

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
3RD AND 4TH FLOOR, CHANDRALOK BUILDING,
36, JANPATH, NEW DELHI – 110 001
PETITION NO. /MP/2024

IN THE MATTER OF:

POWERGRID NM Transmission Company Limited,
(Previously known as Nagapattinam – Madhugiri
Transmission Company Limited) - Petitioner

Versus

IL & FS Tamil Nadu Power Company Limited & Ors. - Respondents

INDEX OF PAPERS

S. NO.	PARTICULARS	PAGES NOS.
1.	Petition under Section 63 and Sections 79 (1) (c) and (d) of the Electricity Act, 2003 read with Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for allowing cost overrun and the approval of increase in tariff adopted for Nagapattinam-Salem- Madhugiri Transmission System on account of Force Majeure and Change in Law events in terms of the liberty granted vide Order dated 11.03.2023 passed by this Hon'ble Commission in Petition No. 333/MP/2019	1-26
2.	Annexure 'A': A copy of the TSA dated 02.02.2012 executed between the Petitioner and IL & FS	27-137
3.	Annexure 'B': A copy of the Memorandum of Appeal filed by the Petitioner in Appeal No. 166 of 2021 (without annexures)	138-179
4.	Annexure 'C': A Copy of the Item-wise cost assumed for various components at the time of the bidding (totaling to Rs. 668 Crores)	180-181
5.	Annexure 'D': A Copy of the final award cost is Rs. 887.27 Crores i.e. actual cost of such components in terms of the various contracts awarded by the Petitioner	182
6.	Annexure 'E': A copy of the Tabular Statement	183

7.	Annexure 'F' (Colly): A copy of the Circular No. 41/2000 dated 27.07.2020, Steering Committee Meeting of the State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) held on 03.02.2010 and Minutes of 2nd Meeting of the Regional Empowered Committee	184-222
8.	Annexure 'G' (Colly): A Copy of the relevant demand notes issued by the Tamil Nadu Forest Department to the Petitioner 18.03.2015, 26.05.2015, 14.07.2015, 20.06.2018, 01.08/09.2018 for submission of charges in respect of forest areas	223-235
9.	Annexure 'H': A copy of the Notice of Change in Law issued by the Petitioner to IL & FS dated 20.04.2015	236
10.	Annexure 'I' (Colly): A copy of the Demand Notes dated 18.11.2010 and 19.11.2010 issued by the Railway authorities	237-238
11.	Annexure 'J': A copy of the Notice of Change in Law issued by the Petitioner to IL & FS dated 04.10.2015	239-242
12.	Annexure 'K' (Colly): Copies of demand raised by Railway Authorities	243-251
13.	Annexure 'L': A copy of the Judgment of Hon'ble High Court of Madras dated 12.04.2019 in Writ Petition 16460 of 2018	252-262
14.	Form-I	263-264
15.	Vakalatnama	265

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PLACE: NEW DELHI

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AND

IN THE MATTER OF:

POWERGRID NM Transmission Company Limited,
(Previously known as Nagapattinam – Madhugiri
Transmission Company Limited)
'Saudamini', Plot No. 2, Sector 29,
Gurgaon – 122 001

Address for correspondence:

C/o ED (TBCB),
Power Grid Corporation of India Limited,
Saudamini, Plot no.2, Sector -29
Gurgaon 122001

- Petitioner

Versus

1. IL & FS Tamil Nadu Power Company Limited,
'D' Block, Naveen Pseudium, 4th Floor,
103, Nelson Manickkam Road,
Aminjikarai, Chennai – 600 029

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2. Tamil Nadu Generation and Distribution Corporation Limited,
(Formerly Tamil Nadu Electricity Board-TNEB),
NPKRR Maaligai, 800, Anna Salai,
Chennai-600 002
 3. Chief Engineer (PSPM)
Central Electricity Authority
PSPM Division, Sewa Bhawan
Rama Krishna Puram
New Delhi-110 066
 4. Chief Operating Officer
Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector-29
Gurgaon - 122001
- Respondents

PETITION UNDER SECTIONS 79 (1) (C) AND (D) READ WITH SECTION 63 OF THE ELECTRICITY ACT, 2003 AND REGULATION 23 OF THE CENTRAL ELECTRICITY REGULATORY COMMISSION (CONDUCT OF BUSINESS) REGULATIONS, 2023 FOR ALLOWING COST OVERRUN AND THE APPROVAL OF INCREASE IN TARIFF ADOPTED FOR NAGAPATTINAM – SALEM – MADHUGIRI TRANSMISSION SYSTEM ON ACCOUNT OF FORCE MAJEURE AND CHANGE IN LAW EVENTS IN TERMS OF THE LIBERTY GRANTED VIDE ORDER DATED 11.03.2023 PASSED BY THIS HON'BLE COMMISSION IN PETITION NO. 333/MP/2019.

MOST RESPECTFULLY SHOWETH:

1. The Petitioner, POWERGRID NM Transmission Company Limited (hereinafter the '**POWERGRID**' or the '**Petitioner**') is a Company incorporated under the provisions of the Companies Act, 1956 and has its registered office at B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi - 110016. The Petitioner is a wholly owned subsidiary of Power Grid Corporation of India Limited (hereinafter '**POWERGRID**').

