in reserve, the delivered energy supplied to the APTRANSCO, in any billing month(s), in excess of the energy required to be wheeled by the APTRANSCO to the scheduled consumers in that month, with the purpose of wheeling such excess energy in any succeeding month(s) to the scheduled consumers, subject to the condition specified in Article 2 of this Agreement. Such excess energy is, hereinafter called 'Banked energy'.
- 1.5 **Delivered Capacity:** means, in relation to the Project, at Interconnection Point in KW, is $\frac{A}{B}$, where
- A - is the Delivered Energy at the interconnection point during a billing month.
- and B - Number of hours in the billing month.
- 1.6 **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 measured by the energy meters at the Interconnection Point during that Billing Month.
- Explanation:** For the purpose of clarification, Delivered Energy excludes all energy generated and consumed in the Project by the main plant and equipment, lighting and other loads of the Project. Delivered Energy is comprised of Wheeled Energy and Surplus Energy.
- 1.7 **Due Date of Payment:** means the date on which the amount payable by the APTRANSCO to the Company hereunder for Surplus 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

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

- 7 -

For NCS GAYATRI SUGARS LTD.

DIRECTOR.

- the presentation of such bill or claim to the designated officer of the APTRANSCO.
- 1.8 **Installed Capacity:** means the total rated capacity in mega-watts of all the generators installed.
- 1.9 **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 on the APTRANSCO's side of the Interconnection Point at the company's expense from time to time throughout the term of this Agreement, necessary to enable the APTRANSCO to economically, reliably and safely (i) provide Wheeling hereunder, and/or (ii) receive Surplus Energy from the Project in accordance with the terms of this Agreement.
- 1.10 **Interconnection Point:** means the point or points where the Project and the APTRANSCO's grid system are interconnected in the Project's switch yard.
- 1.11 **Metering Date:** means mid-day (i.e., noon) of the 24th (twenty-fourth) day of each calendar month, at the Interconnection Point and for Scheduled Consumers.
- 1.12 **Net Wheeled Energy:** means Wheeled Energy less applicable Wheeling Charges.
- 1.13 **Power Factor Surcharge:** means the additional charges leviable on a Scheduled Consumer in accordance with the conditions of the tariff of the APTRANSCO applicable to such Scheduled Consumer, where the average power factor (the ratio of kWh to kVAh drawn) by such Scheduled Consumer during the relevant Billing Month falls below Minimum Power Factor prescribed under terms and conditions and tariff as notified by the APTRANSCO from time to time.
- 1.14 **Project:** means Non-Conventional Energy Project i.e., Bagasse based Cogeneration Project to generate 8 MW on an average basis, at Adloor Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District, Andhra Pradesh, entrusted to the Company for construction and operation as detailed in MOU entered into with NEDCAP and shown in Schedule 3 attached herewith and includes the metering system.
- 1.15 **Surplus Energy:** means the portion of the Delivered Energy, if any, after allocation to the Scheduled Consumers, which will be purchased by APTRANSCO at the rate specified in Article 4.1.
- 1.16 **Scheduled Consumer:** means the consumers of the APTRANSCO listed in Schedule 4 attached to this agreement, receiving power from the APTRANSCO


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha,
HYDERABAD-500 002


DIRECTOR

at a voltage of 11 Kilo Volts (kV) and above; to whom Wheeled Energy is desired by the Company to be Wheeled by the APTRANSCO, as per the prior approval of the APTRANSCO.

Explanation 1: If such scheduled consumer is substantially owned and controlled by the same group as the Company, the energy is deemed to have been wheeled to the sister concern, subject to approval by Andhra Pradesh Electricity Regulatory Commission.

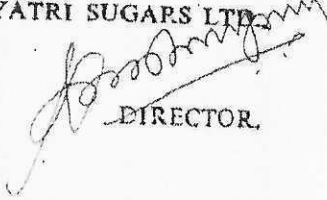
Explanation 2: If such scheduled consumer is not substantially owned and controlled by the same group as the Company, the wheeling is considered as third party sales, subject to the condition as per Article 3.4 and Article 8.2(iv).

Explanation 3: If the developer wants any change in the list of scheduled consumers, during the term of agreement, he shall submit such a list to APTRANSCO and get approval. APTRANSCO accords such approval taking into system exigencies. APTRANSCO reserves the right to reject the revised list of scheduled consumers and decision of APTRANSCO in this regard is final. However, only two (2) amendments per financial year to Schedule 4 of this Agreement shall be permitted in view of the work involved in billing.

- 1.17 **System Emergency:** means a condition on or 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.
- 1.18 **Tariff Year:** means, each period of one year from the date of commercial operation of the unit.
- 1.19 **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).
- 1.20 **Unutilised Energy:** means the portion of the Allocated Energy which is not consumed by Scheduled Consumers in Billing Month as per the allocation given by the Company.
- 1.21 **Voltage Surcharge:** means the additional tariff rates chargeable to the Scheduled Consumers by the APTRANSCO, in accordance with the conditions of the tariff of the APTRANSCO for supply of power to its own consumers of


Chief Engineer (IPC)
APTRANSCO, Vidyalaya, Secunderabad,
HYDERABAD-500 002

For NCS GAYATRI SUGARS LTD.

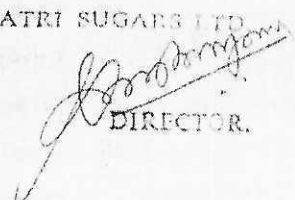

DIRECTOR.

the same category, for providing power at voltages less than those prescribed in the terms and conditions of supply applicable to such consumers.

- 1.22 **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 which shall be the stipulated voltage as decided by APTRANSCO from time to time.
- 1.23 **Voltage of Supply:** means the voltage or voltages at which the APTRANSCO actually delivers the energy to the scheduled consumers as per tariff, and terms and conditions of supply, and shall be not less than 11 KV.
- 1.24 **Wheeled Energy:** means Delivered Energy to be Wheeled to a Scheduled Consumer by the APTRANSCO, including any applicable Wheeling Charges.
- 1.25 **Wheeling:** means the transportation of the electrical power and energy of the project from the interconnection point to the scheduled consumers, on the transmission system of the APTRANSCO.
- 1.26 **Wheeling Charges:** means the consideration payable in kind (kWh) deducted by the APTRANSCO in accordance with Paragraph 2.4 below from the Wheeled Energy for providing Wheeling Service.
- 1.27 **Wheeling Schedule:** means the schedule provided to the APTRANSCO by the Company pursuant to Paragraph 2.5 below of the Schedule Consumers to whom Wheeled Energy is to be Wheeled.
- 1.28 All other words, expressions and sections, used herein and not defined herein but defined in the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and Andhra Pradesh Electricity Reform Act, 1998 shall have the meanings respectively assigned to them in the said Acts.


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha,
HYDRABAD-500 052

For NCS GAYATRI SUGARS LTD


DIRECTOR.

ARTICLE 2 WHEELING AND BANKING OF ENERGY

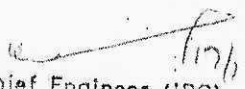
- 2.1 Subject to the provisions of this Agreement, the APTRANSCO shall provide Wheeling Service to the Company for the Wheeling of Delivered Energy from the Interconnection Point to the Scheduled Consumers.
- 2.2 Wheeling service provided hereunder shall be subject to interruption or curtailment by the APTRANSCO only in the event of a System Emergency and under such other conditions which are considered necessary by the APTRANSCO, during the Operation of its Transmission System and/or during times of power cut imposed by the APTRANSCO on the Scheduled Consumers. This interruption or curtailment shall be only to the extent that the APTRANSCO considers necessary for safe and reliable operation of Transmission System or to enforce power cut. The APTRANSCO shall give the Company advance notice of any interruption or curtailment in case of Scheduled (planned) interruption. If the interruption is due to emergency, the APTRANSCO shall use all reasonable efforts to remove or remedy the circumstance causing such Emergency as expeditiously as possible. In respect of any System Emergency that results in an interruption or curtailment of Wheeling service by the APTRANSCO for a period of 72 hours or more, the APTRANSCO, if requested by the Company, may provide such information as the Company may require to substantiate the nature, duration and cause of such emergency and the efforts undertaken by the APTRANSCO to remedy it.
- 2.3 The APTRANSCO shall be responsible for operating and maintaining its transmission system in accordance with good and generally accepted electric utility engineering and operating practices and in such a manner as to ensure that it will be able to provide Wheeling service throughout the term of this Agreement. The costs of operating and maintaining the APTRANSCO's transmission system in order to provide Wheeling service shall be borne by the APTRANSCO. The APTRANSCO will make any repairs or improvements required in connection with the operation and maintenance of its transmission system in order to provide Wheeling service as expeditiously as reasonably possible.


