100 Rs.

INDIA NON JUDICIAL

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सत्यमेव जयते

भारत

एक सौ रुपये   ONE HUNDRED RUPEES

ఆంధ్ర ప్రదేశ్ आंध्र प्रदेश ANDHRA PRADESH   09AA 765860

S.No. 9076 DATE 25/3/06 Rs 100/-
SOLD TO T. Vidyasagar
S/o. W/o. D/o. T. Lakshmi Narayana
FOR WHOM Hyd. Chemical Products Ltd, Hyd.

B. CHAITANYA
STAMP VENDOR
L.No. 13/95, R/No. 16/2004
262/ , S.R. NAGAR,
HYDERABAD-500 038.

POWER PURCHASE AGREEMENT
BETWEEN
CENTRAL POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
AND
M/s. HYDERABAD CHEMICAL PRODUCTS LIMITED

This Power Purchase Agreement entered on 09th day of June 2006 between Central Power Distribution Company of Andhra Pradesh Limited, incorporated by the Government of Andhra Pradesh in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956, having its office at Singareni Bhavan, Red Hills, Hyderabad, India, hereinafter referred to as the "APCPDCL" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as first party, and M/s. Hyderabad Chemical Products Limited, a Company, having registered office at Plot No. A-24/25, A.P.I.E., Balanagar, Hyderabad – 500 037 (A.P.) India, a 'Company' (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as second party;

For HYDERABAD CHEMICALS PRODUCTS LTD
N SUKUMAR
Managing Director.

Chief General manager
(Comml. & RAC)
APCPDCL, Singareni Bhavan,
Redhills, Hyderabad-500 004.

2. WHEREAS, the Company has set up the Non-conventional Energy Project i.e., the 0.75 MW capacity Wind power project at Kadavakallu, Annatapur District, Andhra Pradesh (hereafter called the Project,) with a proposal of 0.0075 MW for Auxiliary Consumption and 0.7425 MW for export to network for sale to APCPDCL as detailed in Schedule 1 attached herewith, and Non-conventional Energy Development Corporation of Andhra Pradesh Limited hereafter referred to as NEDCAP has accorded approval to the said project in their Proceedings No NEDCAP/WE/5470/2004-05/3470 dated 05-02-2005 and the Company has entered into Agreement with NEDCAP on 05-02-2005 and the copies whereof are attached herewith as Schedule 2 and Schedule 3 respectively;

3. Whereas the Company has entered into an Agreement with M/s. Hyderabad Chemicals Limited, 3.75 MW wind developer for having common 33 KV line for evacuation of power at 33 KV level for interconnecting to 132/33 KV sub-station at Komatikuntla with necessary metering arrangement a copy of which is attached herewith as Scheduled 4. Whereas, the company has authorised M/s. Hyderabad Chemicals Limited to make correspondence with APCPDCL for creation of evacuation facilities or in respect of metering of energy or any other related matters and such authorisation shall form part of this agreement and this agreement and the agreement dated 18th February 2005 with M/s. Hyderabad Chemicals Limited shall be read together for interpretation of any rights and liabilities of the parties to the agreements shall be binding on the parties. Based on the energy recorded by common meters provided at project switchyard, M/s. Hyderabad Chemicals Limited shall raise a single bill on behalf of M/s. Hyderabad Chemical Products Limited and M/s. Hyderabad Chemicals Limited and APCPDCL will be making payment to M/s. Hyderabad Chemicals Limited only. It is specifically agreed without any reservations and limitations that the APCPDCL has no liablity with regard to sharing of energy and/or sharing of revenue by M/s. Hyderabad Chemicals Limited and M/s. Hyderabad Chemical Products Limited and also with regard to disputes that may arise, if any, between M/s. Hyderabad Chemicals Limited and M/s. Hyderabad Chemical Products Limited.

4. The Company shall fulfill the conditions of Agreement entered with NEDCAP and obtain the extensions wherever required till the Project is completed. In the event of cancellation of the Project allotted to the Company by NEDCAP for any reason, the PPA with APCPDCL will automatically get cancelled;

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5. 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;

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

7. The terms and conditions of the Agreement are subject to the provisions of the Electricity Act, 2003(36 of 2003) and the amendments made to the act from time to time, and also subject to regulation by the Andhra Pradesh Electricity Regulatory Commission.

8. 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:

For HYDERABAD CHEMICALS PRODUCTS LTD.
N SUKUMAR
Managing Director.

Chief General manager
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APCPDCL, Singareni Bhavan,
Redhills, Hyderabad-500 004.

ARTICLE 1
DEFINITIONS

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

1.1 **Billing Date:** means the fifth (5th) day after the Metering Date.

1.2 **Billing Month:** means the period commencing from 25th of the calendar month and ending on the 24th of the next calendar month.

1.3 **Commercial Operation Date (COD):** means, with respect to each Generating unit, the date on which such Generating unit is declared by the Company to be operational, provided that the Company shall not declare a Generating unit to be operational until such Generating unit has completed its performance acceptance test as per standards prescribed.

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

1.4 **Delivered Energy:** means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the APCPDCL at the Interconnection Point as defined in Article 1.8, as measured by the common energy meters at the Interconnection Point during that Billing Month. As indicated in the preamble the delivered energy recorded by common meter shall be inclusive of energy delivered by M/s. Hyderabad Chemicals Limited.

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

Explanation 2: As the project is interconnected at project switchyard, the estimated line losses will be subtracted first as provided in Article 1.8 from the metered energy exported.

Explanation 3: The delivered energy in a Billing Month shall be limited to the energy calculated based on the Capacity agreed for export to network for sale to APCPDCL as mentioned in Preamble and Schedule – 1, multiplied with number of hours and fraction thereof the project is in operation during that billing month. In case any excess energy is delivered no payment shall be made for the same.

