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11/3/2016

Sterling Agro Industries Ltd. New Delhi.

AA 270583

LICENSED STAMP VENDOR
- No: 12-20-003/1999
RL No: 12-20-010/2014
Asar Street, ANANTAPUR
11 0704934802

**POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED
AND
M/S. STERLING AGRO INDUSTRIES LTD**

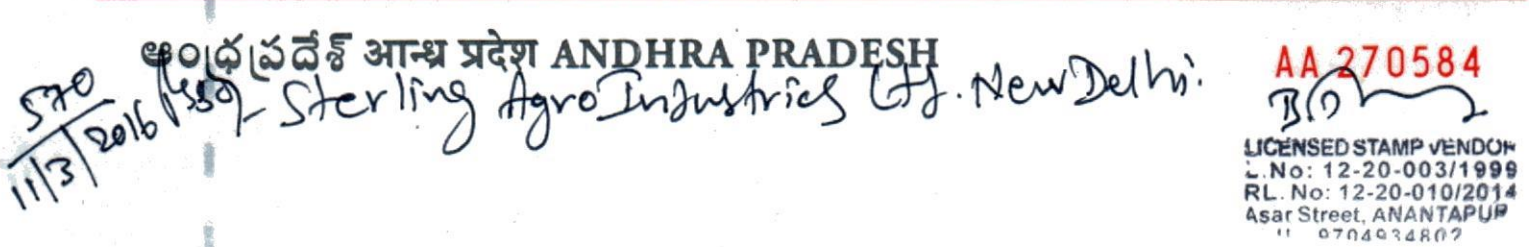
This Power Purchase Agreement (the "Agreement") entered into this 14th day of March 2016 between Southern Power Distribution Company of AP Limited (DISCOM), incorporated by the Government of Andhra Pradesh in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956, having its office at 19-13-65/A, Ragavendra Nagar, Kesavayana Gunta, Tiruchanoor Road Tirupati, Pin - 517501, AP, India, hereinafter referred to as the "DISCOM" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as first party, and M/s Sterling Agro Industries Ltd, a company incorporated under companies Act, 1956, having registered office at 11th floor, Agarwal Cyber Plaza - II, Netaji Subhash Place, Pitampura, New Delhi - 110034 (India), hereinafter referred to as the "Wind Power Producer" (which expression shall, unless repugnant to the con-text or meaning thereof, include its successors and assigns) as second party.

For Sterling Agro Industries Limited

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4. Whereas, the proposed Project is being setup under cluster of Wind power projects proposed at Nallakonda in Anantapuram District and will be connected to Extra High Voltage (EHV) Pooling Substation to be built for power evacuation from Wind power projects. The Project will share a common

metering at line isolator on outgoing feeder on High Voltage (HV) side of the Pooling Substation along with other Wind power projects. The Project will also have a separate metering at Project's switchyard.

5. 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 APERC.

6. Now therefore, in consideration of the foregoing premises and their mutual covenants herein, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound hereby agree as follows:

For Sterling Agro Industries Limited


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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 **APTRANSCO:** Transmission Corporation of Andhra Pradesh Limited, incorporated by the Government of Andhra Pradesh.

1.2 **Billing Date:** means the fifth (5th) day after the Meter Reading 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 **Commercial Operation Date (COD):** means, with respect to each Generating unit, the date on which such Generating unit is declared by the Wind Power Producer to be operational, provided that the Wind Power Producer 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.

1.5 **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 DISCOM at the Interconnection Point as defined in Article 1.10, as measured by the common energy meter at the Interconnection Point during that Billing Month. As indicated in the preamble, the delivered energy recorded by the common meter shall be sum of energy delivered by all Wind power projects connected to the Pooling Substation.

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: 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 DISCOM 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.

Explanation 3: The Delivered Energy will be equal to energy recorded by the individual meter at Project's switchyard minus apportioned line losses from

Project's switchyard to interconnection point and shall be calculated as per the formula mentioned below:

$$\text{Delivered Energy} = X1 - (X1 \times Z \%)$$

Where

X1 is the reading of the energy meter installed at the Project's switchyard.

Z% is the line loss incurred in the transmission line between the Project and the Pooling Substation and shall be:

$$(X1 + X2 + X3 + X4 + \text{-----}) \div Y$$

$$Z = \text{-----} \times 100$$

$$(X1 + X2 + X3 + X4 + \text{-----})$$

Where

Y is the reading of the common energy meter installed at interconnection point. X1, X2, X3, X4 etc. are the readings of the energy meters installed at the various individual Wind power projects being developed/proposed to be set up in the area and connected to the Pooling Substation.

1.6 Due Date of Payment: means the date on which the amount payable by the DISCOM to the Wind Power Producer hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Meter Reading Date provided the bill is received by DISCOM within 5 days from Meter Reading 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 DISCOM.

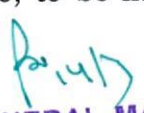
1.7 Financial Year: shall mean, with respect to the initial Fiscal Year, the period beginning on the Commercial Operation Date and ending at 12.00 midnight on the following March 31. Each successive Financial Year shall begin on April 1 and end on the following March 31, except that the final Fiscal Year shall end on the date of expiry of the Term or on termination of this Agreement, whichever is earlier.

1.8 Installed Capacity: means the total rated capacity in MW of all the Wind Energy Generators installed by the Wind Power Producer.

1.9 Interconnection Facilities: means all the equipment and facilities, including, but not limited to, all metering facilities, switchgear, substation facilities, transmission lines and related infrastructure, to be installed at the

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voltage specified in Article 1.20 at the Wind Power Producer's expense from time to time throughout the term of this Agreement, necessary to enable the DISCOM 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 interconnection facilities beyond Project's switchyard shall be common for Wind Power Producer and other Wind power projects connected to the Pooling Substation.

1.10 Interconnection Point: means the line isolator on outgoing feeder on HV side of the pooling sub-station i.e., the sub-station at project site of wind farm which consists of step-up transformer(s) and associated switchgear and to the LV side of which, multiple generating unit(s) i.e., wind turbine generators are connected.

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

1.12 Metering Point: means points where metering shall be provided for Project and shall be as follows:

(i) Common meter provided at the Interconnection Point for purposes of recording of Delivered Energy of the Project;

(ii) Individual meter provided at Project's switchyard;

(iii) Metering point shall include two separate sets of 0.2 / 0.2S class accuracy electronic tri-vector meters as specified in Article 4.1, main meter installed by the Wind Power Producer and the check meter installed by the DISCOM and both sealed by the DISCOM, having facilities to record both export and import of electricity to / from the grid.

1.13 Project: means the 3.2 MW capacity Wind power project at Nallakonda in Anantapuram District, Andhra Pradesh with a proposal of 0.016MW for Auxiliary Consumption and 3.184 MW for export to network for Sale to DISCOM as entrusted to the Wind Power Producer for construction and operation as detailed in Agreement entered into with NREDCAP as shown in Schedule 3 attached herewith and includes the metering system.

1.14 Prudent Utility Practices: means those practices, methods, techniques and standards, that are generally accepted for use in electric utility industries taking into account conditions in India, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to power stations of the size, service and type of the Project, and that generally conform to the manufacturers' operation and maintenance guidelines.

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1.15 **Pooling or Receiving Substation:** means 33/220 KV Substation constructed, owned and maintained by the Wind Power Producer at Syapuram in Anantapuram District for the sole purpose of evacuating energy generated by the Project to the Grid System and for facilitating interconnection between the transmission lines emanating from the Project and the Grid System. As indicated in the Preamble, the Pooling Substation will be common for all Wind power projects connected to the Pooling Substation.

1.16 **SLDC:** means the State Load Dispatch Centre as notified by the State Government under the provisions of the Electricity Act 2003.

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

1.18 **Surcharge on Reactive Power drawn by Wind Farms:** means the charges leviable on the reactive power drawn by Wind Farms at the rate of 25 paise (twenty five paise) per KVARh of reactive energy drawn from grid upto 10% of net active energy generated and 50 paise per KVARh for total drawl if reactive energy drawn is more than 10% of net active energy generated. The above mentioned rates are subject to revision as per APERC orders from time to time. The reactive power drawn as recorded by meters at interconnection point includes the reactive power drawn by all the Wind Power Producers in the cluster. As such the reactive power recorded by the meters at the interconnection point shall be shared by all the individual power producers in the ratio of the active energy delivered by them individually.

Explanation 1: Induction generators used in Wind Farms draw reactive power from grid during generator mode and motor mode.

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

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

(Note: Insert Table A or Table B whichever is applicable)

TABLE - A

At 33 KV level:

Project interfacing		Specified type of AAAC Conductor (size)	Proposed Wind power capacity on each 33 KV line
From	To		
Wind project	Existing 33/11 KV DISCOM SS	55 sqmm	8 MW
		100 sqmm	10 MW*
		150 sqmm	
Wind project	EHT Pooling SS or existing EHT APTRANSCO SS	55 sqmm	8 MW
		100 sqmm	12 MW
		150 sqmm	17 MW**

* Capacity is restricted considering less load availability in DISCOM SS.
 ** As amended vide Commission's order dated 11-07-2012 in O.P.No. 7 of 2012 read with letter dated 04-06-2014 attached herewith as Schedule - IV

TABLE - B

At EHT level:

Project interfacing		EHT Level	Proposed Wind power capacity
From	To		
Pooling SS	Existing APTRANSCO EHT SS	132 KV	(i) Up to 50 MW on SC Line (ii) Above 50 MW to 100 MW on DC Line
Pooling SS	Existing APTRANSCO EHT SS	220 KV	Above 100 MW

This Project will generate electrical energy at 400 Volts, which will be stepped up to 33 KV at Project's switchyard. The electrical energy will be further stepped up from 33 KV to 220 KV at Pooling Substation and delivered to the grid. (And to be connected at 220 KV LILO line of Gooty-Hindupur and 220 KV LILO line of Ramagiri - Hindupur Line).

1.21 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.

ARTICLE 2

PURCHASE OF DELIVERED ENERGY AND TARIFF

- 2.1 All the Delivered Energy at the interconnection point for sale to DISCOM 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 Wind Power Producer to the DISCOM at the Interconnection Point.
- 2.2 The Wind Power Producer shall be paid tariff for energy delivered at the interconnection point for sale to DISCOM, which shall be firm at Rs.4.83 per unit without considering Accelerated Depreciation for a period of 25 Years from the Commercial Operation Date (COD) as per APERC orders No. 03 of 2015 dt.01.08.2015.
- 2.3 Tariff Determined under these regulations shall be exclusive of taxes and duties as may be levied by the Government.
Provided that the taxes and duties levied by the Government shall be allowed as pass through on actually incurred basis.
- 2.4 Income tax/ MAT is a pass through and is to be paid by the Distribution Licensees to the developer upon receipt of the claim from the developer. This is over and above the tariff determination made here in.

Electricity Duty is a pass through and is to be paid by the Distribution Licensees to the developer upon receipt of the claim from the developer. This is over and above the tariff determination made herein.