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

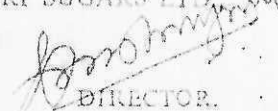
For NCS GAYATRI SUGARS LTD.


DIRECTOR.

- 2.4 As compensation for the provision of Wheeling service, the APTRANSCO shall be entitled to deduct from the delivered energy the Wheeling Charges, in kind. The Wheeling charges as fixed by APERC in any form shall be applicable. The Wheeling Charges payable under this Paragraph 2.4 shall be the sole and exclusive consideration payable to the APTRANSCO for the provision of Wheeling service.
- 2.5 At least ten (10) days before the first day of each Billing Month, the Company shall provide the APTRANSCO with a schedule of Allocated energy to each of Scheduled Consumers to whom Delivered energy is to be Wheeled during the Billing Month (the "Wheeling Schedule"); provided, however, in the event the Company fails to submit a Wheeling Schedule at least ten (10) days before the first of any Billing Month, the Wheeling Schedule for the immediately preceding Billing Month shall continue to be the effective Wheeling Schedule. The Wheeling Schedule shall indicate the percentage of Delivered Energy to be Wheeled to each of the Scheduled Consumers during the Billing Month. The sum of the percentages of Delivered Energy to be Wheeled to the Scheduled Consumers listed in the Wheeling Schedule should ordinarily add up to one hundred percent (100%) of the Delivered Energy; provided, however, in the event a portion of the Delivered Energy i.e., Surplus Energy is being sold to the APTRANSCO pursuant to Paragraph 3.2 below; and in the event a portion of the Delivered Energy is being banked by Company pursuant to paragraph 2.12 below the sum of the percentages of Delivered Energy to be Wheeled to the Scheduled Consumers listed in the Wheeling Schedule together with such Purchased Energy and Banked Energy if any, shall add up to one hundred percent (100%) of the Delivered Energy. However, the wheeling of previous Banked energy by the Company shall not include in the 100% of the Delivered Energy in the billing month, subject to Article 2.23. At any time prior to the tenth day before the end of each Billing Month, the Company shall have the right to revise the percentage of Delivered Energy to be Wheeled to any Scheduled Consumer during such Billing Month by giving written notice of such a revision to the APTRANSCO. While the Wheeling Schedule will be based on the percentage of Delivered Energy to be Wheeled to each of the Scheduled Consumers, only the Net Wheeled Energy shall actually be delivered to each of the Scheduled Consumers. The energy deemed to have been delivered to each of the scheduled consumers shall be the Allocated energy less the wheeling charges.


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

For NCS GAYATRI SUGARS LTD.


DIRECTOR.

- as applicable. The Company shall submit the Wheeling Schedule and obtain acknowledgement from APTRANSCO on the duplicate.
- 2.6 The Delivered Capacity shall be deemed to be allocated to the Scheduled Consumers in proportion to the allocation of Delivered Energy Wheeled to each such Scheduled Consumer.
- 2.7 The maximum demand and energy consumed by any of the scheduled consumers, from the APTRANSCO shall be determined by reducing, from the maximum demand and energy recorded on the APTRANSCO's meters at the premises of the said Scheduled Consumers, the allocable delivered capacity and allocated Delivered Energy (after deducting the respective Wheeling charges).
- 2.8 In relation to the power supplied by the APTRANSCO to a Scheduled Consumer, the Scheduled Consumer shall be subject to all the terms and conditions of supply between the APTRANSCO and the Scheduled Consumer including restrictions and controls. In further elaboration of the foregoing, it is understood that from time to time the APTRANSCO is required for various operational reasons to restrict and control electricity supply by the APTRANSCO to all or a portion of the APTRANSCO's customers (a "Restriction Period"). Only that portion of the electricity requirements of a Scheduled Consumer being supplied by the APTRANSCO shall be subject to restriction by the APTRANSCO during a Restriction Period. The portion of a Scheduled Consumer's electricity requirements being supplied by the Company through delivered energy shall not be subject to restriction by the APTRANSCO except in the case of a System Emergency. Any restriction imposed by the APTRANSCO on the portion of a Scheduled Consumer's electricity requirements being supplied by the APTRANSCO shall be applied to such Scheduled Consumer on a non-discriminatory basis relative to other customers of the APTRANSCO taking service from the APTRANSCO under the same category as such Scheduled Consumer.
- 2.9 The APTRANSCO shall not be entitled to reduce a Scheduled Consumer's contracted maximum demand merely as a result of such Scheduled Consumer's purchase of Wheeled Energy from the Company. Any of the scheduled consumers may apply to the APTRANSCO for increase or decrease in their contracted maximum demand (CMD) with the APTRANSCO and the APTRANSCO may agree to reduce the said CMD permanently or increase the

17/1
Chief Engineer (IPG)
APTRANSCO, Vidyut Soudha,
HYDERABAD-500 082

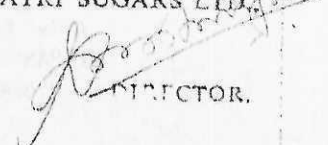
For NCS GAYATRI SUGARS LTD.

DIRECTOR.

- said CMD in accordance with the Terms and Conditions notified by the APTRANSCO.
- 2.10 The APTRANSCO shall not be obligated to disconnect the supply of power to any of the Scheduled Consumers for any failure on the part of any Scheduled Consumer to comply with the terms and conditions of any agreements between the Company and such Scheduled Consumer.
- 2.11 APTRANSCO shall not be required to supply the Allocated Energy or Allocable Delivered Capacity to any of the scheduled consumers whose supply of power has been disconnected by the APTRANSCO for any breach by the said Scheduled Consumer of any of the Terms and Conditions of supply and the Agreement entered into by him with APTRANSCO, including non-payment of any dues to the APTRANSCO by such Scheduled Consumer.
- 2.12 Where, in any billing month, any of the Scheduled Consumers, does not consume the whole or any part of the Allocated Energy allocated to him by the Company, such Unutilised Energy not so consumed, can be banked by the Company which shall be wheeled to Scheduled Consumers, in any subsequent month on the same Terms and Conditions as are applicable to regular Wheeling of Energy under this Agreement. The Unutilised Energy not so consumed in any billing month (but so banked) shall be ignored in computing the Delivered Energy and the Delivered Capacity in that billing month and added up to the Delivered Energy and Delivered Capacity in the billing month in which it is wheeled from out of the banked energy.
- 2.13 The voltage and frequency at which Delivered Energy is delivered to the APTRANSCO shall be in synchronism with the voltage and frequency of the APTRANSCO's grid. The Company shall operate and maintain the Project used to generate electricity in accordance with prudent Engineering practices applicable for operation of similar utilities by the APTRANSCO.
- 2.14 The Company shall ensure that the power factor of the power delivered to the APTRANSCO is maintained at Minimum Power Factor as per Tariff Conditions.
- 2.15 Where in any Billing Month, the Delivered Energy is less than the energy supplied by the APTRANSCO to the Company, the difference, being excess energy supplied by the APTRANSCO, shall be billed by the APTRANSCO, and the Company shall pay the APTRANSCO for such electricity supplies, at the APTRANSCO's then-effective tariff applicable to High Tension Category-I Consumers. For this purpose, the maximum demand specified in such tariff


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

For NCS GAYATRI SUGARS LTD.

