

भा तीय गैर न्यायिक

एक सौ रुपये

Rs. 100

₹. 100



सत्यमेव जयते

ONE  
HUNDRED RUPEES

भारत INDIA  
INDIA NON JUDICIAL

तमिलनाडु

TAMILNADU

KOTHARI SUGARS AND CHEMICALS LTD, SATHAMANGALAM

C 367846

வ.நா.எண். 4972

₹. 100

திகதி 27.07.06

*S. Velayutha*

ச. சேழவேந்தன், மு.தா.வி,  
உரிமம் எண். 2/2000  
11, M.P. கோவில் தெரு,  
அரியலூர் - தமிழ்நாடு.



ENERGY PURCHASE AGREEMENT FOR BAGASSE BASED

CO-GENERATION PLANTS

AGREEMENT BETWEEN M/S KOTHARI SUGARS AND CHEMICALS LIMITED AND TAMIL NADU ELECTRICITY BOARD FOR THE PARALLEL OPERATION AND SALE OF SURPLUS POWER FROM M/S KOTHARI SUGARS AND CHEMICALS LIMITED, (SATHAMANGALAM UNIT) CO-GENERATION PLANT BY TNEB.

THIS AGREEMENT entered into at Tiruchirappalli on the 4<sup>th</sup> day of August, Two thousand six between M/s. Kothari Sugars and Chemicals Limited, a Company incorporated

*[Signature]*  
SUPERINTENDING ENGINEER  
TAMIL NADU ELEC. BOARD  
T.E.D.C. / NORTH, TRICHY - 20

For Kothari Sugars & Chemicals Ltd.,

*[Signature]*  
Authorised Signatory

under the companies Act,1956 (CA 1 of 1956), having its registered office at No.115, Mahatma Gandhi Salai, Chennai 600 034 (hereinafter called the SUGAR MILL/POWER GENERATING COMPANY) represented by Thiru P.V. Ramadasan, General Manager, as party of the FIRST PART and the Tamil Nadu Electricity Board, a body corporate constituted under the Electricity (Supply) Act, 1948 (C. A.54 of 1948) having its office at N.P.K.R.R.Maalgai, Electricity Avenue, 800, Anna Salai, Chennai-2, represented by Thiru M.Natesan, M.E, Superintending Engineer/ Tiruchirappalli EDC / North (hereinafter called the "BOARD") as party of the SECOND PART.

WHEREAS the Sugar Mill/Power Generating Company has informed the Board of its intention to establish 22 MW Co-generating power plant at Sathamangalam Village, Ariyalur Taluk, Perumbalur District to generate Electricity and to sell the surplus power available to the Board after its consumption.

AND WHEREAS the Sugar Mill/ Power Generating Company has offered to sell the surplus power generated by the Bagasse based Co-generating plant to the 'BOARD'.

AND WHEREAS the 'BOARD' has taken note of the information about establishment of the said plant and has agreed to purchase the surplus power, on the terms and conditions hereinafter agreed to.

**NOW THESE PRESENTS WITNESSETH and the parties hereto agree as follows:**

1) The Sugar Mill/Power Generating Company shall feed the surplus power from their bagasse based Co-generating Plant into the Board's grid and the Board shall draw the power and pay therefor.

2) There shall be direct transfer of power from the plant to the Grid of



Tamil Nadu Electricity Board and for this purpose the generators of the Sugar Mill/ Power Generating Company shall be permitted to be paralleled with the Board's Grid subject to the terms and conditions imposed by the Board from time to time.

3) The power generating company shall be bound by all relevant provisions of the Electricity Act, 2003 (as amended from time to time), orders of the Tamil Nadu Electricity Regulatory Commission under section 86 of the said Act, policy directions, if any, issued by the Government of Tamil Nadu and any directions issued by the Board, from time to time.

4) (i) The Sugar Mill/Power Generating company shall be responsible for designing the generating set and protection system of the plant for the safe parallel operation with the Board's Grid.

(ii) The company shall provide exclusive circuit breakers of appropriate voltage and rating at the co-generation plant end for interconnecting the plant with TNEB grid. The power generating station bus may have to be operated as a grid station or radial station as decided by the Board, based on technical feasibility.

(iii) The company shall make good the losses, if any, due to any damage that may be caused to the equipment/lines of the Board resulting on account of parallel mal-operation of its plant.