- 2.5 Where in any Billing month, the energy supplied by the DISCOM to the Wind Power Producer as a bilateral arrangement to maintain the Auxiliaries in the power plant in situations of non-generation of power, shall be billed by the DISCOM, and the Wind Power Producer shall pay the DISCOM for such electricity supplies, at the DISCOM's then-effective tariff applicable to High Tension Category-I Consumers. For this purpose, the maximum demand specified in such DISCOM's Tariff shall be computed by dividing the amount of such energy supplied by the DISCOM by hours of drawl of power from the grid in the Month.

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

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ARTICLE 3

INTERCONNECTION FACILITIES

- 3.1 Upon receipt of a requisition from the Wind Power Producer, the APTRANSCO and DISCOM will prepare an estimate for arranging interconnection facilities for power evacuation at the voltage level as per Article 1.20. The Wind Power Producer have to bear the entire cost of the interconnection facilities as per the sanctioned estimate. The APTRANSCO and DISCOM shall evaluate, design, and install the Interconnection Facilities and perform all work, at the Wind Power Producer's expense, necessary to economically, reliably and safely connect the grid system to the Project switch yard.
- 3.2 APTRANSCO and DISCOM may also permit the Wind Power Producer to execute the interconnection facilities for power evacuation as per the sanctioned estimate at it's discretion duly collecting the supervision charges as per procedure in vogue.
- 3.3 The Wind Power Producer shall own, operate and maintain interconnection facilities from Project to Pooling Substation from time to time and necessary expenditure shall have to be borne by the Wind Power Producer. The maintenance work on the Generating units has to be done in coordination with the APTRANSCO and DISCOM.
- 3.4 The Wind Power Producer shall agree to pay to the DISCOM, on or before signing of this Agreement, at the rate of Rs.37,000/- per MW of Installed Capacity and for fractions thereof on a pro-rata basis as a one time lump sum payment for the sole purpose of providing the required MVAR capacity at the Substation of the APTRANSCO and / or DISCOM to supply the requisite reactive power to the Grid System.
- APTRANSCO and /or DISCOM shall install the capacitors of required capacity, at the substation of the APTRANSCO and/or DISCOM before commercial operation date of the project.
- 3.5 Any modifications or procedures or changes in arranging interconnection facilities for power evacuations rest with APTRANSCO and DISCOM.
- 3.6 During the period prior to the Commercial Operation Date, on the request of the Wind Power Producer, the DISCOM will supply energy to the Project for internal consumption, on the Terms and Conditions and at the tariff rates that are applicable from time to time to the category of consumers of the DISCOM to which the Wind Power Producer belongs, provided separate metering arrangements as may be required under the Terms and Conditions of such tariff have been installed at the Project.

ARTICLE 4

METERING AND PROTECTION

4.1 The Wind Power Producer shall install main meters of Static type 0.2 / 0.2S class accuracy at the Metering Point and the DISCOM 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 with facility for recording meter readings using Meter Recording Instrument. For the purpose of uniformity the Wind Power Producer shall follow metering specifications as developed by the DISCOM from time to time.

4.2 All of the meters required to be installed pursuant to Article 4.1 above shall be jointly inspected and sealed on behalf of both parties and shall not be interfered with, tested or checked except in the presence of representatives of both parties.

4.3 The meter readings from the main meters will form the basis of billing. If any of the meters required to be installed pursuant to Article 4.1 above are found to be registering inaccurately the affected meter will be immediately be replaced.

4.4 Where the half yearly meter check indicates an error in one of the main meter/meters beyond the limits for such meter but no such error is indicated in the corresponding check meter/meters, billing for the month will be done on the basis of the reading on the check meter/meters and the main meter will be replaced immediately.

4.5 If during the half yearly test checks, both the main meters and the corresponding check meters are found to be beyond permissible limits of error, both the meters shall be immediately replaced and the correction applied to the consumption registered by the main meter to arrive at the correct delivered energy for billing purposes for the period of the one month up to the time of such test check, computation of delivered energy for the period thereafter till the next monthly meter reading shall be as per the replaced main meter.

4.6 Corrections in delivered energy billing, whenever necessary, shall be applicable to the period between the previous monthly meter reading and the date and time of the test calibration in the current month when the error is observed and this correction shall be for the full value of the absolute error. For the purpose of determining the correction to be applied to any meter registering inaccurately, the meter shall be tested under conditions simulating 100, 50, 20 and 10 percent load at unity power factor and 0.5 power factor. Of these eight values, the error at the load and power factor nearest the average monthly load served at the Interconnection Point during the applicable period shall be taken as the error to be applied for correction.

4.7 If both the main and check meters fail to record or if any of the PT fuses are blown out, then the energy will be computed on a mutually agreeable basis for that period of defect.

4.8 The main and check meters shall be tested and calibrated once in a Financial year 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.

4.9 All main and check meters tests shall be jointly conducted by the authorized representatives of both parties and the results and correction so arrived at mutually will be applicable and binding on both the parties.

4.10 On the Meter Reading Date of each month, meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of both parties.

4.11 Within six (6) months following the execution of this Agreement, the Wind Power Producer and the DISCOM 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 Wind Power Producer in order for the Wind Power Producer to operate in parallel with the grid. Thereafter, any change in such specifications shall be subject to mutual agreement of the parties.

4.12 The Project shall be operated and maintained in accordance with good and generally accepted utility standards with respect to synchronizing, voltage, frequency and reactive power control.

4.13 Voltage regulation shall be such as to enable continued paralleling and synchronisation with the network voltage at the point of interconnection.

4.14 The equipment of the Wind Power Producer shall be designed for fluctuations in the frequency within limits of -5% and +3% of the standard frequency of 50 cycles per second.

4.15 The Wind power developer shall ensure that the power factor of the power delivered to the DISCOM is maintained as per the APERC/CEA/CERC norms from the time to time.

4.16 Any change in rupturing capacity of switch-gear, settings of the relays, etc., shall be subject to approval of the DISCOM.

4.17 As the Project's generator may carry fault currents that may occur on the grid, the Wind Power Producer shall provide adequate generator and switchgear protection against such faults. The DISCOM is not responsible for

damage, if any, caused to the Project's generator and allied equipment during parallel operation of the generator with the grid.

4.18 The Wind Power Producer shall make a good faith effort to operate the Project in such a manner as to avoid fluctuations and disturbances to the APTRANSCO's / DISCOM's network due to parallel operation with the network.

4.19 The Wind Power Producer shall control and operate the Project as per Prudent Utility Practices. The DISCOM shall only be entitled to request the Wind Power Producer to reduce electric power and energy deliveries from the Project during a System Emergency, and then only to the extent that in the DISCOM's reasonable judgment such a reduction will alleviate the emergency. The DISCOM shall give the Wind Power Producer 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 Wind Power Producer hereunder shall be implemented in a manner consistent with safe operating procedures.

ARTICLE 5
BILLING AND PAYMENT

5.1 For Delivered Energy purchased, Wind Power Producer shall furnish a bill to the DISCOM calculated at the rate provided for in Article 2.2, in such form as may be mutually agreed between the DISCOM and the Wind Power Producer, for the billing month on or before the 5th working day following the Meter Reading Date.

5.2 For payment of bills of the generating company through letter of credit, a rebate of 2 % shall be allowed.

Where payments are made other than through letter of credit within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.

Any payment made beyond the due date of payment, DISCOM shall pay interest at existing SBI base rates plus one percent and in case this rate is reduced, such reduced rate is applicable from the date of reduction.

5.3 The DISCOM shall pay the bill on monthly basis as per Article 5.1.

5.4 **Letter of Credit:** Not later than 30 days prior to the Scheduled COD of the Generating Unit, DISCOM shall cause to be in effect an irrevocable revolving Letter of Credit issued in favour of Wind Power Developer for a minimum period of one year by a Scheduled Bank (the "Letter of Credit").

a. However Letter of Credit shall not be invoked for any disputed bill amount.

5.5 **Direct payment:** Wind developer shall submit bills for the energy delivered during the billing period as per the provision of this PPA and there upon DISCOMs shall make payment for the eligible bill amount by the due date of payment.

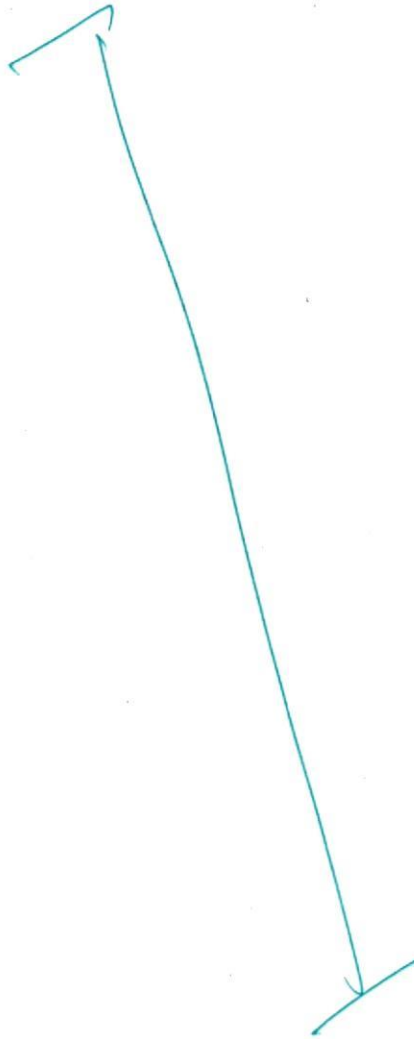
5.6 **Billing disputes:** The DISCOM shall pay the bills of Wind Power Producer promptly subject to the clauses 5.1 and 5.2 above.

The DISCOM shall notify Wind Power Producer in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. Wind Power Producer shall immediately take up issue with all relevant information with DISCOM which shall be rectified by the DISCOM, if found satisfactory. Otherwise notify its (DISCOM'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 DISCOM to reimburse Wind Power Producer, the amount to be reimbursed shall bear interest at SBI base rates plus one percent and in case this rate is reduced, such reduced rate is applicable from the date of reduction from the date of disallowance to the date of reimbursement.

5.7 All payments by the DISCOM to Wind Power Producer hereunder shall be made to such address as may be designated by Wind Power Producer to the DISCOM in writing from time to time.