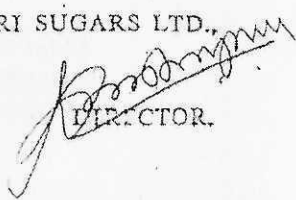

DIRECTOR.

shall be computed by dividing the amount of such excess energy supplied by the APTRANSCO by the total hours in the Billing Month.

- 2.16 In the event a Scheduled Consumer receives energy at a voltage lower than that prescribed by the APTRANSCO, the Voltage Surcharge tariff in the then applicable tariff of the APTRANSCO shall apply to the full demand and energy supplied by APTRANSCO to such Scheduled Consumer. In case of Allocated energy and Allocable delivered capacity, the difference between voltage surcharge tariff and normal tariff rates shall be collected by APTRANSCO on such allocated energy and allocable delivered capacity supplied by the Company. Such amount will be billed and received by the APTRANSCO.
- 2.17 In the event a Scheduled Consumer fails to maintain a power factor as above, such Scheduled Consumer shall be liable for a Power Factor Surcharge, as specified in the then applicable tariff of the APTRANSCO, on the full energy and demand supplied to such Scheduled Consumer, including any delivered energy and allocable delivered capacity supplied by the Company. Such amount will be billed and received by the APTRANSCO.
- 2.18 The Company shall be responsible for obtaining all approvals, permits or licenses, if any, required in connection with the discharge of its responsibilities and obligations hereunder.
- 2.19 Metering of the energy and maximum demand at the premises of any scheduled consumer shall be done exclusively by the APTRANSCO's staff in accordance with the APTRANSCO's regulations, tariff and terms and conditions of supply, the date of such meter reading, however, coinciding with the meter reading date. The Company may depute its own staff at the time of such meter reading.
- 2.20 Where the meter erected in the premises of any scheduled consumer has become stuck up, burnt or otherwise found defective, in any billing month, the maximum demand and energy consumed including the portion of delivered capacity or delivered energy allocated to him during the said billing month shall be as assessed by the APTRANSCO or its authorised officers under the Terms and Conditions of supply of the APTRANSCO.
- 2.21 Title to Surplus Energy purchased shall pass from the Company to the APTRANSCO at the Interconnection Point. Title to Delivered Energy from the Company to the Scheduled Consumers shall also pass at the Interconnection Point (subject to the APTRANSCO's obligation to provide Wheeling service for any Delivered Energy).


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

For NCS GAYATRI SUGARS LTD.,


DIRECTOR.

- 2.22 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.
- 2.23. Banking**
- 2.23.1 The APTRANSCO shall accept for banking of any part of the unallocated energy and/or Unutilised Energy by Scheduled Consumers, subject to consent of APERC, in a billing month.
- 2.23.2 The gross energy so banked shall be subject to banking charges as fixed by Andhra Pradesh Electricity Regulatory Commission. The balance energy which shall be the net banked energy, shall be available for future wheeling. The Wheeling charges shall be applicable for the same.
- 2.23.3 Banking shall be allowed of any energy delivered (Delivered Energy) during the 12 months of any Tariff year.
- 2.23.4 The net banked energy of one or more billing months shall be added to the Delivered Energy of any billing month or months, at the discretion of the Company, subject to a written notice in writing delivered to the APTRANSCO, at least one week prior to the start of the billing month, and wheeled to the Scheduled Consumers in the same manner and subject to the same conditions as regular Delivered Energy and Delivered Capacity.
- 2.23.5 Banking arrangement shall be valid for Tariff Year. However, such banked energy would be wheeled only between August to March of the succeeding Tariff year in regard to third party sale, and for all 12 months in case the energy is used for captive consumption, and any net banked energy not subjected to wheeling in succeeding Tariff Year shall lapse. No part of the net banked energy shall be wheeled to the scheduled consumers in case of third party sale during the month of April, May, June and July of any year.
- 2.24 If the Scheduled Consumers are found indulging in theft of energy or other malpractices, the energy supplied by the Company will not be accounted for, in the assessment made on the Scheduled Consumer as per Terms and Conditions of

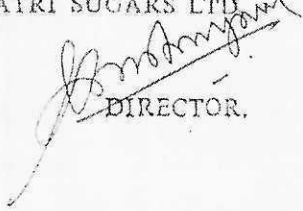

Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha,
HYDERABAD-500 082.

For NCS GAYATRI SUGARS LTD.


DIRECTOR.

supply, as the entire wheeled energy supplied by the Company is already accounted for in the recorded energy. Hence the Company is not entitled to make any claim on the assessment made. Such Schedule Consumers shall be deleted from the list of Schedule Consumers with effect from the billing month, succeeding the date of detection of such offence and they will not be entitled to become Schedule Consumer for a period of six months.


Chief Engineer (IPC)
APIRANSCO, Vidyut Encha,
HYDERABAD-500 062

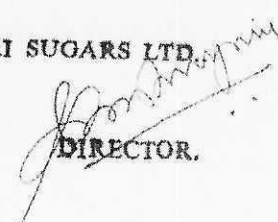
For NCS GAYATRI SUGARS LTD

DIRECTOR.

ARTICLE 3
PURCHASE OF DELIVERED ENERGY

- 3.1 The Company shall use all reasonable efforts to ensure that all Delivered Energy is consumed by Scheduled Consumer (other than Delivered Energy that constitutes Wheeling Charges for delivered energy scheduled to be Wheeled to a Scheduled Consumer), including, but not limited to, reallocating in accordance with Section 2.5 above Delivered Energy among the Scheduled Consumers in the event a Scheduled Consumer is unable to consume any portion of the Delivered Energy previously scheduled to be Wheeled to such Scheduled Consumer.
- 3.2 The Energy delivered at the interconnection point for sale to APTRANSCO will be purchased at the rate as per Article 4.1.
- 3.3 No Wheeling Charges or other charges or assessments shall be levied by the APTRANSCO on Purchased Energy.
- 3.4 The Company shall be entitled to charge a Scheduled Consumer for energy attributable to sale by the Company such price as the Company and the Scheduled Consumer mutually agree; provided, however, nothing in this Section 3.4 is intended or shall be construed to relieve the Company and/or the Scheduled Consumer from agreeing to such price as decided by Andhra Pradesh Electricity Regulatory Commission.
- 3.5 The issues relating to third party sale and supply to sister concerns including the extent and manner of such supply and tariff therefor shall be decided by the Andhra Pradesh Electricity Regulatory Commission.


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

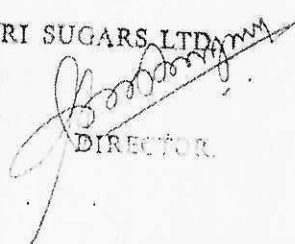
For NCS GAYATRI SUGARS LTD.


DIRECTOR.

ARTICLE 4
TARIFF

- 4.1 Subject to the provisions of this agreement, APTRANSCO shall purchase the Energy delivered by the Company for sale to APTRANSCO, at the Tariff as decided by Andhra Pradesh Electricity Regulatory Commission, from and after the date of commercial operation of the project.
- 4.2 The tariff is inclusive of all taxes, duties and levies.
- 4.3 All future increases in taxes, duties and levies on the energy generated is to be borne by the Company.


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha,
HYDERABAD-500 032

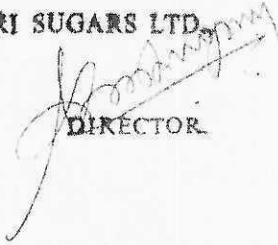
For NCS GAYATRI SUGARS LTD.