(iv) The company agrees that the Board will not be responsible for any damage to its power plant resulting from parallel operation with the grid and that the Board shall not be held liable to pay any compensation for any such damage.

5) The interfacing with the Board's Grid shall be at the voltage level of 110. KV.

  
ENGINEER

6) a) The Sugar Mill/ Power Generating company's annual maintenance requirements shall be from 1<sup>st</sup> October to 31<sup>st</sup> October. The 'Sugar Mill/Power Generating company' shall inform the 'Board' of any changes in the maintenance schedule at least one week in advance.

b) In the last week of every calendar month, the Sugar Mill/ Power Generating Company shall furnish to the 'Board' a supply plan indicating the quantum of energy likely to be delivered during the next calendar month. Arrangements shall be made for transmission of on Line data of the generated power to Load Despatch Centre. The anticipated generation for each day shall be furnished one day in advance regularly.

c) The Generating Company shall obtain prior permission of the Chief Engineer/ Distribution concerned for the drawal of start up power from the grid giving complete split up details of preferential loads of the co-generation plant. The power has to be availed through interfacing line itself as per provisions in Permanent B.P. (CH) No:319, dt.30.10.95 **and the amendments made from time to time.**

d) The sugar mill/power company shall co- ordinate with the Board during non peak hours and also during the period wherein the grid is operated at high frequency, with regard to load despatch.

TNEB may have to resort to merit order despatch for the plant under agreement as already indicated in the approval letter and the co-generation shall agree not to claim (i) any loss or otherwise towards loss of generation during the back down period and (ii) any payment for the units generated during the backdown period.

e) Billing and payment:- The Sugar Mill/Power Generating Company shall prepare bill every month based on the meter reading certified by the Board / in accordance with the provisions of the EPA in duplicate and forward it to the Superintending Engineer concerned for scrutiny and counter signature/ certification. The bill so presented will be settled by the Board within a reasonable time either to the Sugar Mill/Power Generating Company or to the person authorized by them at its discretion with the prior, approval of the Board, by way of crossed cheque payable at Chennai. Board is entitled to recover any excess payment or any other dues to TNEB from the Sugar Mill/ power generator in subsequent bills.

7) a) The 'Sugar Mill/ Power Generating company agrees that the purchase price of bagasse based energy generated and exported during the crushing season, between 1<sup>st</sup> December and 30<sup>th</sup> June of the succeeding year, shall be paid at the rate of Rs.3.15 /per unit with a control period of 3 years.

b) The purchase price of energy generated and exported during seasonal period between 1<sup>st</sup> December and 30<sup>th</sup> June of the succeeding year by using conventional fuel in the boiler shall be regulated and be paid at the rate specified in TNERC order No.4 dated.15.05.2006 (clause 12.1), by which the purchase price of power generated using fossil fuel based co-generation is governed by clause 12.1 of the Commission's rulings under the principles of Availability Based Tariff (ABT).

c) The purchase price of the energy generated and exported during off-seasonal period between 1<sup>st</sup> July, and 30<sup>th</sup> November by using conventional/non-conventional fuel in the boiler shall also be regulated at the rate specified in para 7 (b) above.

d) Bagasse Based Co-generation are not permitted for banking of energy as per clause 10.4 of TNERC order No.3 dt. 15.05.06.



e) The Sugar Mill/ power generating company agrees that a 2% deduction from the total energy exported shall be made towards the line losses.

8) a) The Sugar Mill/ Power Generating company is permitted to wheel the bagasse based power to its subsidiary company situated within a radius of 25 Km from the Sugar Mill/ Power Generating company/Co-generation plant after deducting 3% of the energy exported as wheeling charges. Wheeling beyond 25 Kms. of radius to anywhere in the State is also permitted after deducting 10% of the energy exported as wheeling charges. Wheeling of energy is restricted to maximum of 2 Nos. H.T. Industrial Tariff- I, Service connections coming under the same distribution circle only.

b) The rate of Demand Charges of the wheeled HT services are as stipulated in the tariff order dt.15.03.03 or at the rates, specified by TNERC from time to time in the Tariff order.

c) As per TNERC order dated 15.5.06, 10.8, adjustment of energy for biomass and bagasse based co-generators shall be done on slot to slot basis within monthly billing cycle as follows.