Address : M/s Sterling Agro Industries Ltd.
11th Floor, Aggarwal Cyber Plaza – II,
Netaji Subash Place,
Pitampura, New Delhi -11 0034 (INDIA)

Telephone : +91-11-47008000
Mobile No. : +91-9811345050
Fax : +91-11-47008010, 47050504
Email : sharad@steragro.com ,



For Sterling Agro Industries Limited

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ARTICLE 6
UNDERTAKING

6.1 The Wind Power Producer shall be responsible:

- (i) For proper maintenance of the project in accordance with established prudent utility practices.
- (ii) For 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 DISCOM.
- (iii) The Wind Power Producer shall furnish the generation and maintenance schedules every year.
- (iv) For making all payments on account of any taxes, cess, 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 Wind Power Producer or on the income or assets of the Wind Power Producer.
- (v) For obtaining necessary approvals, permits or licences for operation of the project and sale of energy to DISCOM there from under the provision of the relevant laws.
- (vi) The Wind Power Producer have to comply with the provisions of the AP Code of Technical Interface (Grid Code).
- (vii) For achieving Commercial Operation Date within two years from the date of signing of the Agreement.
- (viii) For seeking approval of APTRANSCO and DISCOM in respect of Interconnection Facilities, Pooling Substation and synchronization of the Project with grid.
- (ix) The Wind Power Producer shall not dismantle and take away project machinery and interconnection facilities during the PPA term.
- (x) After 25th year of the operation from Commercial Operation Date, if plant continues to operate, the DISCOM shall have the first right of refusal on power purchase from the Wind power plant. The tariff beyond 25th year shall be as mutually agreed by both the parties, subject to approval of APERC.
- (xi) **Sharing of Clean Development Mechanism (CDM) benefits:** The Proceeds of carbon credit from approved CDM Project shall be shared between generating company and concerned beneficiaries in the following manner namely.

For Sterling Agro Industries Limited

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(a) 100% of the gross proceeds on account of CDM benefits is to be retained by the project developer in the first year after the date of commercial operation of the generating station.

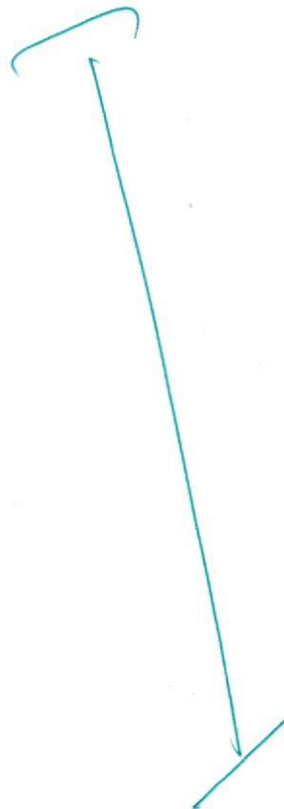
(b) In the second year, the share of the beneficiaries shall be 10 % which shall be progressively increased by 10% every year till it reaches 50%, where after the proceeds shall be shared in equal proportion, by the generating company and the beneficiaries.

6.2 The DISCOM agrees:

(i) To make all reasonable efforts for making arrangements for evacuation of power from the project to be completed prior to the Commercial Operation Date of the Project subject to Article 3.

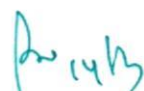
(ii) For purchase of Delivered Energy from the project as per section 2.2.

(iii) To co-ordinate with APTRANSCO and assist the Wind Power Producer in obtaining approval for the interconnection facilities where the interconnection is at 132 kV or above voltages, for synchronization, Commercial Operation, regular operation etc., as required by the Wind Power Producer.



For Sterling Agro Industries Limited

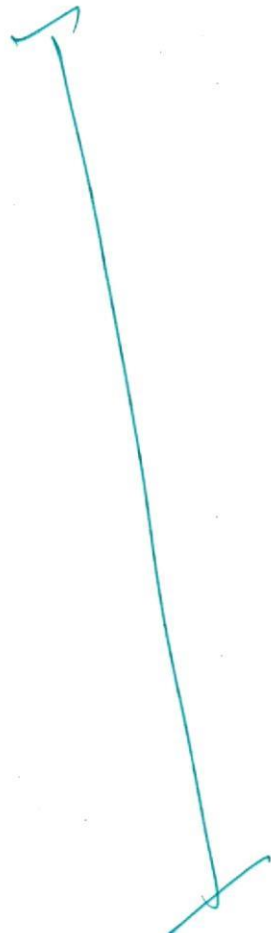

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ARTICLE 7

DURATION OF AGREEMENT

This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) and until the twenty fifth (25th) anniversary that is for a period of twenty five years from the Commercial Operation Date (COD). This Agreement may be renewed for such further period of time and on such terms and conditions as may be mutually agreed upon by the parties, 90 days prior to the expiry of the said period of twenty five years, subject to the consent of the APERC. Any and all incentives/conditions envisaged in the Articles of this Agreement are subject to modification from time to time as per the directions of APERC.



For Sterling Agro Industries Limited


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ARTICLE 8

NOTICES

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

If to the Wind Power Producer:

Attention : M/s Sterling Agro Industries Ltd.
11th Floor, Aggarwal Cyber Plaza – II,
Netaji Subash Place,
Pitampura, New Delhi -11 0034 (INDIA)

Telephone : +91-11-47008000
Mobile No. : +91-9811345050
Fax : +91-11-47008010, 47050504
Email : sharad@steragro.com ,

If to the DISCOM:

Attention : Chief General Manager, (IPC & P&MM)
APSPDCL,
19-13-65-A, Corporate Office ,
Ragavendra Nagar , Kesavayana Gunta,
Tiruchanoor Rd, Tirupati – AP, India - 517501
Fax No. : 0877-2237407
Telephone No. : 0877-2237407
Email id : gmipcpspdcl@gmail.com

8.2 All notices or communications given by email, fax 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 email, fax regardless of the date the confirmation of such notice is received.

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

For Sterling Agro Industries Limited


Authorized Signatory


CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

ARTICLE 9

DEFAULT

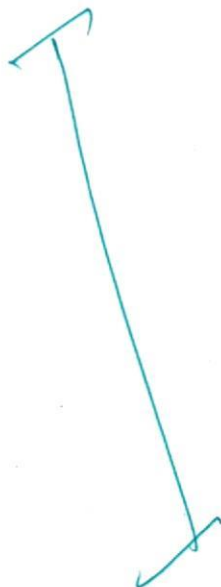
9.1 The Wind Power Producer shall achieve Commercial Operation Date within two years from the date of signing of the Agreement, default of which, the Agreement is liable for termination and the same can be done at the option of DISCOM with due notice.

9.2 In the event, DISCOM commits a breach of any of the terms of this Agreement, the Wind Power Producer shall be entitled to specific performance of this Agreement or claim such damages as would be available under Law or both, at its option, by giving 30 days notice to DISCOM.

9.3 In the event, Wind Power Producer commits a breach of any of the terms of this Agreement, the DISCOM shall be entitled to specific performance of this Agreement or claim such damages as would be available under Law or both, at its option, by giving 30 days notice to Wind Power Producer.

9.4 If the default continues for a period of 30 days or more, either party will have a right to issue a preliminary notice for termination of this Agreement. If the default is not cured within 30 days thereafter, either party can terminate this Agreement and can claim damages at its option.

9.5 In the event of cancellation of the Project allotted to the Wind Power Producer by NREDCAP for any reason, the PPA with DISCOM will automatically get cancelled;



For Sterling Agro Industries Limited


Authorized Signatory


CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

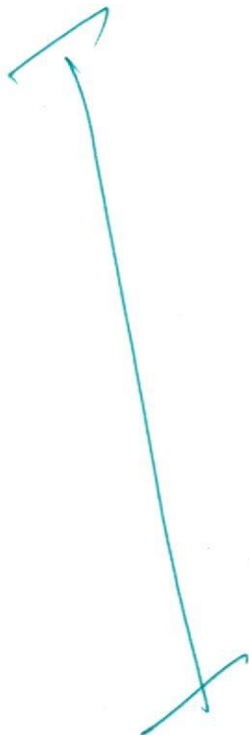
ARTICLE 10
DISPUTE RESOLUTION

10.1 Each Party shall designate in writing to the other party a representative who shall be authorized to resolve any dispute arising under this Agreement in an equitable manner.

10.2. Following notice by one Party to the other setting out the particulars of the dispute, if the designated representatives are unable to resolve a dispute under this Agreement within 15 days, such dispute shall be referred by such representatives to a senior officer designated by the Wind Power Producer and a senior officer designated by the DISCOM, respectively, who shall attempt to resolve the dispute within a further period of 15 days.

10.3. The Parties hereto agree to use their best efforts to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith and further agree to provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such dispute.

10.4 Failing resolution of the dispute in terms of the above provisions or even otherwise, any party may approach the AP Electricity Regulatory Commission to adjudicate upon the dispute in terms of Section 86 (1) (f) of Electricity Act, 2003.



For Sterling Agro Industries Limited


Authorized Signatory


CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

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 Wind Power Producer and the DISCOM, subject to the condition that any further modification of the Agreement shall be done only with the prior approval of Andhra Pradesh Electricity Regulatory Commission. However, the amendments to the Agreement as per the respective orders of APERC from time to time shall be carried out.

11.3 However, in respect of power evacuation, the voltage levels for interfacing with grid will be as per Article 1.20. The cost of interconnection facilities has to be borne by the Wind Power Producer as per Article 3.

11.4 The invalidity or unenforceability for any reason of any provision of this Agreement shall not prejudice or affect the validity or enforceability of any other provision of this Agreement.

11.5 The failure of any party to insist in one or more instances upon the strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights but the same shall continue in full force and effect.

11.6 Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under any of the provisions of this Agreement, required to be mutually agreed upon between the parties, shall be concluded by a written Agreement between the parties not later than the date specified in the concerned clause of this Agreement, subject to the consent of the APERC.

For Sterling Agro Industries Limited

Authorized Signatory

14/13
CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

11.7 This Agreement, including Schedule 1, 2 & 3 attached hereto, constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no oral or written understandings, representations or commitments of any kind, express or implied, not set forth herein.

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

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

11.12 **Assignment and Financing:** Neither party shall assign this Agreement or any portion thereof to any third party without the prior written consent of the other party which consent shall not be unreasonably withheld.

For Sterling Agro Industries Limited

Authorized Signatory

2.14.13
CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

IN WITNESS WHEREOF, the Wind Power Producer and the DISCOM have caused this Agreement to be executed as of the date and the year first set forth above.

h/w/3
For and behalf of
SOUTHERN POWER DISTRIBUTION COMPANY
CHIEF GENERAL MANAGER OF A.P.LIMITED
P & MM & IPC
APSPDCL :: TIRUPATI

WITNESS

1. *Horamed*
(S.H. Dasdeed)
DO PPA By:

2. *Nutatu*
(N.C. VASAVILATHA)
ADOLPPA Its:

For Sterling Agro Industries Limited
For and behalf of *C.P.*
Authorized Signatory
M/S. Sterling Agro Industries Ltd

WITNESS

1. *ml*
(M.V. SATYA NARAYANA) By:

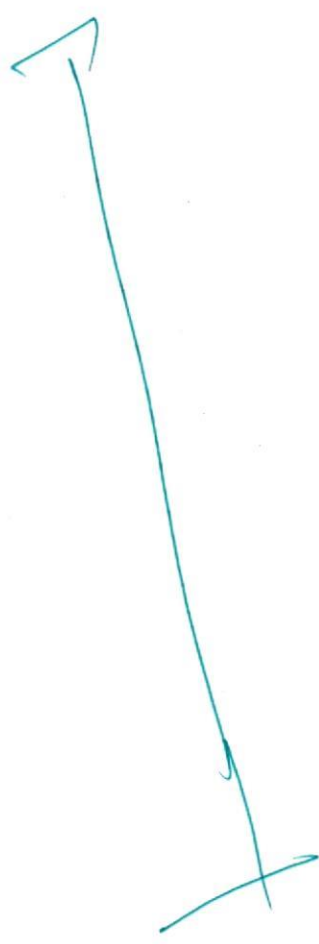
2. Its:

SCHEDULE 1
Particulars of the Project

(Referred to in the Preamble to the Agreement)

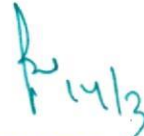
Name of the Project	Location	No. of Wind Energy Converters	Capacity of the Project* In MW	Power export to the Grid In MW
M/s. Sterling Agro Industries Ltd	Nallakonda in Anantapuram District Location No. Survey No. 216 701-2 217 700-2 239 683 103A 682	4(0.8 MW each)	3.2	3.184

* Out of 3.2 MW, 0.016 MW is for Auxiliary Consumption and 3.184 MW is for export to grid for sale to DISCOM.