DIRECTOR.

ARTICLE 5
INTERCONNECTION FACILITIES

- 5.1 Upon receipt of a requisition from the Company the 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 Interconnection Point. The APTRANSCO shall design, install, operate and maintain the Interconnection Facilities in proper condition in accordance with good and generally accepted electric utility engineering and operating practices.
- 5.2 During the period prior to the Date of Completion, 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

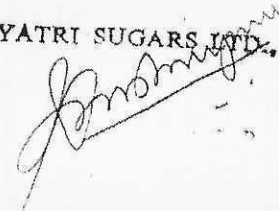
For NCS GAYATRI SUGARS LTD.


DIRECTOR

ARTICLE 6
METERING & PROTECTION

- 6.1 The Company shall install main meters of Static type 0.5 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.
- 6.2 All of the meters required to be installed pursuant to Paragraph 6.1 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.
- 6.3 The meter readings from the main meters will form the basis of billing. If any of the meters required to be installed pursuant to Paragraph 6.1 above are found to be registering inaccurately the affected meter will be immediately be replaced.
- 6.4 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.
- 6.5 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.
- 6.6 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,


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

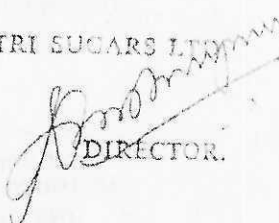
For NCS GAYATRI SUGARS LTD.


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.

- 6.7 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.
- 6.8 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.
- 6.9 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.
- 6.10 On the Metering Date each month meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of both parties.
- 6.11 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.
- 6.12 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. Thereafter, any change in such specifications shall be subject to mutual agreement of the parties.


Chief Engineer (P&C)
APTRANSCO, Vidyalaya Road,
HYDERABAD-500 052

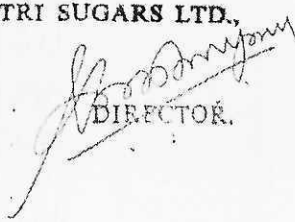
For NCS GAYATRI SUGARS LIMITED


DIRECTOR.

- 6.13 Voltage regulation shall be such as to enable continued paralleling and synchronisation with the grid voltage at the point of interconnection.
- 6.14 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.
- 6.15 Any change in rupturing capacity of switch-gear, settings of the relays, etc., shall be subject to approval of the APTRANSCO.
- 6.16 As the Project's generator may carry fault currents that may occur on the APTRANSCO's grid, the Company shall provide adequate generator and switch gear 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.
- 6.17 The Company shall make a good faith effort to operate the Project in such a manner as to avoid fluctuations and disturbances to the APTRANSCO's grid due to parallel operation with the grid.


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

For NCS GAYATRI SUGARS LTD.,


DIRECTOR.

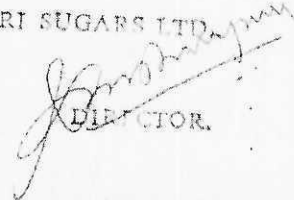
ARTICLE 7 BILLING AND PAYMENT

- 7.1 In calculating a Scheduled Consumer's bill, the Allocated Energy to such Scheduled Consumer, reduced by the applicable Wheeling Charges, and such allocated capacity shall first be deducted from the meter reading of energy and maximum demand, for which the Company shall bill such Scheduled Consumer, and the balance of the metered energy and maximum demand shall be deemed to be the power supplied by the APTRANSCO to such Scheduled Consumer as per APTRANSCO tariff conditions applicable from time to time.
- 7.2 For Surplus Energy purchased, the Company shall furnish a bill to the APTRANSCO calculated at the rate provided for in Paragraph 4.2, 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.
- 7.3 The APTRANSCO shall be entitled to a rebate of one percent (1%) of the total amount billed in any Billing Month for payments made on or before the Due Date of Payment. Any payment made beyond the due date of payment shall carry interest at a rate of 14% per annum.
- 7.4 **Billing disputes:** The APTRANSCO shall pay the bills of the Company promptly subject to the clauses 7.2 and 7.3 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 14% per annum from the date of disallowance to the date of reimbursement.
- 7.5 The APTRANSCO shall pay all bills by cheque drawn on any Scheduled Bank at Hyderabad.
- 7.6 For payment of tariff bills (excluding supplementary bills) through direct payment on the due date of payment, a rebate of 1% shall be allowed. Any payment made beyond the due date of payment shall carry interest at a rate of 14 % per annum.


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

20

For NCS GAYATRI SUGARS LTD.


DIRECTOR.

7.7 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.

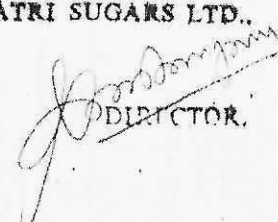
Address : M/s NCS Gayatri Sugars Limited,
TSR Towers, 2nd Floor,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082.

Telephone : 040 - 3324050 / 3324353

Fax : 040 - 3327125


Chief Engineer (IPC)
APTRANSCO, Vidyut Sam. 2.
HYDERABAD-500 082

For NCS GAYATRI SUGARS LTD..


DIRECTOR.

ARTICLE 8 UNDERTAKING

8.1 The Company shall be responsible:

- (i) to bear the entire cost of Power evacuation arrangements.
- (ii) for the proper maintenance of the project in accordance with established prudent utility practices.
- (iii) 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.
- (iv) 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.
- (v) for obtaining necessary licenses for operation of the project and sale or transfer of energy there from under the provision of the relevant laws.
- (vi) the Project Developer is required to take licence under section 15 or an exemption under section 16 of Andhra Pradesh Electricity Reform Act for the third party sale including supply to sister concerns (other than to a Licensee).
- (vii) for obtaining consent from Andhra Pradesh Electricity Regulatory Commission as per Section 21(3) of Andhra Pradesh Electricity Reform Act, 1998, as Section 44 of Electricity (Supply) Act, 1948 apply for setting up the Project.

8.2 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 schedule date of completion of the project.
- (ii) for the wheeling of the Delivered Energy to the Scheduled Consumers, and banking of energy subject to the provision of this agreement.
- (iii) for purchase of Delivered Energy from the project as per Article 4.
- (iv) the third party sale will be allowed as decided by Andhra Pradesh Electricity Regulatory Commission.

117/1
Chief Engineer (IPC)
APTRANSCO, Vidyut, Soudha,
HYDERABAD-500 082

For NCS GAYATRI SUGARS LTD.

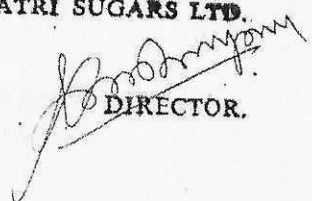
[Signature]
DIRECTOR

**ARTICLE 9
DURATION OF AGREEMENT**

This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the schedule date of completion and until the twentieth (20th) anniversary that is for a period of twenty years from the Scheduled Date of Completion, and 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.


Chief Engineer (P.P.)
APIRANSO, Vidyut Soudha,
HYDERABAD-500 092

For NCS GAYATRI SUGARS LTD.


DIRECTOR.

ARTICLE 10 NOTICES

- 10.1 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:

Address : M/s NCS Gayatri Sugars Limited,
TSR Towers, 2nd Floor,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082.

Telephone : 040 - 3324050 / 3324353

Fax : 040 - 3327125

If to the APTRANSCO:

Attention : Superintending Engineer,
Operation Circle, APTRANSCO,
Nizamabad, Nizamabad Dist.

Telephone No. : 08462 - 22001 / 27182

Fax No. : 08462 - 31084

- 10.2 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.

- 10.3 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,
HYDERABAD-500 082

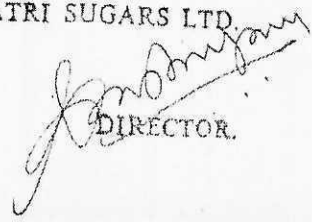
For NCS GAYATRI SUGARS LTD.