1. Peak hour generation with peak hour consumption
2. off - peak hour generation with off-peak hour consumption and
3. the normal hour generation with normal hour consumption.
  - a. The units generated during a higher tariff TOD slot could be consumed in a lower tariff TOD slot at the option of the Co-generator, conversely otherwise shall not be allowed(i.e. units generated during a lower TOD slot cannot be drawn by the Co-generator during a higher tariff TOD slot)

The peak hour extra charges and off peak hour rebate shall be on net energy consumption after deducting generation during the respective peak hour

d) A certificate from the Superintending Engineer of the Electricity Distribution Circle concerned shall be obtained for the energy wheeled to the own or subsidiary company or the company under the same management and enclosed with the monthly bill.

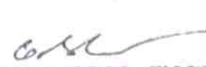
9) Metering arrangements with Automatic Remote meter reading facility shall be, provided at the SUGAR MILL/ CO-GENERATION PLANT premises at the SUGAR MILL/ POWER GENERATING Company's cost for measuring import and export of power with Maximum Demand.

10) The cost towards the Power Evacuation facilities shall be borne by the project promoter.

11) a) i) The SUGAR MILL/ POWER GENERATING COMPANY is permitted to draw the start up power by paying of consumption charges applicable to HT tariff III (energy charges + energy equated demand charge) which is 621.81 paise/unit. No demand charge is payable by the power generating company /sugar mill for the start-up power.

(ii) Power drawn from the Tamil Nadu Electricity Board grid for the purpose of Sugar Mill/Co-generation plant for maintenance works, trial run of equipments, water works etc., shall be charged under (Board's H.T.Tariff III) as notified by the TNERC at 621.81 paise /unit subject to review by TNERC from time to time

b). (i) The average power factor during the billing period for the power drawn from Tamil Nadu Electricity Board grid is to be maintained between 0.9 lag and unity.

  
SUPERINTENDING ENGINEER  
TAMIL NADU ELEC. BOARD  
T.E.D.C. / NORTH, TRICHY - 20.

For Kothari Sugars & Chemicals Ltd.,  
  
Authorized Signatory

(ii) Power factor incentive for net energy and Power factor disincentive for gross energy shall be at the rates stipulated in the Tariff order dt.15.03.03 or as notified by TNERC from time to time.

C). The Sugar Mill/ Power Generating Company shall install a electronic trivector meter and a check meter with 0.2 class accuracy with TOD facility in the Sugar Mill/ Power Generating Company, at its cost, to record the power supplied by the Sugar Mill / Power Generating Company to the Board. The meter shall have facility to record both export and import of all parameters concerned separately.

d). The meters shall be jointly inspected, calibrated and sealed on behalf of both the parties and shall not be interfered with by either party, except in the presence of other party or its representatives.

e). The main meter and the check meter shall be test checked for accuracy once in six months, and shall also be calibrated once in a year.

f). The meters shall be deemed to be working satisfactorily if the errors as determined in the test are within the limits specified in the relevant specification applicable to high precision energy meters.

g). The consumption registered by the main meter alone shall be taken for the purpose of billing as long as the error in the main meter is within the permissible limits specified.

h). If, during the half yearly test check or annual calibration, the main meter is found to have errors within permissible limits, the billing shall be done as per the main meter. If the check meter is found to have error beyond permissible limits, the check meter shall be calibrated.



i). If, during the half yearly test check or annual calibration, the main meter is found to have errors beyond permissible limits, but the check meter is found to have errors within the permissible limits the billing for the previous 3 (Three) months shall be revised based on the consumption recorded by the check meter. The main meter shall be calibrated immediately and the billing thereafter shall be as per the main meter.

j). If during the half yearly test check or annual calibration, both the main meter and the check meter are found to have errors beyond permissible limits, the bill shall be revised for the previous 3 (Three) months by applying correction as determined by the MRT / Wing of the Board to the consumption registered by the main meter.

K). If both the main meter and the check meter fail to record energy either due to the blowing of the P.T. fuses or due to any other causes, the energy exported during the period of outage will be computed as in Clause (j) above.

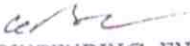
L). All the tests on the main and check meters shall be conducted by the Meter & Relay Test (MRT) laboratory of the Board in the presence of the representative of company and the results/correctness so arrived at shall be applicable and binding on both the parties and the same cannot be subjected to any dispute.