For Sterling Agro Industries Limited


Authorized Signatory


CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

SCHEDULE – II

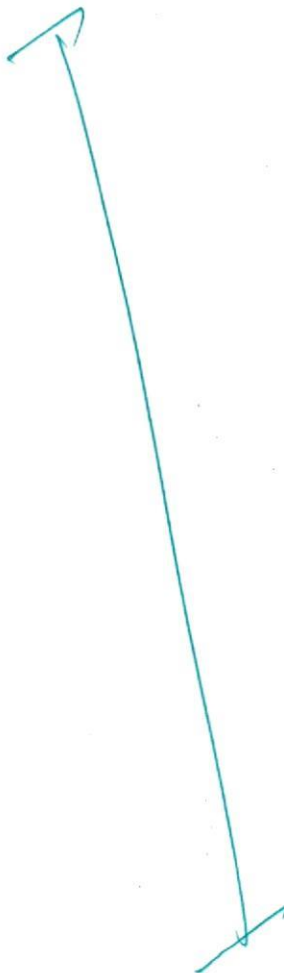
(Copy of sanction proceedings from NREDCAP to the Company)

SCHEDULE – III

(Copy of agreement entered into by the Company with NREDCAP)

SCHEDULE – IV

Annexure – I to the Commission's order dated 30-03-2010 in O.P.No. 40 of 2010 and Commission's order dated 11-07-2012 in O.P.No.7 of 2012 and letter dated 04-06-2014 & Regulation No. 1 of 2015 and as per Order No. 3 of 2015 dated 01.08.2015.



For Sterling Agro Industries Limited


Authorized Signatory


CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

**ఆంధ్రప్రదేశ్ నూతన మరియు పునరుద్ధరణీయ ఇంధన వనరుల అభివృద్ధి సంస్థ లి.
New & Renewable Energy Development Corporation of Andhra Pradesh Ltd.**

(A State Government Company)

(Formerly Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.)

Regd. Office : # 5-8-207/2, Pishah Complex, Nampally, Hyderabad - 500 001. India.

Tel : Off : 040-23202391, 23202262. 23203376 Fax : 040-2320 1666

E-mail : info@nedcap.gov.in, nedcap@ap.nic.in Website : www.nedcap.gov.in



Ref: NREDCAP/WE/Ray Urja/9663/2016

Dt.24.02.2016

To

M/s Sterling Agro Industries Ltd
11th Floor, Agarwal Cyber Plaza-II,
Netaji Subash Place,
Pitampura,
NEW DELHI- 100 034.

Sirs,

Sub: Transfer of 3.20 MW capacity wind farm in favour of M/s Sterling Agro Industries Ltd wind farm allotment given to M/s Ray Urja Infrastructure LLP- orders issued - Reg

- Ref: 1. Sanction Lr.No. NREDCAP/WE/ Ray Urja/9663/2013/3369, Dt.11.02.2013
2. Agreement entered on 11.02.2013
3. T.O. Lr.No. NREDCAP/WE/ Ray Urja/9663/2016, 22.01.2016 & Dt.24.02.2016
4. Lr.No. Ray/Urja/NMD Ph-3/Cap Trf/2015-16/241, dt. 10.02.2016 of M/s Ray Urja Infrastructure LLP,
5. Lr.No. Nil, dated 10.02.2016 of M/s Sterling Agro Industries Ltd
6. G.O. Rt No.61, Dt.24-3-2011 of Energy (RES) Dept, GOAP, Hyderabad

& & &

In the reference 1st & 2nd cited, 20 MW capacity wind farm project was allotted to M/s Ray Urja Infrastructure LLP to set up at Nallakonda site, Ananthapur district. As per the terms of the agreement entered by M/s Ray Urja Infrastructure LLP, the developer was permitted to sell the projects/ sub-projects to promoters with prior approval of NREDACP.

In the reference 3rd cited, 12 MW capacity transferred to M/s Sterling Agro Industries Ltd to set up at Nallakonda, Ananthapur district and cancelled basing on the request of M/s Sterling Agro Industries Ltd & M/s Ray Urja Infrastructure LLP.

In the reference 4th cited, it was communicated by M/s Ray Urja Infrastructure LLP that M/s Sterling Agro Industries Ltd have placed orders for establishing 3.20MW wind farm project at Nallakonda site, Ananthapur district and requested to transfer 3.20 MW capacity in the name of M/s Sterling Agro Industries Ltd from the existing wind farm capacity allotted to them.

Taking into consideration, the request made by M/s Sterling Agro Industries Ltd the consent given by M/s Ray Urja Infrastructure LLP and also the provisions of sanction proceedings issued vide reference 1st cited and the agreement entered on 11.02.2013, permission is hereby accorded to transfer 3.20 MW wind power capacity in favour of M/s Sterling Agro Industries Ltd, 11th Floor, Agarwal Cyber Plaza-II, Netaji Subash Place, Pitampura, NEW DELHI- 100 034 from existing capacity allotment accorded to M/s Ray Urja Infrastructure LLP to set up at Nallakonda site, Ananthapur district.

"Energy is Life - Conserve it"

M/s Sterling Agro Industries Ltd is requested to enter into agreement with NREDCAP as per the prescribed format (enclosed) within one month from the date of this order. The other terms and conditions of the sanction order issued to M/s Ray Urja Infrastructure LLP will hold good to this transfer of project of 3.20 MW capacity to M/s Sterling Agro Industries Ltd

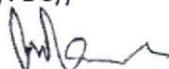
Thanking you,

Yours faithfully,
Sd/-
VC & Managing Director

Encl:a.a.

Copy to M/s. Ray Urja Infrastructure LLP, Enercon Tower, A-9, Veera Industrial Estate,
Veera Desai Road, Andheri (West), Mumbai – 400 053
Copy to Chairman and Managing Director, APSPDCL, Tirupathi.
Copy to the Chief Engineer, IPC, APPCC, AP TRANSCO, Hyderabad.
Copy to the District Collector, Ananthapur District.
Copy to the District Manager (WD), Anantapur District

//FBO//



PROJECT DIRECTOR (WE)



తెలంగాణ తెలంగాణ TELANGANA

S.No. 97 Date 6-02-16 Rs. 100/-
NAME B. Veera Reddy
S/o. W/o. D/o. Venkata Reddy
For whom STERLING AGRO INDUSTRIES LTD,
No-148

A 912446
B. Madhuri
LICENSED STAMP VENDOR
Licence No. 16-02-070/2011
S.V.R.L. No. 16-02-036 of 2014
H.No.1-2-343/6, Damalguda, Hyd-29
Phone No. 9966805999

AGREEMENT

THIS AGREEMENT is entered into on the 24th day of February, 2016 at Hyderabad, by and among

(1) **New and Renewable Energy Development Corporation of Andhra Pradesh Ltd., (Formerly NEDCAP)** a fully owned Andhra Pradesh State Government Company, registered under the Companies Act, 1956, having its office at 5-8-207/2, Pishah Complex, Nampally, Hyderabad 500 001 (India), represented by its Vice Chairman & Managing Director, hereinafter referred to as the **NREDCAP of the FIRST PART,**

AND

(2) **M/s STERLING AGRO INDUSTRIES LIMITED,** a company incorporated under the Companies Act, 1956 having its registered office at 11th Floor, Aggarwal Cyber Plaza-II, Nethaji Subhash Place, Pitampura, New Delhi - 110034, represented by its Authorised Signatory Mr. Kishan Bir Singh Sirohi, hereinafter referred to as the '**Customer/Developer**' of the **SECONDPART.**

For Ray Urja Infrastructure LLP

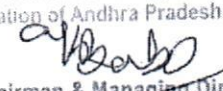

Authorised Signatory

For STERLING AGRO INDUSTRIES LTD.


Authorised Signatory

Contd...2

For New & Renewable Energy Development Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

(3) M/s. Ray Urja Infrastructure LLP, company incorporated under the Limited Liability Partnership Act, 2008, having its registered office at Plot No:9, Wind World Towers, Veera Industrial Estate, Veera Desai Road, Andheri (West) , Mumbai – 400053, represented by its Authorised Signatory, Mr. Kishan Bir Singh Sirohi, hereinafter referred to as the '**Developer**' of the **THIRDPART**.

The NREDCAP, Customer and the Developer are severally referred to as the Party and collectively as Parties.

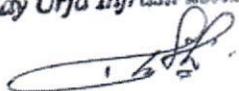
The expressions 'NREDCAP', 'Customer' and 'Developer' shall unless repugnant to the context or meaning thereof, include respectively their successors, administrators and permitted assignees.

WHEREAS,

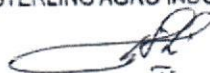
A. NREDCAP (formerly 'NEDCAP') is the Nodal Agency for approval of wind energy projects up to 40 MW capacity and, therefore, for setting up of wind farms in the Potential Areas in the State of Andhra Pradesh as per the guidelines of the Ministry of New and Renewable Energy (MNRE), Government of India and also the guidelines under the New Wind Power Policy of the Government of Andhra Pradesh (GOAP) notified through GO MS No.9, Energy Infrastructure and Investment (PR-II) Department, dated 13-02-2015 (hereinafter called the 'Policy') as well. For the projects with more than 40 MW capacity, the GOAP grants clearance on the recommendations of NREDCAP. The Policy, inter-alia, aims at encouraging optimum utilization of the available wind power potential in the State by facilitating adoption of state of art technology through private participation, balancing the interest of the customers and the developers, permitting the developers for using the power produced for captive consumption or making sale to a third party or to DISCOMs as per the guidelines under the Policy, and the Indian Electricity Act 2003 and the rules and regulations made and the directions issued by GOAP there under. Under the Policy the Developer is also eligible for certain incentives and concessions. As per the existing Policy guidelines of NREDCAP, where the Developer is a manufacturer or supplier, such Developer can transfer the capacities allotted to it to any customer provided prior approval of NREDCAP stipulating such of the terms and conditions as it considers necessary and appropriate is obtained.