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. However any proposed modification should be done only with the prior approval of the Andhra Pradesh Electricity Commission.
- 11.3 The wheeling, banking services shall be provided by APTRANSCO. However, the wheeling and banking charges, Third Party Sales, as well as Power Purchase Price by APTRANSCO will be as decided by Andhra Pradesh Electricity Commission.
- 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.
- 11.7 This Agreement, including Schedule 1, 2, 3, 4 attached hereto, constitute the entire agreement between the parties with respect to the subject matter hereof,


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

For NCS GAYATRI SUGARS LTD.


DIRECTOR.

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.

11.10 **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.

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. *[Signature]*
(J. YANMCHALU)

By:

[Signature] 17/1/2000
Chief Engineer (IPC)
APTRANSCO, Vidyut Sadha,
HYDERABAD-500 057

Its:

2. *[Signature]*
S. R. AMARUDDH

For and behalf of
M/s NCS GAYATRI SUGARS LIMITED

WITNESS

1. *[Signature]*
A. N. SARKY

By:

For NCS GAYATRI SUGARS LTD

Its:

2. *[Signature]*
(SURESH CHANDRA)

[Signature] 17/1/2000
DIRECTOR.

SCHEDULE 1

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

Sl. No.	Name of the Project	Location	No. of Units	Capacities of each Generator	Capacity of the Station
1.	Bagasse based Cogeneration Project by M/s NCS Gayatri Sugars Limited	Adloor Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District, Andhra Pradesh	1	3 MW 5 MW (Back pressure type)	8 MW

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

For NCS GAYATRI SUGARS LTD.

For
DIRECTOR

Cancelled and substituted by page 27-A.

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

For NCS GAYATRI SUGARS LTD.

For
DIRECTOR

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

Sl. No.	Name of the Project	Location	No. of Units	Capacities of each Generator	Capacity of the Station
1.	Bagasse based cogeneration Project by M/s NCS Gayatri Sugars Ltd.	Adloor Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District, Andhra Pradesh	1	6 MW	6 MW

[Signature]
 Chief Engineer (P) /
 APTRANSCO, Hyderabad
 HYDERABAD-500 012
 22/12/2000

[Signature]
 22/12/2000

SCHEDULE 2

Copy of Letter of sanction from NEDCAP to the Company

NON-CONVENTIONAL ENERGY DEVELOPMENT CORPORATION OF A.P. LTD.,
5-8-207/2, Pishah Complex, Nampally, Hyderabad - 500 001 (AP)

Ref: NEDCAP/PD/3575/99-2000/2723 Dated 22.11.99

PROCEEDINGS

Sub : Bagasse based Cogeneration plant of 8 MW capacity at Adloor Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District, Andhra Pradesh by M/s NCS Gayatri Sugars Ltd., - Reg.

- Ref : 1. Your application No. 14.9.99.
2. G.O.Ms.No.253 (E&F) RES Department dated 15.11.94.
3. Approval accorded by NEDCAP Board Sub-Committee for Power Projects in its meeting held on 2.11.99.

In the reference 1st cited, M/s NCS Gayatri Sugars Ltd., requested for approval to setup 8 MW Bagasse based Cogeneration plant in Adloor-Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District. In the reference 2nd cited, the State Government issued orders permitting NEDCAP to sanction power projects upto 20 MW through renewable energy sources.

The NEDCAP Board Sub-Committee in its meeting held on 2.11.99 has considered the application and accorded sanction to M/s NCS Gayatri Sugars Ltd., to setup 8 MW capacity Bagasse based Cogeneration Project in Adloor-Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District.

M/s NCS Gayatri Sugars Ltd., is requested to, enter into revised MOU with NEDCAP (proforma enclosed) within 30 days from the date of issue of this letter, failing which the approval stands cancelled.

Sd/-
MANAGING DIRECTOR

To
M/s NCS Gayatri Sugars Ltd.,
6-3-1090, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.


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

28

For NCS GAYATRI SUGARS LTD.


DIRECTOR

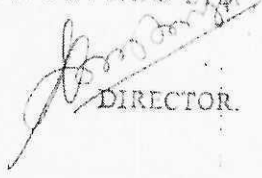
Copy to the Prl. Secy. to Govt., Energy Dept., Govt. of A.P., Hyderabad.
Copy to the Chairman & Managing Director, APTRANSCO, Hyderabad.
Copy to the Director, MNES, Government of India, New Delhi.
Copy to the District Collector, Nizamabad District.
Copy to the District Manager, NEDCAP Ltd., Nizamabad.

// F.B.O //

Sd/-
for Managing Director

(17/11)
Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha,
HYDERABAD-500 082

For NCS GAYATRI SUGARS LTD.


DIRECTOR.

SCHEDULE 2-A

Copy of Letter of sanction from NEDCAP to the Company

NON-CONVENTIONAL ENERGY DEVELOPMENT CORPORATION OF A.P. LTD.,
5-8-207/2, Pisgah Complex, Nampally, Hyderabad - 500 001 (AP)

Ref.NEDCAP/PD/3575/99/2964

Dated 16.10.2000

REVISED PROCEEDINGS

Sub: Sanction of Bagasse based cogeneration power project- Enhancement of project capacity from 8 MW to 9MW-Reg.

- Ref: 1. Your application No.Nil dated:14.9.99 for sanction of 8 MW Bagasse based cogeneration Power Project.
2. G.O.Ms.No.253 (E&F) RES Department dated 15.11.94.
3. Approval accorded by the NEDCAP Board Sub-Committee for Projects in its meeting held on 2.11.99.
4. Your Application No. NCSGL/NEDCAP/27/2000, dt:6.9.2000 for enhancement of your Power Project from 8 MW to 9 MW.

M/s.NCS Gayatri Sugars Limited, has applied for sanction of 8 MW Bagasse based cogeneration power project at Adloor Yellareddy Village, Sadhashivanagar Mandal, Nizamabad Dist through reference 1 cited above. In the reference 2nd cited the State Government issued orders permitting NEDCAP to sanction Power Projects up to 20 MW through renewable energy sources.

The NEDCAP Board Sub-committee for projects in its meeting held on 2.11.99 has considered the application and accorded sanction to M/s NCS Gayatri Sugars Limited to set up 8 MW capacity Bagasse based cogeneration power project at Adloor Yellareddy Village, Sadhashivanagar Mandal, Nizamabad Dist. Accordingly proceedings were issued on 22.11.99 and they entered into MOU with NEDCAP on 9.12.99.

Again M/s NCS Gayatri Sugars Limited, Hyderabad has applied for enhancement of project capacity from 8 MW to 9 MW through reference cited 4th above giving various reasons.

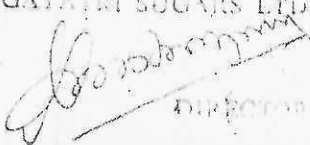
After detailed examination of their application sanction is accorded to enhance the Projects capacity from 8 MW to 9 MW subject to the following conditions.

1. The Developer should use only Bagasse, Cane trash and conventional fuel like coal etc, to the extent of admissibility as per MNES guidelines for the year 2000-2001. Any violation of the above condition by the firm will lead to automatic cancellation of the sanction order.
2. The Developer shall enter into an M.O.U with NEDCAP and shall pay service charges @ Rs.1.00 Lakh/MW at the time of entering into M.O.U. An irrevocable Bank guarantee of Rs.25,000/- per megawatt valid for a period of 15 months shall be furnished at the time of M.O.U. This amount will be adjusted against penalties imposed, if any, due to delay in execution of the project (The Proforma for submission of Bank Guarantee and MOU is enclosed).
3. The Developer shall abide by the regulations of the Andhra Pradesh Electricity Regulatory Commission (APERC). The proceedings issued by APERC shall be followed. The developer


Chief Engineer (IPC)
TRANSCO, Vidyan Soudha
HYDERABAD-500 037

29A

FOR NCS GAYATRI SUGARS LTD


DIRECTOR

- shall enter into power purchase agreement (PPA) or power purchase and wheeling Agreement (in case of captive consumption) with APTRANSCO. The developer shall approach APERC for obtaining licence/exemption from obtaining licence for supply / use of power.
4. The developer shall follow the guidelines issued by MNES/State Govt./NEDCAP from time to time.
 5. The developer shall submit monthly progress reports to NEDCAP on status of the project.