M) Meter compatible for applying availability based tariff (ABT) shall be provided for bagasse based co-generation plants.

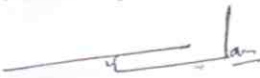
If any dispute or difference of any kind whatsoever arises between the parties relating to this agreement, it shall in the first instance be settled amicably with intervention of the Chief Engineer Non Conventional Energy Sources of the Board within sixty(60) days, failing which the matter shall be referred to a sole arbitrator as nominated by the Chairman of the Board. If the matter is so referred to the Sole Arbitrator for arbitration, the arbitration shall be conducted by the arbitrator in accordance with the provisions of Arbitration and Conciliation Act, 1996 or any other enactment or statutory modifications thereof for the time being in force. Decision of the sole Arbitrator in this regard shall be final and binding upon the parties.

13) Security Deposit shall be paid by the project promoter as per Table 10.0 & 11.0 on miscellaneous charges order and clause 5(5) of supply code issued by TNERC.

14). The power generating company agrees that the Board shall have the right to vary all provisions including the price and the orders of the commission on tariff related issues for non-conventional energy sources shall apply to the generator and also the policy on banking and wheeling and terms and conditions of this agreement by special or general proceedings and conditions relating to generation of electricity through biomass and such variations ordered by the TNERC and TNEB shall be binding on the company.

  
SUPERINTENDING ENGINEER  
TAMIL NADU ELEC. BOARD  
T.E.D.C. / NORTH, TRICHY - 20.

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15). The Board reserves the right to terminate the agreement if any of the conditions laid down by the TNEB/CEIG/TNERC is not complied with by the Power Generating company or for any other reasons.

16) DURATION: The agreement shall remain in force, for a period of 20 (twenty) years and subject to penalty in case the developer winds up his operation before 20 years Power Purchase Agreement period. The actual penalty to be imposed shall be as per the guidance of the TNERC.

17). IMPLEMENTATION OF THE AGREEMENT:

(i). All discretions to be exercised and direction, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this agreement or by the authorized representative (s) of that party, nominated in this behalf and notified in writing to the other party.

(ii). All notices with regard to default or difference relating to this agreement shall be in writing and signed by the signatories to this agreement or by the authorized representative(s). Each such notice shall be deemed to have been duly given or sent by the party concerned, if the notice is delivered against acknowledgement due to the signatories or the authorized representative (s) at their respective addresses.

  
SUPERINTENDING ENGINEER  
TAMIL NADU ELEC. BOARD  
T.E.D.C. / NORTH, TRICHY - 20.

For Kothari Sugars & Chemicals Ltd.,

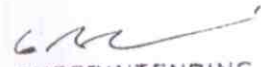


18). The parties shall ensure compliance of the terms of this agreement.

The expressions "Sugar Mill/ power generating company" and "The Board" herein before used shall include their respective successors and assigns in office.


IN WITNESS WHERE OF Thiru P.V. Ramadasan, General Manager for and behalf of the Sugar Mill/ Power Generating Company and Thiru.M. Natesan, M.E., for and on behalf of the "Board" have hereunto set their signatures on the day, month and year first above mentioned.

SIGNATURE



SUPERINTENDING ENGINEER,  
TRICHY ELECTRICITY DISTRIBUTION COMPANY  
NORTH/TNEB/TRICHY-20


In the presence of Witnesses:

1. 

ACCOUNTS OFFICER/REV  
TAMIL NADU ELEC. BOARD  
T.E.D.C. / NORTH, TRICHY - 20

2. 

BY FINANCIAL CONTROLLER  
TAMIL NADU ELEC. BOARD  
T.E.D.C. / NORTH, TRICHY - 20  
In the presence of Witnesses:

1. 

S. BALAJI  
Manager- Legal

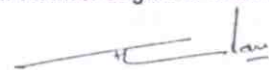
2. 

K. VENKATESAN  
Assistant Manager- Electrical

The Common seal of Kothari Sugars and Chemicals Limited was hereunto Affixed pursuant to the resolution of its Board of Directors passed in that behalf on 24.07.2006, in presence of Dr.P.S.Manisundaram, Director, who has signed in token thereof and Mr.N.Sridharan, Company Secretary who has also signed in token thereof.

For Kothari Sugars & Chemicals Ltd.,

SIGNATURE



Authorised Signatory

x 

N. Sridharan