B. The Third Parties was earlier sanctioned 20 MW wind farm projects to be set up at Nallakonda site, Anantapur District and accordingly an Agreement was entered between NREDCAP (NEDCAP) and the Developers as given in following table, hereinafter referred as the '**Principal Agreement**' containing the terms and conditions thereof. Para 2 of the Principal Agreement enables development of the wind power projects by the Developer for customers/users.

For Ray Urja Infrastructure LLP

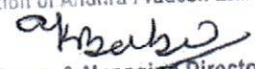

Authorized Signatory

For STERLING AGRO INDUSTRIES LTD.


Authorized Signatory

Contd...3

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

Sl. No	Company Name	Proceedings No. & Agreement Date	Capacity Sanctioned
1	M/s. Ray Urja Infrastructure LLP,	NEDCAP/WE/Ray urja/9663/2013, dated 11.02.2013 & Agmt. dt. 11.02.2013	20.00
Total MW			20.00

C. The Third Parties through their Letter No. Ray/Urja/NMD Ph-3/Cap Trf/2015-16/241, dt. 10.02.2016 informed that its parent company M/s. Wind World (India) Ltd had received an order from the Second Party for establishment of 3.20 MW Wind Power Project on turnkey basis as per the details given below, hereinafter referred to as the '**Project**', duly conveying it's no objection and consent for transfer of the Project in the name of the Second Party being its customer out of the balance of 20.00 MW capacity allotment they were already sanctioned.

SI No	Customer Name	Capacities transferred from	Capacities transferred (MW)	Location
1	M/s Sterling Agro Industries Ltd.,	M/s. Ray Urja Infrastructure LLP.	3.20	Nallakonda site, Anantapur District
Total			3.20	

D. After due consideration of the proposals under (B) above, the First Party, through its Letter No NREDCAP/WE/RayUrja/9663/2016, Dt.24.02.2016 granted permission for the transfer of the Project stipulating the terms and conditions therefore and for entering into this Agreement. The Second Party having complied with the conditions of the said permission letter of NREDCAP requested for execution of this Agreement.

For Ray Urja Infrastructure LLP

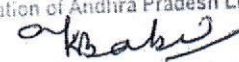

Authorized Signatory

Contd...4

For STERLING AGRO INDUSTRIES LTD.


Authorized Signatory

For New & Renewable Energy Development Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.2 Definitions

In this Agreement, the words and expressions, unless and otherwise defined or described herein, shall, unless repugnant to the context or meaning thereof, have the meaning assigned in the Andhra Pradesh Electricity Reforms Act 1998 (APERC Act), the Indian Electricity Act 2003 and GO MS No.9, Energy Infrastructure and Investment (PR-II) Department, dated 13-02-2015 or in the Principal Agreement appended hereto.

1.2 Public Interest

The sanction, development, operation and maintenance of the Project is in public interest.

1.3 Essence of Time

As the Project Implementation is as per a pre-decided time schedule, the Customer shall ensure that the Project is executed within the Project Implementation Period.

ARTICLE 2

GRANT OF ALLOTMENT

2.2 Transfer of Sanctioned Capacity

Subject to and in accordance with the terms and conditions set forth in this Agreement and the Principal Agreement; and the Customer undertaking to observe and perform the covenants, obligations, responsibilities, terms and conditions of this Agreement and the Principal Agreement as well NREDCAP hereby sanctions transfer of 3.20 MW capacity wind power project out of 20 MW wind power project earlier sanctioned to the Developer, to and in the name of the Customer for setting up of the Project as per the following table for generation of 3.20 MW capacity of wind power project for captive use/sale of power to AP TRANSCO.

Sl no.	Customer Name	Capacity (MW)	Location details
1	M/s STERLING AGRO INDUSTRIES LIMITED	3.20	Nallakonda, Anantapur District
	Total :	3.20	

2.2 Financing

The Customer shall set up and operate the Project with its own finance. There shall be no financial contribution from NREDCAP.

For Ray Urja Infrastructure Ltd


Authorised Signatory

For STERLING AGRO INDUSTRIES LTD.


Authorised Signatory

Contd...5

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

2.3 Applicability of other Laws

The sanction of the Project and its development and operation by the Customer shall be subject to the Indian Electricity Act 2003 the Rules and Regulations made there under from time to time; the Regulations and directions of the Andhra Pradesh Electricity Regulatory Commission (APERC); the Policy of the GOAP and NREDCAP as formulated and amended from time to time and all other Applicable Laws.

2.4 Regulation of Allotment

The Policy empowers NREDCAP to regulate the allotment of wind generation power projects.

ARTICLE 3 PERFORMANCE GUARANTEE

The Performance Guarantee submitted by the Developer and renewed from time to time shall be proportionately applicable to this Project and it shall be the responsibility of the Customer to ensure that the Performance Guarantee well before its expiry renewed from time to time and no notice there for shall be issued by NREDCAP duly complying with the stipulations and conditions specified in Article 5 of the Principal Agreement.

ARTICLE 4

EFFECT OF PRINCIPAL AGREEMENT

Save except as otherwise and to the extent provided in this Agreement all other terms and conditions of the Principal Agreement including rights, entitlement, obligations and liabilities shall remain the same and binding on the Parties. It is clarified that any extension of time granted by NREDCAP for any particular event in terms of the Principal Agreement shall also be applicable to this Agreement.

ARTICLE 5

MISCELLANEOUS

5.1 Dispute Resolution

(a) Amicable Resolution

Save where expressly stated otherwise in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement including completion or otherwise of the Project between the Parties and so notified in writing by either Party to the other (the "Dispute") in the first instance shall be attempted to be resolved amicably by the Parties

For Kay Urja Infrastructure Ltd.

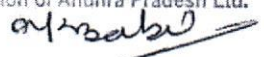

Authorised Signatory

For STERLING AGRO INDUSTRIES LTD.


Authorised Signatory

Contd...6

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

(b) Appeal

2. In the event of the Parties not finding an acceptable solution to the dispute(s) within 30 (thirty) days, the Customer may appeal to the Chairman of the Board of Directors of NREDCAP whose decision shall be final and binding.

5.2 Governing Law and Jurisdiction

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India and the Courts at Hyderabad, Andhra Pradesh State, India shall have jurisdiction over all matters arising out of or relating to this Agreement.

5.3 Waiver

(a) Waiver by either Party of any default or any rights under the Agreement by the other Party in the observance and performance of any provision of or obligations or under this Agreement.

- i) Shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions or obligations under this Agreement
- ii) Shall not be effective unless it is in writing and executed by a duly authorized representative of such Party; and
- iii) Shall not affect the validity or enforceability of this Agreement in any manner.

(b) Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation there under nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

5.4 Amendments

This Agreement and the Schedules together constitute a complete and exclusive statement of the terms of the Agreement among the Parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless agreed to by the Parties hereto and evidenced in writing.

For Ray Urja Infrastructure LLP



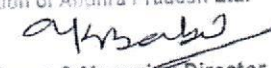
For STERLING AGRO INDUSTRIES LTD.



Authorized Signatory

Contd...7

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.



Vice Chairman & Managing Director

5.5 Exclusion of Implied Warranties etc.

2. This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the Parties or any representation by any Party not contained in a binding legal agreement executed by the Parties.

5.6 Indemnity

The Customer and the Developer hereby undertake and agrees to defend, indemnify and hold harmless the NREDCAP, its officers, employees and consultants from and against any and all claims, liabilities, actions, demands, judgments, losses, costs, expenses, suits, actions and damages arising by reason of bodily injury, death or damages to property sustained by third parties that are caused by an act of negligence or the wilful misconduct of the Customer and/or Developer or by their officer/s, director/s, sub-contractor/s, agent/s or employees.

5.7 Notices

Unless otherwise stated, notices to be given under this Agreement including but not limited to a notice of waiver of any term, breach of any term of this Agreement and termination of this Agreement, shall be in writing and shall be given by registered post, hand delivery, recognized national courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below:

If to the NREDCAP

Vice Chairman and Managing Director,
5-8-207/2, Pishah Complex,
Nampally, Hyderabad 500 001
Fax.No.040 23201666, email: info@nedcap.gov.in

If to the Customer

M/s Sterling Agro Industries Ltd
11th Floor, Aggarwal Cyber Plaza-II,
Nethaji Subhash Place,
Pitampura, New Delhi – 110034.
Ph: 011-4700 8000

If to the Developer

M/s Ray Urja Infrastructure LLP
Plot No:9, Wind World Towers,
Veera Industrial Estate, Veera Desai Road,
Andheri (West) , Mumbai – 400053
Ph: 022-4101 7101

For Ray Urja Infrastructure LLP

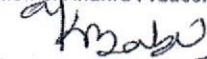

Authorised Signatory

For STERLING AGRO INDUSTRIES LTD.


Authorised Signatory

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**For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.**


Vice Chairman & Managing Director

Or such address, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (i) in the case of any communication made by letter, when delivered by hand, by recognized national courier or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by facsimile, when transmitted properly addressed to such facsimile number and copy sent by mail. In case of any change in the address, it shall be the responsibility of each party to get such change recorded in relevant records of the other Party/ies and get confirmation to that effect.

5.8 Partial Invalidity / Severability

If for whatever reason, any provision of this Agreement is or become invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentally to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable. Provided failure to agree upon any such provisions shall not be subject to dispute resolution under this Agreement or otherwise.

5.9 Precedence of Documents

The following documents / agreements between the Parties shall be construed as mutually explanatory to one another provided that in the event of any conflict or repugnancy between them the order of precedence of the documents shall be:

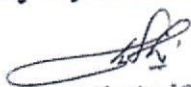
- a) This Agreement, including Schedules and Annexure.
- b) The Principal Agreement.
- c) Letter of Sanction
- d) Proposals submitted by the Customer and Developer

5.10 Counterparts

This Agreement shall be executed in three counterparts on non-judicial papers of Rs.100/- each and registered if required under law at the cost and expense of the Developer which when executed and delivered shall constitute an original of this Agreement

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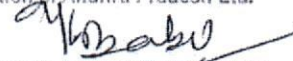
For Ray Urja Infrastructure LLP


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For STERLING AGRO INDUSTRIES LTD.


Authorised Signatory

For New & Renewable Energy Development Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

IN WITNESS WHEREOF THE, PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

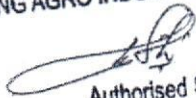
Signed, Sealed and Delivered

Signed, Sealed and Delivered

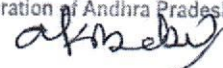
For and on behalf of Customer by:

For and on behalf of the NREDCAP by:

For **STERLING AGRO INDUSTRIES LTD.**


Authorized Signatory

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

Signature of Authorized Person
(Name)
(Designation)
(Seal)

Signature of Authorized Person
(Name)
(Designation)
(Seal)

Signed, Sealed and Delivered

For and on behalf of Developer by:

For **Kay Urja Infrastrucure Ltd.**


Authorized Signatory

Signature of Authorized Person
(Name)
(Designation)
(Seal)

Witnesses

In the presence of

1) Signature

Name

Address


P.V. Ramesh
P.O, NREDCAP, Hyd.