The proceedings issued vide letter No.NEDCAP/PD/3575/99, dated 2.11.1999 and MOU stands cancelled with immediate effect.

Sd/-
For MANAGING DIRECTOR

To
M/s. NCS Gayatri Sugars Ltd.,
TSR Towers, 6-3-1990,
Rajbhavan Road, Somajiguda,
Hyderabad.

Copy to the Principal Secretary, Energy Dept., Govt. of A.P., Hyderabad.
Copy to the Chairman & MD, APTRANSCO, Hyderabad.
Copy to the District Collector, Nizamabad.
Copy to the District Manager, NEDCAP, Nizamabad.

[Handwritten signature]
APTRANSCO, Nizamabad
HYDERABAD - 500 002

[Handwritten signature]

Copy of Memorandum of Understanding

SCHEDULE 3
MEMORANDUM OF UNDERSTANDING

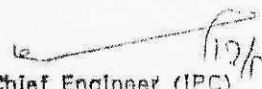
This Memorandum of Understanding (MOU) is made this the 9th day of December, 1999 between the Non-conventional Energy Development Corporation of A.P. Ltd., (NEDCAP) represented by its Managing Director whose office shall include his successors, legal representatives and assignees, etc., and M/s NCS Gayatri Sugars Ltd., called Company having its registered office at TSR Towers, 2nd Floor, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad - 500 082.

Whereas the Company has made an application dated 14.9.99 to M/s Non-conventional Energy Development Corporation of A.P. Ltd., Hyderabad to set up a 8 MW capacity Cogeneration power plant based on Bagasse in Adloor-Yellareddy Village, Sadasiva Nagar Mandal, Nizamabad District.

And whereas NEDCAP vide delegation of powers issued vide G.O.Ms.No.253 (E&F) RES Department, dated 15.11.1994 has accorded permission to the Company to set up 8 MW capacity power plant based on Bagasse route vide letter No.NEDCAP/PD/3575/99-2000 dt.22.11.1999.

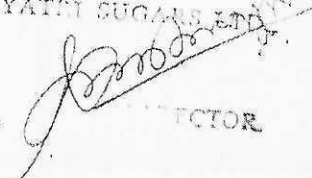
NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

- (1) The Company shall promote to establish the Cogeneration power plant with 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 Bagasse based Cogeneration power plant.
- (3) The Company shall make necessary arrangements for procurement of equipment from the reputed manufacturers/collaborators required for the plant.
- (4) The Company shall take necessary action that required for procurement of Bagasse for uninterrupted supply for running of Cogeneration plant.
- (5) The Banking, Wheeling, Third party sale of electricity will be as per the Government Policy declared vide G.O Ms.No.93 dated 18.11.1997, Energy (RES) Department, Government of Andhra Pradesh. The Company shall enter into separate agreement with APSEB for captive consumption/sale of power to third party and wheeling, etc.
- (6) The Company shall comply with the provisions of the Electricity (Supply) Act, 1948.
- (7) The Company shall pay Rs.48,711 (Rupees Forty Eight Thousand Seven hundred eleven only) as service charges to NEDCAP @ 0.1% on the project cost Rs.487.11 lakhs before entering into MOU.
- (8) The Company shall complete the financial closure within a period of six months from the date of signing of the MOU or before such extensions as may be accepted and granted by


Chief Engineer (IPC)
APTRANSCO, Vidyanagar, Secunderabad
HYDERABAD - 500 082

30

For NCS GAYATRI SUGARS LTD.


DIRECTOR

NEDCAP on request by the Company on account of delays in obtaining all necessary consents, licences, authorisations and clearance required from the Government of Andhra Pradesh and Government of India.

- (9) The Company shall execute the project within 24 months from the date of MOU entered and generation of power should be made by 8.12.2001. For every quarter the progress report on implementation to be submitted to NEDCAP. The Company shall provide an irrevocable Bank 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.5,000/-. If the Company fails to execute the project as per the schedule and as per 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 the execution of the terms of the MOU after the reasons have been presented and accepted by both the parties. All disputes are subjected to the Jurisdiction of Hyderabad only.
- (11) The Company shall abide by such terms and conditions as may be prescribed by Govt. of India and Govt. of A.P from time to time in the interest of the implementation of the project.

FOR AND ON BEHALF OF THE
M/s NCS GAYATRI SUGARS LTD.

Sd/-
Authorised Signatory

FOR AND ON BEHALF OF
NON-CONVENTIONAL ENERGY
DEVELOPMENT CORPORATION
OF A.P. LIMITED (NEDCAP)

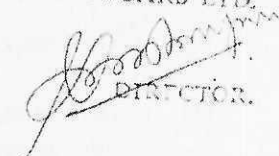
Sd/-
Managing Director

Witnesses:

- 1) Sd/-
2. Sd/- (SURESH CHALLA)


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

For NCS GAYATRI SUGARS LTD.


DIRECTOR.

SCHEDULE 3 -A

Copy of Letter from NEDCAP to the Chief Engineer / IPC / APTRANSCO
NON-CONVENTIONAL ENERGY DEVELOPMENT CORPORATION OF A.P. LTD.,
5-8-207/2, Pishah Complex, Nampally, Hyderabad - 500 001 (AP).

Ref NEDCAP/PD/3575/99/3764

Dated 28.10.2000

To
The Chief Engineer (IPC),
AP TRANSCO
Vidyut Soudha,
Somajiguda,
HYDERABAD - 500082

Sir,

Sub: Setting up of 9 MW Bagasse Based Co-Generation power plant in
Nizamabad district by M/s NCS Gayatri Sugars Limited - Reg.

Ref: Our proceedings No.NEDCAP/PD/3575/99, Dt.16.10.2000

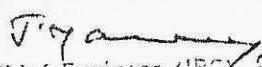
Through the proceedings cited above, sanction orders were issued to M/s NCS Gayatri Sugars Limited for setting up of 9 MW Bagasse based Co-Generation power plant in Nizamabad district. Accordingly, M/s NCS Gayatri Sugars Limited has entered into MOU with NEDCAP on 28.10.2000. Out of 9 MW capacity 3 MW capacity for captive use and 6 MW for export to grid. The copy of the MOU entered is enclosed herewith for further necessary action and to enter into PPA with the firm.

Thanking you,

Yours faithfully,
Sd/-
ASST. MANAGER (P D)

Encl: a/a

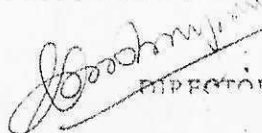
CC to M/s NCS Gayatri Sugars Limited, TSR Towers, II Floor, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad with a request to send monthly progress report in the enclosed format by 5th of every succeeding month.


Chief Engineer (IPC),
APTRANSCO, Vidyut Soudha,
HYDERABAD-500 001

31A

- 39 -

FOR NCS GAYATRI SUGARS LTD


DIRECTOR

(Copy of Memorandum of Understanding)
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made this 28th day of October, 2000 between the Non-conventional Energy Development Corporation of A.P. Ltd., (NEDCAP) represented by its Managing Director whose office shall include his successors, legal representatives and assignees, etc., and NCS Gayatri Sugars Ltd., called Company having its registered office at TSR Towers, IInd Floor, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad-500 082, which expression shall include its successors, legal representatives and assignees.