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1.5 **Due Date of Payment:** means the date on which the amount payable by the APCPDCL to the Company hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Metering Date provided the bill is received by APCPDCL within 5 days from metering date, and in the case of any supplemental or other bill or claim, if any, the due date of payment shall be thirty (30) days from the date of the presentation of such bill or claim to the designated officer of the APCPDCL.

1.6 **Installed Capacity:** means the total rated capacity in mega-watts of all the generators installed.

1.7 **Interconnection Facilities:** means all the equipment and facilities, including, but not limited to, all metering facilities, switch gear, substation facilities, transmission lines and related infrastructure, to be installed by the APCPDCL up to the project's switchyard at the voltage specified in Article 1.14 at the Company's expense from time to time throughout the term of this Agreement, necessary to enable the APCPDCL to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement. As indicated in the preamble the inter-connection facilities shall be common for Company and M/s. Hyderabad Chemicals Limited.

1.8 **Interconnection Point:** means the point or points where the Project and the APCPDCL's network system are interconnected. The metering for the Project will be provided at the interconnection point as per Article 4.1. As indicated at the preamble the inter-connection point for this project is common with M/s. Hyderabad Chemicals Limited.

Explanation: The estimated line loss component (line losses from the Wind Farm to the 132/33 KV Komatikuntla Sub-Station) is to be worked out and intimated to the Company, and subtracted from the metered units at Wind Farm project switchyard, to arrive at the Delivered Energy by the project.

1.9 **Meter Reading Date:** means mid-day (i.e., noon) of the 24th (twenty-fourth) day of each calendar month, at the Interconnection Point.

1.10 **Project:** means the 0.75 MW capacity Wind power project at Kadavakallu, Anantapur District, Andhra Pradesh with a proposal of 0.0075 MW for Auxiliary Consumption and 0.7425 MW for export to network for sale to APCPDCL as entrusted to the Company for construction and operation as detailed in Agreement entered into with NEDCAP as shown in Schedule 3 attached herewith and includes the metering system.

1.11 **System Emergency:** means a condition affecting the APTRANSCO's / APCPDCL'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/ APCPDCL, or which endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.

For HYDERABAD CHEMICALS PRODUCTS LTD.
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1.12 **Surcharge on Reactive Power drawn by Wind Farms:** means the charges leviable on the reactive power drawn by Wind Farms at the rate of 10 paise (Ten Paise only) per unit of reactive energy drawn from APCPDCL's network or such other charges fixed by the APERC from time to time. .The reactive power drawn as recorded by meters at interconnection point shall be inclusive of M/s. Hyderabad Chemicals Limited project also.

Explanation 1: Induction generators used in Wind Farms draw reactive power from APCPDCL's network during generator mode and motor mode.

Explanation 2: Surcharge on reactive power drawn by Wind Farms will be levied on the Company.

1.13 **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).

1.14 **Voltage of Delivery:** means the voltage at which the electrical energy generated by the project is required to be delivered to the APCPDCL at the Interconnection Point and the Voltage of Delivery is as detailed below.

For Wind Farms:

Capacity of the plant	**Specified voltage level for interfacing with APCPDCL network**
Up to 1500 KVA	11 KV
From 1501 KVA to 7500 KVA	33 KV

The voltage of delivery for this project shall be 33 KV in view of the common evacuation facility agreed upon, as mentioned in schedule 4.

1.15 All other words and expressions, used herein and not defined herein but defined in Indian Electricity Rules 1956, AP Electricity Reform Act, 1998 and the Electricity Act, 2003 shall have the meanings respectively assigned to them in the said Acts.

For HYDERABAD CHEMICALS PRODUCTS LTD.

N SUKUMAR
Managing Director.

Chief General manager
[illegible]
APCPDCL, Singareni Bhavan,
Redhills, Hyderabad-500 004.

ARTICLE 2
PURCHASE OF DELIVERED ENERGY AND TARIFF

2.1 All the Delivered Energy at the interconnection point for sale to APCPDCL will be purchased at the tariff provided for in Article 2.2 from and after the date of Commercial Operation of the Project. Title to Delivered Energy purchased shall pass from the Company to the APCPDCL at the Interconnection Point.

2.2 The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APCPDCL at Rs 2.70 (Rupees two and seventy paise only) per unit or the Tariff fixed by APERC from time to time, whichever is lower during the Agreement period. Notwithstanding the tariff indicated above there will be a special review of purchase price on completion of 10 years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O & M expenses.

2.3 The tariff is inclusive of all taxes, duties and levies.

2.4 All future increase in Taxes, Duties and Levies on Energy generated is to be borne by the Company.

2.5 Where in any Billing month, the energy supplied by the APCPDCL to the Company as a bilateral arrangement to maintain the Auxiliaries in the power plant in situations of non-generation of power, shall be billed by the APCPDCL, and the Company shall pay the APCPDCL for such electricity supplies, at the APCPDCL's then-effective tariff applicable to High Tension Category-I Consumers. For this purpose, the maximum demand specified in such APCPDCL's Tariff shall be computed by dividing the amount of such energy supplied by the APCPDCL by hours of drawl of power from the grid in the Month. The energy drawn from APCPDCL network, as recorded by meters at interconnection point, shall be inclusive of the Company and of M/s. Hyderabad Chemicals Limited project also. The Company shall pay to the APCPDCL for the energy drawn from grid by the project of M/s. Hyderabad Chemicals Limited referred to in Para 3 of the Preamble, and/ or by the project of M/s. Hyderabad Chemical Products Limited.

Explanation: The Wind plants during the plant shut down periods shall draw the energy from APCPDCL only for the essential loads not exceeding auxiliary consumption.

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