2) Signature

Name

Address


24/2/16
K. Rajendra Prasad,
K. Rly, Hyd.

ఆంధ్రప్రదేశ్ నూతన మరియు పునరుద్ధరణీయ ఇంధన వనరుల అభివృద్ధి సంస్థ లి.
New & Renewable Energy Development Corporation of Andhra Pradesh Ltd.

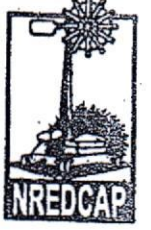
(A State Government Company)

(Formerly Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd)

Regd. Office : 5-8-207/2, Pishah Complex, Nampally, Hyderabad - 500 001. India.

Tel : Off : 040-23202391, 23202262, 23203376 Fax : 040-23201666

E-mail: info@nedcap.gov.in, nedcap@ap.nic.in Website: www.nedcap.gov.in



Ref: NREDCAP/WE/Rayurja/9663/2013

Dt. 11 .02.2013

PROCEEDINGS

Sub: Wind power Project in private sector - Communication of sanction for 20 MW capacity wind farm project at Nallakonda, Anantapur district - Reg.

- Ref:
1. Application for allotment of wind farm dt.02.02.2011
 2. G.O.Ms.No.48 dt.11-04-2008 of Energy Dept. Govt. of A.P.
 3. G.O.Ms.No.99 dated 09.09.2008 of Energy (RES) Dept., Govt. of A.P.
 4. Minutes of the 228th Board Meeting held on 05.11.2012
 5. NREDCAP Provisional Allotment Lr.No. NREDCAP/WE/Rayurja/9663/2013, Dt.15.01.2013
 6. Lr.No. RUI/NREDCAP/NLKD/2013-14/283, dt. 06.02.2013 of M/s. Ray Urja Infrastructure LLP

&&&

In the reference 1st cited, M/s. Ray Urja Infrastructure LLP have applied to NREDCAP for allotment of 20 MW capacity wind power project at Nallakonda, Ananthapur District, for generation of electric power on commercial basis.

As per the orders issued by the State Govt. in the reference 2nd cited, wherein NREDCAP is permitted to sanction wind power projects of capacity up to 20 MW. The Board of NREDCAP during its meeting held on 05.11.2012 has considered the application and accorded approval for sanction of wind power project

In compliance with this Board approval, 20.00 MW capacity wind power project is sanctioned to M/s. Ray Urja Infrastructure LLP, to set up at Nallakonda, Ananthapur District for generation of power on commercial basis.

The allotment is accorded subjected to the following conditions.

1. The allotment of the land and alienation/lease of the land shall be subject to Govt. orders issued in this regard.
2. The wind power project shall be established in the specified area as indicated in the proposal.

3. The wind power project allotted now is as per the Wind power policy announced by the Govt. of A.P. vide G.O.Ms.No.48 dated 11.04.2008 and G.O.Ms.No.99 dated 09.09.2008 of Energy (RES) department.
4. In case of private lands, the company shall make its own arrangements for procurement of land, subject to approval of the area of operation by NREDCAP.
5. The Company shall install wind turbines, so as not to affect the performance of the other wind turbines and maintain safety standards in consultation with NREDCAP.
6. The company may explore the possibility of installing higher capacity Wind Electric Generators to achieve higher plant load factor.
7. The company shall install the Wind Electric Generators under the project, which are having the approval of Centre for Wind Energy Technology (C-WET)
8. No second hand or used wind turbines, imported from abroad or procured locally shall be installed.
9. If there is any change in the proposal submitted along-with the application, the same shall be brought to the notice of NREDCAP and approval shall be obtained for such changes.
10. The wind farm developer should ensure that the wind mill generate grid quality power with power factor not less than 0.85 and should draw minimum reactive power
11. The company can sell the projects/ sub-projects to promoters with prior approval of NREDCAP/ Government of Andhra Pradesh, duly complying with the payment of fee and other requirements if any.
12. The Company shall abide by the regulations of the Andhra Pradesh Electricity Regulatory Commission (APERC). The proceedings issued by APERC from time to time shall be followed.
13. The company shall enter into Power Purchase Agreement or Open access agreement or Wheeling agreement with DISCOMs as per the policy of the Govt. in this regard from time to time.

14. The company shall pay Rs.1.50 Lakhs per Megawatt as sanction fee to NREDCAP at the time of entering into agreement.
15. The company shall obtain all clearances necessary for installation of wind electric Generators in accordance with statutory provisions, guidelines issued by the Government of India and the Government of Andhra Pradesh from time to time.
16. The company shall complete the financial closure within a period of six months from the date of signing of the Agreement or before such extensions as may be accepted and granted by the NREDCAP on request by the company on account of delays in obtaining all necessary consents, licences, authorizations and clearances required from the Government of Andhra Pradesh and Government of India.
17. The company shall execute the work as per terms of the allotment letter and complete within 18 months from the date of achieving the financial closer. In case, the company fails to execute the work within the stipulated time, NREDCAP will recommend to Govt. for the resumption of land and the project allotment will be cancelled.
18. At the time of land allotment, the company shall give a schedule of execution of the project. The project must be commissioned within a period of two years from the date of this agreement. The company shall provide an irrevocable bank guarantee of Rs.2,00,000/- (Rupees Two lakhs only) per megawatt in case of Govt. lands and Rs.1,00,000/- (Rupees One lakh only) per MW in case of private lands, at the time of agreement, valid for a period of two years (24 months) or a demand draft drawn in favour of NREDCAP, payable at Hyderabad for an equivalent amount in lieu of Bank guarantee, at the time of agreement. The amount will be adjusted against penalties imposed, if any, due to delay in execution of the project.
19. If the company fails to complete the project as per agreed schedule, the penalties will be imposed as per the terms of the agreement and if the project is not commissioned as per the schedule, all permissions including the allotment of land would stand automatically cancelled and the bank guarantee given by the company will be encashed.
20. The company shall permit the other wind developers to use the roads and other infrastructure facilities if any on the allotted land and also provide infrastructure and other facilities for conveyance and for transmission of power necessary in that area.

21. The company shall permit the officers of the New and Renewable Energy Development Corporation of A.P. Ltd / Government of Andhra Pradesh / Government of India for inspection/verification.
22. The company shall prepare an action plan in detail for completion of wind power project allotted within a target period of 2 years and communicate the action plan for each item of work within 3 months from the date of signing of agreement. The company shall submit quarterly progress reports for each quarter ending March, June, September and December. The progress will be reviewed by NREDCAP, based on quarterly report regularly. Based on progress of works against set mile stones, NREDCAP may consider for reduction of Bank guarantee and accordingly to release the proportionate bank guarantee.

The receipt of the letter may be acknowledged.

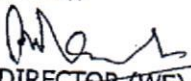
Sd/-
V.C & MANAGING DIRECTOR

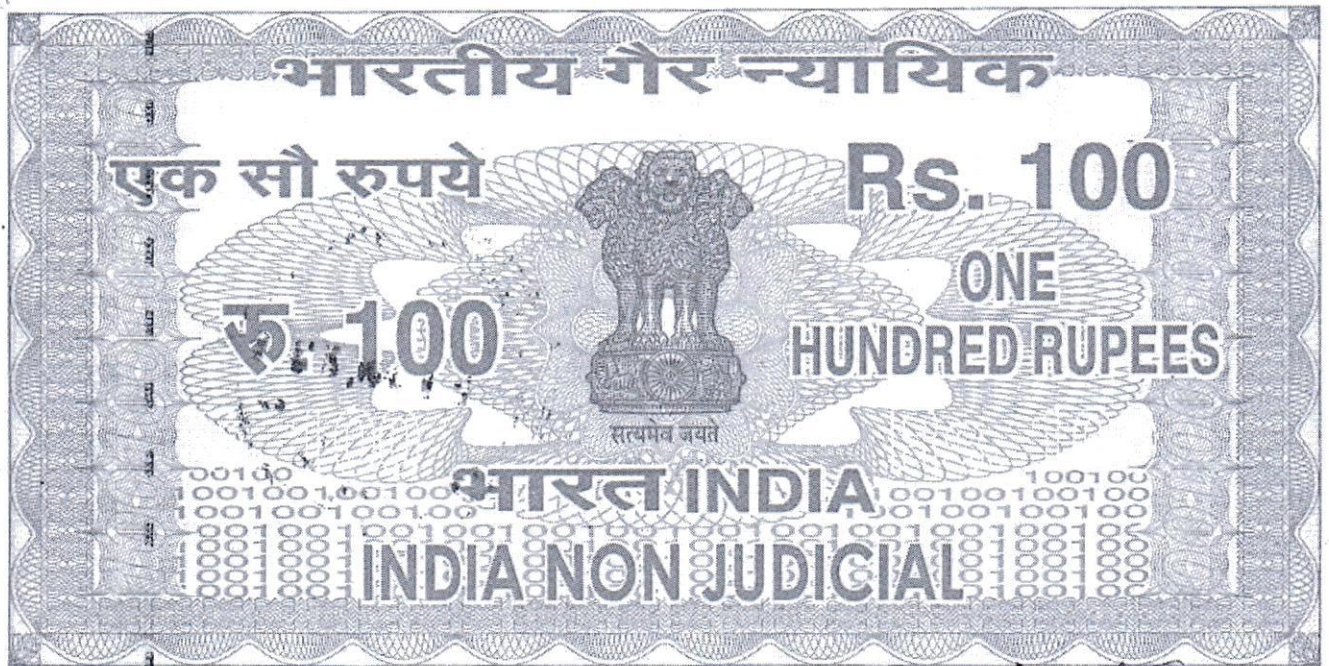
To

M/s. Ray Urja Infrastructure LLP,
Enercon Tower, A-9, Veera Industrial Estate,
Veera Desai Road, Andheri (West)
MUMBAI- 400 053

Copy to the Pri. Secy. to Govt, Energy Dept, Govt. of A.P. Hyderabad.
Copy to Chairman and Managing Director, APCPDCL, Mint Compound, Hyderabad.
Copy to the Chief Engineer, IPC, AP Power Coordination Committee, AP TRANSCO, Hyderabad.
Copy to the District Collector, Ananthapur
Copy to the Executive Engineer (RE), (WD) NREDCAP, Ananthapur Dist

//F.B.O//


PROJECT DIRECTOR (WE)



ఆంధ్రప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

SL. No. 9915 Dt. 6/2/2013.
 Sold To: Veera Reddy
 S/o. W/o. D/o. Veera Reddy & Co
 To Whom: Ray Urja Infra Structure LLP

AV 725290
 K. RAMA CHANDRAVATHI
 Licenced Stamp Vendor
 LIC No: 16-11-27/1999
 REN. No. 16-11-5/2011
 H.No. 6-3-387 Near Himalaya Book World
 Beside Petrol Pump Punjagutta
 HYDERABAD (SOUTH) DISTRICT
 Phone No 23351799 9392490025

AGREEMENT

THIS AGREEMENT is entered into on this 11th day of February 2013 at Hyderabad, by and between

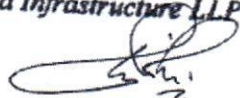
New and Renewable Energy Development Corporation of Andhra Pradesh Ltd., (Formerly NEDCAP) a fully owned State Government Company, registered under the Companies Act, 1956, having its office at 5-8-207/2, Pishah Complex, Nampally, Hyderabad 500 001 (India), represented by its Vice Chairman and Managing Director, hereinafter referred to as the NREDCAP which expression shall, unless it be repugnant to the context or meaning thereof, include its administrators, successors and assigns; of the FIRST PART,

AND

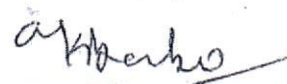
M/s Ray Urja Infrastructure LLP, a company incorporated under the Companies Act, 1956 /a Partnership Firm registered under the Indian Partnership Act 1932, having its registered office at Enercon Towers, A-9, Veera Industrial Estate, Veera Desai Road, Andheri (West), Mumbai - 400 053, represented by its Authorised Signatory Head, Business Development and Operations, Sri Kishan Bir Singh Sirohi hereinafter referred to as the 'Developer' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and permitted assigns, of the SECOND PART.