Whereas the Company has made application(s) dated 14.9.99 & 6.9.2000 to M/s Non-Conventional Energy Development Corporation of AP Ltd., Hyderabad to setup a 9 MW capacity cogeneration power plant based on Bagasse in Village Adloor Yellareddy, Mandal Sadasivnagar, District Nizamabad.

And whereas NEDCAP vide delegation of powers issued vide G.O.Ms.No.253 (E&F) RES Department, dated 15.11.1994 has accorded permission to the Company to setup 9 MW capacity power plant based on Bagasse route vide letter No.NEDCAP/PD/3575/99 dt.16.10.2000.

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

- (1) The Company shall promote to establish the cogeneration power plant with 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 Biomass power plant.
- (3) The Company shall make necessary arrangements for procurement of equipment from the reputed manufacturers/collaborators required for the plant.
- (4) The Company shall take necessary action that required for procurement of Bagasse for uninterrupted supply for running of Co-generation plant.
- (5) The Company shall abide by the regulations of the Andhra Pradesh Electricity Regulatory Commission (APERC). The Proceedings issued by APERC shall be followed. The Company shall enter into Power Purchase Agreement (PPA) or power purchase and wheeling agreement (in case of captive consumption) with AP TRANSCO. The company shall approach APERC for obtaining licence/exemption from obtaining licence.
- (6) The Company shall comply with the provisions of the Electricity (Supply) Act, 1948.
- (7) The Company shall pay Rs.1.00 lakh (Rupees one lakh only) as service charges to NEDCAP @ 1.00 lakh per MW on the increased project capacity before entering into MOU.
- (8) The Company shall complete the financial closure within a period of six months from the date of signing of the MOU 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, licences, authorities and clearances required from the Government of Andhra Pradesh and Government of India.

- (9) The Company shall execute the project within 15 months from the date of MOU entered and generation of power should be made by December, 2001. For every quarter the progress report on implementation to be submitted to NEDCAP. The Company shall provide an irrevocable Bank 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.5,000/-. If the Company fails to execute the project as per the schedule and as per 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 MOU 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 India and Govt. of A.P from time to time in the interest of the implementation of the project.

FOR AND ON BEHALF OF THE
M/s NCS GAYATRI SUGARS LTD.

Sd/-
Director

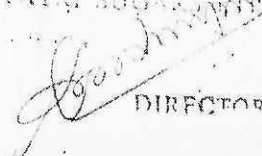
Witnesses:

- 1) Sd/-
- 2) Sd/-


Chief Engineer (IP)
APTRANSCO, Vidyut S.
HYDERABAD-500 002

FOR AND ON BEHALF OF
NON-CONVENTIONAL ENERGY
DEVELOPMENT CORPORATION
OF A.P. LIMITED (NEDCAP)

Sd/-
Managing Director


M/s NCS GAYATRI SUGARS LTD.
DIRECTOR

SCHEDULE 4

Consumers related to the Project (Referred to Clause 1.16)

Sl. No.	Name of the Consumer and address	APTRANSCO's Consumer No. & Category	Contracted Maximum Demand KVA	Voltage Level	Allocation of delivered energy in %	Purpose
1.	Sale of surplus power to APTRANSCO.				100%	

Note : The list of scheduled consumers, if any, for third party sale will be intimated later.

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

For NCS GAYATRI SUGARS LTD.
[Signature]
DIRECTOR.

SCHEDULE - 5

(Copy of letter from Secretary, APERC addressed to Chief Engineer/IPC, APTRANSCO)
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

From
Secretary/APERC,
8-2-283/B/1, Road No.3,
Banjara Hills,
HYDERABAD - 500 034.

To
The Chief Engineer/IPC,
APTRANSCO,
Vidyut Soudha,
HYDERABAD - 500 082.

Lr No APERC/Secy/Dir-Engg/F.NC/Developers/D.No.1975/2000,dt.01.08.2000.

Sir,

Sub- Power Projects Based on Non-Conventional Energy Sources - Power
Purchase & Wheeling Agreements - Consent of APERC - Reg.

Ref:- (i) This office Lr.No.APERC/Secy/Dir-Engg/D.No.1349/2000,
dated 19/04/2000.

(ii) This office Lr.No.APERC/Secy/Dir-Engg/D.No.1367/2000,
Dated 22/04/2000.

Please refer to above cited letters, wherein APTRANSCO was directed for amending 33 Nos., Power Wheeling & Purchase Agreements entered into the Non-Conventional Energy based Power Project Developers.

Commission directs the APTRANSCO may re-submit the Agreements for which consent is required by incorporating the following conditions in the Agreement on similar lines as intimated to them on 21.07.2000 during hearing of Exemption Cases for 5 (five) number Non-Conventional based Power Projects.

- i. Reference to "Sister Concerns" is to be deleted and definition of "Captive" and also "Scheduled Consumers" should be in line with the orders of the Commission in O.P.No.212/2000.
- ii. Incentives including third party sales, may be incorporated as per G.O.Ms.No.93 & 112, which shall subject to review by the Commission after 18.11.2000.
- iii. Rate of Wheeling, Banking Charges, Sale to APTRANSCO shall be as per G.O.Ms.No.93 & 112, subject to review by the Commission after 18.11.2000.
- iv. Reference to the Developer obtaining consent for the Project U/S 21 (3) of APERA/Section 44 E.S. Act should be deleted.
- v. Condition that the Developer needs to take Licence/Exemption under APERA 1998 should be incorporated.


Chief Engineer/IPC,
APTRANSCO, Vidyut Soudha,
HYDERABAD-500 082

NOT ACS GAYATRI SUGARS

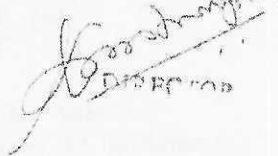

DIRECTOR

- vi. In Article 1.28, reference to APER Act, 1998 should be included along with other Electricity Acts.
- vii. Provision shall be included that any proposed modification to the Agreement shall be done only with prior approval of the Commission.

The revised agreements incorporating the above corrections and modifications may be re-submitted to the Commission for giving consent.

Yours faithfully,
Sd/-
SECRETARY.


Chief Engineer (IPC)
APTRANSCO, Vidyanagar
HYDRABAD-500 032

NCS GAYATRI SUGARS LTD.

DIRECTOR

SCHEDULE - 6

(Copy of G.O.Ms.No.93 Energy (RES) Department dated 18.11.1997)

GOVERNMENT OF ANDHRA PRADESH ABSTRACT

WIND POWER PROJECTS in Private Sector - Uniform Incentives to Entrepreneurs - Further Orders Issued.

ENERGY (RES) DEPARTMENT

G.O.Ms.No.93

Dated 18.11.1997

Read the following:-

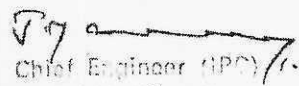
1. From the Director, Power Group Ministry of Non-Conventional Energy Sources Lr No.66/86/93-PG dated 13.9.1993.
2. From the Director (Power) Ministry of Non-Conventional Energy Sources, New Delhi Lr No.66/221/94-WE/PG dated 25.11.1994.
3. G.O.Ms.No.19 Energy (RES) Department dated 16.3.1996.
4. From the MD/NEDCAP D.O.Lr.No.NEDCAP/PO/CG/7077/96-97 dt.15.4.97.

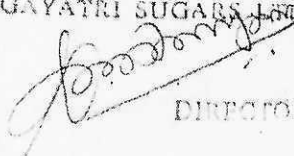
ORDER:

In the reference 1st read above, the Ministry of Non-Conventional Energy Sources, Government of India have issued guidelines for promotional and Fiscal incentives to be given by State Governments for power generation from Non-Conventional Energy Sources. The incentives are envisaged to encourage power generation in the Non-Conventional Sector which are renewable and encouragement from the Government for this sector is necessary in view of the fast depletion of fossilifuels. Further, the Renewable/Non-Conventional Energy Sources are least pollution-affecting.