Contd....2

For Ray Urja Infrastructure LLP


 Authorised Signatory

For New & Renewable Energy Development Corporation of Andhra Pradesh Ltd.


 Vice Chairman & Managing Director

The NREDCAP and the Developer are severally referred to as the Party and collectively as Parties.

WHEREAS,

A. NREDCAP is the Nodal Agency for approval of wind energy projects upto 20 MW capacity and, therefore, for setting up of wind farms in the Potential Areas in the State of Andhra Pradesh as per the guidelines of the Ministry of New and Renewable Energy (MNRE), Government of India and also the guidelines under the New Wind Power Policy of the Government of Andhra Pradesh GOAP) notified through GO MS No.48, Energy (Res) Department, dated 11-04-2008 (hereinafter called the 'Policy') as well. For the projects with more than 20 MW capacity, the Go AP. grants clearance on the recommendations of NREDCAP. The Policy, inter-alia, aims at encouraging optimum utilization of the available wind power potential in the State by facilitating adoption of state of art technology through private participation, balancing the interest of the customers and the developers, permitting the developers for using the power produced for captive consumption or making sale to a third party or to DISCOMs as per the guidelines under the Policy, and the Indian Electricity Act 2003 and the rules and regulations made and the directions issued by GOAP thereunder. Under the Policy the Developer is also eligible for certain incentives and concessions.

B. Under the Policy the Eligible Developers have to approach NREDCAP with the prescribed application for allotment of wind power capacity allotment in the potential areas. After due consideration of the eligibility and other factors, NREDCAP sanctions the capacity in favour of the applicant duly specifying the terms and conditions of sanction. On fulfillment of the conditions of the sanction, the Developer has to approach the Government/District Collector in case the potential area is located in the government lands for allotment of land as recommended by NREDCAP, and in case the potential area is located in private lands the Developer shall acquire the land from the owners.

C. The Developer has submitted an application on 02nd February, 2011 for allotment of 20 MW capacity in Nallakonda site, Penukonda Mandal, Anantapur District (hereinafter called the 'Area') and NREDCAP, through its sanction letter No. NREDCAP/WE/Rayurja/9663/2013/, dated 11.02.2013 has sanctioned for setting up and operation of the Wind Farm Project for generation of 20 MW capacity in Nallakonda Area, Penukonda Mandal, Anantapur District (hereinafter called the 'Project') stipulating the terms and conditions therefor and for entering into this Agreement.

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For Ray Urja Infrastructure LLP



Authorized Signatory

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.



Vice Chairman & Managing Director

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the words and expressions, unless and otherwise defined or described herein, shall, unless repugnant to the context or meaning thereof, have the meaning assigned in the Andhra Pradesh Electricity Reforms Act 1998 (APEREC Act), the Indian Electricity Act 2003 and GO MS. No. 48, Energy (RES) Department, dated 11-04-2008.

1.2 Public Interest

The award, Development, Operation and Maintenance of the Project is in public interest.

1.3. Essence of Time

As the Project Implementation is as per a pre-decided time schedule, the Developer shall ensure that the Project is executed within the Project Implementation Period, to be specific on or before the COD.

ARTICLE 2

GRANT OF ALLOTMENT

SANCTION OF ALLOTMENT OF CAPACITY

Subject to and in accordance with the terms and conditions set forth in this Agreement and the Developer undertaking to observe and perform the covenants, obligations, responsibilities, terms and conditions of the Agreement NREDCAP hereby sanctions setting up by the Developer of a Wind Farm Project in the identified Potential Area of Anantapur District for generation of 20 MW capacity of wind power for commercial use (sale)/partly for captive consumption (0 MW) and partly for commercial use (sale) (20 MW).

2.1 Financing

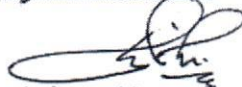
The Developer shall set up and operate the Project with its own finance. There shall be no financial contribution from NREDCAP.

2.2 Applicability of other Laws

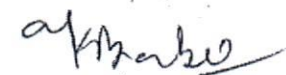
The sanction of the Project and its development and operation by the Developer shall be subject to the Indian Electricity Act 2003 and the Rules and Regulations made thereunder

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For Ray Urja Infrastructure LLP


Authorised Signatory

*For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.*


Vice Chairman & Managing Director

from time to time; the Regulations and directions of the Andhra Pradesh Electricity Regulatory Commission (APERC); the Policy as amended from time to time and all other Applicable Laws.

2.4 Sanction Fee

The sanction fee paid by the Developer in terms of the sanction letter for entering this Agreement is one-time payment and non-refundable.

2.5 Facilitation by NREDCAP

NREDCAP may assist the Developer in securing the required clearances for the Project at the State and Central Government levels and grant of loans by IREDA/PFC/REC and other terms loan Agencies/Commercial Banks without any liability of whatever nature in the event of rejection or delayed issue of such clearances by the relevant agencies. However, this could not be binding on NREDCAP.

2.6 Regulation of Allotment

The Policy empowers NREDCAP to regulate the allotment of wind generation power projects.

ARTICLE 3

LAND ALLOTMENT

3.1 Allotment of Government Land

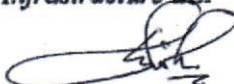
(a) The Developer shall make an application to Government of Andhra Pradesh/District Collector through NREDCAP to the extent of the land required in case the land where the Project is being set up is Government land with reference to the extent required vs-a-vis the capacity allotted.

(b) The Developer shall submit a micro-siting map to NREDCAP duly indicating the extent of land along with survey number details. After due scrutiny and vetting of the micro siting map, NREDCAP will recommend the proposal to the District Collector to consider allotment of land for the Project. The extent area of approved could be same or different from the area sought by the developer as per the micro siting map submitted by the developer within the same potential area as per the MNRE guidelines and the decision of NREDCAP shall be final and binding. NREDCAP shall not be responsible nor shall it be liable for non-allotment of the land by the Government for whatever reasons.

3.2 Private Land

Where the Project proposed to be set up is in a private land, the Developer shall make its own arrangements for procurement of land, subject to approval of the area of operation by NREDCAP.

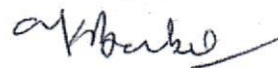
For Ray Urja Infrastructure LLP



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*For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.*



Vice Chairman & Managing Director

3.3 Proportionate Allotment

(a) The Developer is aware that the capacity allotment in the potential areas is based on the wind power potential estimated in the micro survey reports prepared by the C-WET or NREDCAP and that the wind power potential assessment made either by C-WET or NREDCAP is only an estimate on broad basis and actual potential may be higher or lower than the estimation made.

(b) In all such cases of variation, NREDCAP shall have the right as under and the Developer hereby undertakes to abide by the decision of NREDCAP therefor.

(i) In cases where the actual potential is less than the capacity provisionally allotted based on the estimated capacity, NREDCAP shall have the right, without any liability of whatever nature, to allot the land, government or private, proportionately among the various project developers in the same Area based on the actual potential at the site, and

(ii) In case where the actual potential is higher than the provisionally allotted capacity, the provisionally allotted capacity will remain the same and the land, government or private, will accordingly be allotted proportionally with reference to the actual capacity among the various project development in the same area and any surplus land left over in the area will be allotted to the new developers.

ARTICLE 4

PROJECT COMPLETION AND OPERATION

4.1 Project Completion Period

The Project Completion shall be within 24 months from the date of the Agreement that includes the time required for securing all the Applicable Clearances, Approvals etc., and for Financial Closure. At the time of land allotment, the Developer shall submit to NREDCAP a Project Completion Schedule with set timelines for each component for approval of and monitoring by NREDCAP.

4.2 Delays in Project Completion

(a) In case of any delay in achieving the timelines under any of the components as per the approved Project Completion Schedule the Developer shall pay to NREDCAP a penalty by way of liquidated damages Rs.40,000 per MW (Rupees Forty thousand only) in case the Project is being set up in Government land; and Rs.20,000 per MW (Rupees Twenty thousand only) in case the Project is being set up in private land, for each 15 days delay or fraction thereof provided such delay shall not extend beyond three months. The said liquidated damages shall be payable by the Developer within such time as may be stipulated in the Notice.

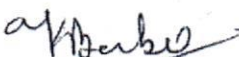
For Ray Urja Infrastructure Ltd.



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For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.



Vice Chairman & Managing Director

(b) In the event of Developer failing to pay the amount under Clause (a) above within the stipulated time, the Performance Guarantee will be invoked for the equivalent amount, in which case the Developer shall replenish the invoked amount or shall submit a fresh Guarantee within 7 (Seven) days from the date of such invocation. Failure to do so shall be an event of default and notwithstanding anything contained in the Agreement and without prejudice to its rights and entitlements NREDCAP will have if any under the Agreement, the Agreement shall stand terminated without any further notice of whatever nature and the Developer hereby consents for the same.

(c) If the Project is not completed even within the aforesaid three months beyond the schedule date of completion, notwithstanding anything contained in the Agreement, the Agreement shall stand terminated at the instance of the Developer without any requirement of issue of any prior notice of whatever nature and the Performance Guarantee shall also stand forfeited. All Clearances, Approvals and Permissions etc., since secured by the Developer shall become inoperative subject to the terms and conditions of issue of such Clearances, and the allotment of land shall also stand withdrawn and resumed.