In the G.O third read above, the Government have accorded certain revised incentives in respect of the Developers with whom Non-Conventional Energy Development Corporation of Andhra Pradesh had already entered into Memoranda of Understanding based on the guidelines existing prior to 15th November 1995.

While reviewing the incentives made available to the sectors, certain representations were received from some of the Non-Conventional Energy Developers, and they have requested for extending the benefits available to other sectors.


Chief Engineer (IPC)
APRANGU, Vidyan San
HYDERABAD-500 004

FOR NCS GAYATRI SUGARS LTD

DIRECTOR

A review of the incentives made available to various sectors of Non-Conventional Energy was made in the presence of officials from Non-Conventional Energy Development Corporation of Andhra Pradesh and Andhra Pradesh State Electricity Board, duly keeping in view the guidelines of Ministry of Non-Conventional Energy Sources, Government of India, dated 13.9.1993. A view was taken to make available the incentives to all the Non-Conventional Energy Sources uniformly.

The Government after careful examination of the recommendations and with a view to encourage generation of electricity from renewable sources of energy hereby allow the following uniform incentives to all the Projects based on Renewable Sources of energy viz., Wind, Biomass, Cogeneration, Municipal Waste and Mini Hydel.

S.No.	Description	
1.	Power Purchase Price	Rs.2.25/-
2.	Escalation	5% per annum with 1997-98 as base year and to be revised on 1 st April of every year upto the year 2000 AD.
3.	Wheeling Charges	2%
4.	Third Party Sales	Allowed at a tariff not lower than HT tariff of A.P.S.E.Board.
5.	Banking	Allowed upto 12 months.
(a)	Captive Consumption	Allowed throughout the year on 2% banking charges.
(b)	Third Party Sale	Allowed on 2% banking charges from August to March.

This order issues with the concurrence of Finance & Planning (Fin.) Department vide their U.O.No.48291/351/EBS-EFES&T/97 dated 18.11.1997.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.S.SAMPATH,
SECRETARY TO GOVERNMENT

To
The Chairman, A.P State Electricity Board, Hyderabad.
The Member Secretary, A.P State Electricity Board, Hyderabad.
The Managing Director, Non-Conventional Energy Development Corporation of Andhra Pradesh, Hyderabad.
The Secretary to Government of India, Ministry of Non-Conventional Energy Sources, Block No.14, C.G.O Complex, Lodi Road, New Delhi - 110 003.
The Principal Scientific Officer, Ministry of Non-Conventional Energy Sources, Regional Office, H.No.1-11-222/6/D, Gowrisadan, Begumpet, Hyderabad - 500 016.

[Handwritten signature]
36

FOR NCS GAYATHI MUGAD
[Handwritten signature]
DIRECTOR

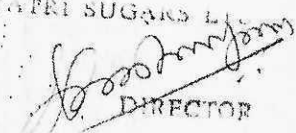
Copy to:

The Principal Accountant General, A.P., Hyderabad.
The Pay & Accounts Officer, Hyderabad.
The All District Collectors.
The Special Commissioner, Government of Andhra Pradesh, No.1, Ashok Road, New Delhi.
All the Heads of Departments under the control of Energy Department.
The Assistant Director, Publicity Cell, Information & Public Relations Department.
All the Departments of Secretariat.
The General Administration (Cabinet) Department - with reference to the Counsel
Resolution No.424/97 dated 24.10.1997.
P.S to Secretary to Chief Minister.
P.S to Joint Secretary to Chief Minister.
The Chief Secretary to Government.
P.S to Principal Secretary to Government (IF), Finance & Planning (FW) Department.
P.A to Deputy Secretary to Government, Energy Department.
O.P Section, Energy Department.
Power-I Section, Energy Department.
Power-II Section, Energy Department.
Power-III Section, Energy Department.
G O referred to above.
S.F/S.C

// Forwarded :: By Order //

Sd/-
Section Officer.


Chief Engineer (IPC)
Hyderabad-500 082

FOR BCS GATEWAY SUGAR L

DIRECTOR

SCHEDULE -7

(Copy of G.O.Ms.No.112 Energy (RES) Department dated 22.12.1998)

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Uniform Incentives to Entrepreneurs/Developers using Non-Conventional Energy Sources for Power Generation - Certain Amendments - Issued.

ENERGY (RES) DEPARTMENT

G.O.Ms.No.112

Dated 22.12.1998
Read the following:-

G.O.Ms.No.93 dated 18.11.1997 Energy (RES) Department.

ORDER:

In the Government Order cited, certain uniform incentives were extended to the Developers of Power Projects using Wind, Biomass, Cogeneration, Municipal Wastes and Mini Hydel for promotion of and to encourage generation of electricity from renewable sources of energy. In order to remove certain ambiguities in the implementation of uniform incentives scheme and also to ensure that the incentives contemplated are channelled for promotion and development of Non-Conventional Energy Sources, in keeping with the spirit of Government order cited, the following amendments are issued:

- (1) The uniform incentives specified in G.O.Ms.No.93 dated 18.11.97 shall be available only to the Power Projects where fuel used is from Non-Conventional Energy Sources which are on the nature of renewable sources of energy.
- (2) The operation of the incentives scheme shall be watched for a period of 3 years and at the end of 3 years period from the date of G.O.Ms.No.93, the Andhra Pradesh State Electricity Board shall come up with suitable proposals for review for further continuance of the incentives in the present form or in a suitably modified manner to achieve the objectives of promotion of power generation through Non-Conventional Sources.
- (3) Though there is a provision for banking and third party sale, in the absence of conferring the status of licensee under section 3 of the Indian Electricity Act, the Entrepreneurs/Developers of Non-Conventional Energy Power may be handicapped in effecting third party sales to the needy and contracted consumers. Therefore, it is hereby ordered that the Entrepreneurs/Developers covered by G.O.Ms.No.93 dated 18.11.1997 who made the third

for NCS GAYATRI SUGARS LTD.

party sale of energy shall be deemed to be licencees for the purpose under section 3 of the Electricity Duty Act, 1939 read with section 28 of Indian Electricity Act, 1910.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.S.SAMPATH,
SECRETARY TO GOVERNMENT.

To

The Chairman, A.P State Electricity Board, Hyderabad.

The Member Secretary, A.P State Electricity Board, Hyderabad.

The Managing Director, Non-Conventional Energy Development Corporation of
Andhra Pradesh, Hyderabad.

The Secretary to Government of India, Ministry of Non-Conventional Energy Sources,
Block No.14, C.G.O Complex, Lodi Road, New Delhi - 110 003.

The Principal Scientific Officer, Ministry of Non-Conventional Energy Sources,
Regional Office, H.No.1-11-222/6/D, Gowrisadan, Begumpet, Hyderabad - 500 016.

Copy to:

The Principal Accountant General, A.P., Hyderabad.

The Pay & Accounts Officer, Hyderabad.

The All District Collectors.

The Special Commissioner, Government of Andhra Pradesh, No.1, Ashok Road, New Delhi.

All the Heads of Departments under the control of Energy Department.

The Assistant Director, Publicity Cell, Information & Public Relations Department.

P.S to Chief Secretary to Government.

P.S to Principal Secretary to Government, Finance & Planning (FW) Department.

P.A to Deputy Secretary to Government, Energy Department.

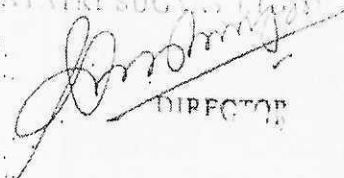
Power-I/Power-II/Power-III/O.P Sections/Energy Department.

S.F/S.C

// Forwarded :: By Order //

Sd/-
Section Officer.


Chief Engineer (T) /
TRANSCO, Vijaya /
HYDRABAD-500 001

for NCS GAYATRI SUG...

DIRECTOR