(d) NREDCAP or the appropriate authority, on a representation made by the Developer, may grant extension of time for completion of the Project on reasonable and justifiable grounds as in the cases of delay in handing over of the land by the District Collector in spite of sincere approach for the same by the Developer or acquiring the land due to Force Majeure event or any other legal issues or administrative regulations of the Government or any other valid reasons of which the NREDCAP or the appropriate authority consider appropriate and fit. However, such extension shall not be more than 12 months in case of private or Govt. land and or more than 36 months in case of forest lands

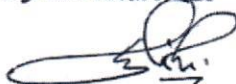
ARTICLE 5

PERFORMANCE GUARANTEE

(a) For due and satisfactory performance of its obligations under the Agreement, the Developer has submitted an irrevocable Bank Guarantee towards Performance Guarantee No.2013/7 Date 05.02.2013, for Rs. 40,00,000 (Rupees Forty lakh Rupees only) issued by Corporation Bank, Versova Branch, Mittal Chambers, Nariman Point, Mumbai-400021 valid for a period of two years (24 months).

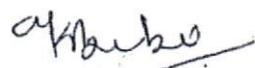
(b) In all cases where the Project is not completed within twenty four months and the Agreement is not terminated for whatever reasons including extension of time by levying penalties as in Article 4 above or for any other reasons as provided in the Agreement, it shall be the responsibility of the Developer to get the Bank Guarantee extended within 7 (seven) days of expiry of 24 months, failing which the Agreement shall be deemed to have expired or to have been terminated at the end of the 24th month irrespective of the progress in the Project Completion made.

For Ray Urja Infrastructure LLP


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For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

(c) The Performance Guarantee will be invoked for any defaults of the Developer and/or towards any dues to NREDCAP as stipulated herein above and also as provided in the Agreement.

(d) NREDCAP, on an application made by the Developer, may consider releasing proportionate amount of Performance Guarantee based on the substantial progress made in the Project Completion. The decision of NREDCAP in the matter of 'substantial progress' and the quantum of amount to be released shall be final and binding on the Developer and no correspondence from the Developer in this regard shall be entertained.

ARTICLE 6

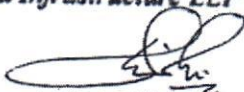
OBLIGATIONS OF DEVELOPER

6. In addition to and not in derogation or substitution of any of the obligations set out elsewhere in this Agreement, the Developer shall as mandatory obligation-

- (a) Set up the Project in the specified and demarcated site of the Area.
- (b) Ensure that the wind turbines installed shall not affect the performance of the other wind turbines and maintain safety standards in consultation with NREDCAP.
- (c) Explore the possibility of installing higher capacity Wind Electric Generators to achieve higher plant load factor and that the Wind Electric Generators under the project having the approval of C-WET shall only be installed.
- (d) Ensure that no second hand or used wind turbines, imported from abroad or procured locally shall be installed.
- (e) Report to NREDCAP if there is any change in the proposal submitted along-with the application, and obtain prior written approval of NREDCAP for such changes.
- (f) Ensure that the wind mill generate grid quality power with power factor not less than 0.85 and should draw minimum reactive power.
- (g) Enter into the Power Purchase Agreement or Open Access Agreement or Wheeling Agreement with DISCOMs in terms of the Policy and the orders and/or guidelines of the Government of Andhra Pradesh issued thereunder and also the Indian Electricity Act 2003 and the rules and regulations made thereunder, from time to time.

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For Ray Urja Infrastructure LLP



Authorised Signatory

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.



Vice Chairman & Managing Director

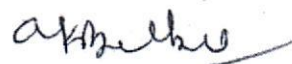
- (h) Secure and keep in force at all times all Applicable Clearances, Permits, Sanctions, Approvals and No Objection Certificates necessary for setting up of the Project including installation of Wind Electric Generators under the Applicable Laws from the Relevant Authorities.
- (i) The company shall enter into Power Purchase Agreement with DISCOMs in respect of Govt. and Forest areas, as per the policy of the Govt. in regard from time to time. In case of wind power capacities set up in private land, the developer shall enter into Power Purchase Agreement or Open Access Agreement or Wheeling Agreement with DISCOMs as per policy decided by the Govt.
- (j) Achieve the Financial Closure within a period of six months from the date of signing of the Agreement or earlier thereto subject to any extension granted in writing by NREDCAP at the request of the Developer either due to delays in securing the Clearances etc. under Clause (h) above or due to any Force Majeure Event. Any extension so granted by NREDCAP shall not ipso-facto extend the Project Completion Period.
- (k) Permit the other wind developers to use the roads and other infrastructure facilities if any on the allotted land and also provide infrastructure and other facilities for conveyance and for transmission of power necessary in that area.
- (l) Ensure in case of company, the shareholder having highest equity in the paid up capital of the company shall continue to hold the same and in any case not less than 26% in case of Partnership firm the Partner holding highest stake in the Firm shall continue as such minimum period of one year after commissioning of the project. This will not be applicable in respect of manufacturers and suppliers of machinery for transfer of capacity once the development is made at the site. No change in the shareholding pattern / the Parties stake in the Firm shall be made without the written approval of NREDCAP. However, the Developer is allowed to sell projects/sub-projects to their customers after development of site with infrastructure including the power evacuation arrangements.
- (m) Ensure that the Project Site remains free from all encroachments and take all steps necessary to remove encroachments, if any;
- (n) Make payment to any Government Agency, if required, for provision of such services as are not provided in the normal course or are available only on payment;

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For Ray Urja Infrastructure LLP


Authorized Signatory

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

- (o) operate and maintain the Project at all times during the Operations Period in conformity with this Agreement including but not limited to the Specifications and Standards, and Good Industry Practice and as per the orders/guidelines of the Government of Andhra Pradesh under the Policy; and the Indian Electricity Act 2003 and the rules and regulations made thereunder from time to time.
- (p) Keep and maintain the Project Site in a neat and clean and hygienic condition and in conformity with the Applicable Laws and Applicable Permits;
- (q) Comply with all the terms and conditions and satisfactorily performance of all its obligations stipulated under this Agreement in addition to such other obligations and undertakings under the provisions of the land allotment and PPA.
- (r) Alone be responsible for all or any risks of whatever nature attached or inherent to development, construction, marketing, operation of and investment in the Project.
- (s) Report to NREDCAP of any default notices issued by the Relevant Authorities in matters concerning the setting up of the Project or its operation and maintenance and the remedial measures being taken/taken by it.
- (t) Pay and discharges all taxes, levies, charges, fees, cess, levies and other impositions of whatever description under law including the service tax concerning the subject matter of the Agreement

ARTICLE 7

PROJECT COMPLETION CERTIFICATE AND INSPECTIONS

7.1. Project Completion Certificate

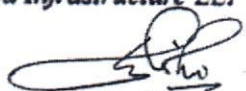
The Project shall be deemed to have been completed in terms of this Agreement, only after inspection and testing and on issue of the completion certificate by the concerned DISCOM (Power Distribution Company of Andhra Pradesh) or AP Transco (Transmission Corporation of Andhra Pradesh), as the case may be.

7.2 Inspections

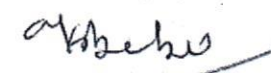
NREDCAP through its Authorised Officer/s shall have the right and similarly the officers of other departments/organizations of the Government of India or the Government of Andhra Pradesh having jurisdiction over the Project for inspection of the Project and the Developer shall permit such inspections and failure to do so by the Developer shall be a default.

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For Ray Urja Infrastructure LLP


Authorized Signatory

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

7.3 Periodical Reports

The Developer shall submit quarterly progress reports for each quarter ending March, June, September and December for review by NREDCAP until commissioning of the Project and thereafter monthly progress reports on power generation.

ARTICLE 8

EVENTS OF DEFAULT AND TERMINATION

8.1 Event of Default and Termination

- (a) Save and except as otherwise provided in the Agreement, in case of any default of the Developer, NREDCAP shall have the right to terminate the Agreement with 30 (thirty) days advance notice.
- (b) Upon Termination under Clause (a) above, NREDCAP shall have no obligation to compensate the Developer in any manner.

ARTICLE 9

MISCELLANEOUS

9.1 Dispute Resolution

(a) Amicable Resolution

Save where expressly stated otherwise in this Agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement including completion or otherwise of the Project between the Parties and so notified in writing by either Party to the other (the "Dispute") in the first instance shall be attempted to be resolved amicably by the Parties.

(b) Appeal

In the event of the Parties not finding an acceptable solution to the dispute(s) within 30(thirty) days, the Developer may appeal to the Chairman of the Board of Directors of NREDCAP whose decision shall be final and binding.

9.2 Governing Law and Jurisdiction

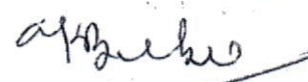
This Agreement shall be construed and interpreted in accordance with and governed by the laws of India and the Courts at Hyderabad, Andhra Pradesh State, India shall have jurisdiction over all matters arising out of or relating to this Agreement.

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For Ray Urja Infrastructure LLP


Authorized Signatory

For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.


Vice Chairman & Managing Director

9.3 Waiver

(a) Waiver by either Party of any default or any rights under the Agreement by the other Party in the observance and performance of any provision of or obligations or under this Agreement

- i. Shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions or obligations under this Agreement
- ii. Shall not be effective unless it is in writing and executed by a duly authorized representative of such Party; and
- iii. Shall not affect the validity or enforceability of this Agreement in any manner.

(b) Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

9.4 Amendments

This Agreement and the Schedules together constitute a complete and exclusive statement of the terms of the Agreement between the Parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless agreed to by the Parties hereto and evidenced in writing.

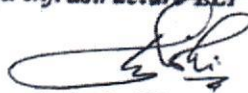
9.5 Exclusion of Implied Warranties etc.

This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the Parties or any representation by any Party not contained in a binding legal agreement executed by the Parties.

9.6 Counterparts

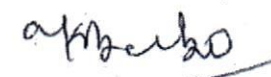
This Agreement shall be executed in two counterparts on non-judicial papers of Rs.100/-

For Ray Urja Infrastructure LLP


Authorized Signatory

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**For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.**


Vice Chairman & Managing Director

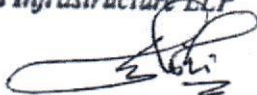
each and registered if required under law at the cost and expense of the Developer which when executed and delivered shall constitute an original of this Agreement.

IN WITNESS WHEREOF THE, PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

Signed, Sealed and Delivered

For and on behalf of Developer by:

For Ray Urja Infrastructure LLP



Authorised Signatory

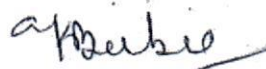
Signature of Authorised Person

Mr. Kishan Bir Singh Sirohi

Head- Business Development and Operations

Signed, Sealed and Delivered

For and on behalf of the NREDCAP
For New & Renewable Energy Development
Corporation of Andhra Pradesh Ltd.



Signature of Authorised Person
Vice Chairman & Managing Director

Mr. Kamalakar Babu

Vice Chairman and Managing Director

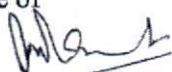
Witnesses

In the presence of

1) Signature

Name

Address



P.V. Ramach

P.D. NREDCAP

2) Signature

Name

Address



B.N. Chaitanya.

Enerscon (India) Limited, Hyderabad.