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2. The Petitioner, earlier known as Nagapattinam – Madhugiri Transmission Company Limited, was incorporated on 19.08.2011 as a Special Purpose Vehicle for the purpose of developing and implementing the *"Transmission System associated with IPPs of Nagapattinam/ Cuddalore Area: Package-A"* (hereinafter the '**Transmission Project**').
3. IL & FS Tamil Nadu Power Company Limited (hereinafter '**IL & FS**'), the Respondent No. 1 herein is a generating company incorporated under the provisions of the Companies Act, 1956 and has set up a 1200 MW (2 x 600 MW) imported coal based thermal power plant at Cuddalore District, Tamil Nadu. IL & FS is also the sole Long Term Transmission Customer (hereinafter '**LTTC**') in terms of the pre-signed Transmission Service Agreement furnished by the BPC to the Petitioner.
4. Tamil Nadu Generation and Distribution Corporation Limited (hereinafter '**TANGEDCO**'), the Respondent No. 2, is the distribution licensee under the provisions of the Electricity Act, 2003 and has been vested with the distribution and retail supply functions in the State of Tamil Nadu. TANGEDCO is the beneficiary of the power generated from IL & FS's generating station.
5. The Central Electricity Authority (hereinafter, '**CEA**'), the Respondent No. 3 herein is a body set up to perform functions as delineated in Section 73 of the Electricity Act, 2003.
6. The Central Transmission Utility of India Limited (hereinafter the '**CTUIL**'), the Respondent No. 4 herein, is the Central Transmission Utility under Section 38 of the Electricity Act, 2003 and acts as nodal agency in relation

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to the transmission of electricity in the Country and is regulated by this Hon'ble Commission.

7. The present petition has been filed in compliance to this Hon'ble Commission's directions in Order dated 11.03.2023 in Petition No. 333/MP/2019, in terms of which the Petitioner was been granted liberty to claim cost overrun and consequent increase in adopted transmission tariff on account of following Force majeure and change in law events;
 - (a) Increase in tariff corresponding to period 29.09.2012 (6 months after effective date of 29.03.2012) to 20.06.2013 (interim order in transmission license petition);
 - (b) Recovery of Compensation for Compensatory Afforestation;
 - (c) Increase in deposit amount paid to Railway Divisions as per deposit notes for crossing of Railways lines; and
 - (d) Payment of Land Compensation in the State of Tamil Nadu as per Judgment of Hon'ble High Court of Madras dated 12.04.2019 in W.P. No. 16460 of 2018.
8. In view of the above the factual background of the present petition is as under:
9. The Petitioner, earlier known as Nagapattinam - Madhugiri Transmission Company Limited, was incorporated on 19.08.2011 as a Special Purpose Vehicle (SPV) by Bid Process Coordinator ('BPC'), namely, PFC Consulting Limited for the purpose of developing and implementing the *"Transmission System associated with IPPs of Nagapattinam/ Cuddalore Area: Package-A"* (Transmission Project) under the Tariff Based Competitive Bidding route. POWERGRID was selected as a successful



bidder in a competitive bid process to implement the Transmission Project.

10. On 02.02.2012, the Petitioner (then under the control of the BPC) had executed the Transmission Service Agreement (hereinafter '**TSA**') with the IL & FS, the sole LTTC. In terms of the TSA, the scope of the transmission system covered under the Transmission Project is as under:

"All Elements of the Project are required to be commissioned progressively as per the schedule given in the following table;

Sl. No.	Name of Transmission Element	Scheduled COD in months from effective date	Percentage of Quoted Transmission Charges recoverable on Scheduled CoD of the Element of the Project	Elements which are pre-required for declaring the commercial operation (CoD) of the respective Element
1.	765 kV D/C Nagapattinam Pooling Station - Salem ELEMENT NO. 1	36 months	-	Salem - Madhugiri 765kV, S/C Line
2.	765 kV S/C Salem - Madhugiri ELEMENT NO. 2	36 months	-	Nagapattinam Pooling Station - Salem, 765kV D/C Line

The payment of Transmission Charges for any Element irrespective of its successful commissioning on or before its Scheduled COD shall only be considered after successful commissioning of the Element(s)

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which are pre required for declaring the commercial operation of such Element as mentioned in the above table.

Scheduled CoD for overall project: 36 months from Effective Date."

A copy of the TSA dated 02.02.2012 executed between the Petitioner and IL & FS is attached hereto and marked as '**Annexure A**'.

11. On 06.03.2012, the BPC had issued the Letter of Intent (LOI) to POWERGRID. Pursuant to which the POWERGRID acquired the entire shareholding of BPC in the SPV.
12. The effective date, in terms of the Article 2.1 of the TSA was 29.03.2012 i.e., the date when POWERGRID furnished the Performance Guarantee of Rs. 45 Crores, paid the acquisition price for the shares of the Petitioner and executed the Share Purchase Agreement. In terms of the Schedule 3 of the TSA (quoted above), the Scheduled Commercial Operation Date (hereinafter '**SCoD**' or '**Scheduled CoD**') was 36 months from the Effective Date.
13. On 04.04.2012, the Petitioner had filed a Petition for Grant of Transmission License being No. 121/TL/2012 before this Hon'ble Commission. Pursuant to the same, on 20.06.2013, this Hon'ble Commission passed its order in Petition No. 121/TL/2012, thereby granting the Transmission License to the Petitioner.
14. Similarly, on 04.04.2012, the Petitioner had also filed a Petition for adoption of Transmission charges being No. 122/2012 in compliance to the standard bidding documents for Tariff Based Competitive Bidding

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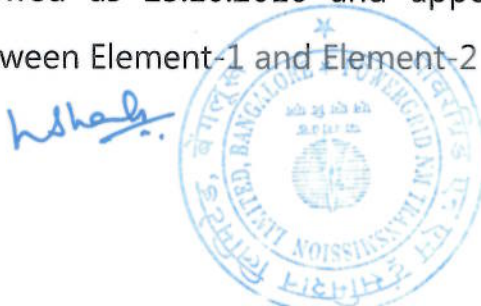
(TBCB) before this Hon'ble Commission. On 09.05.2013, this Hon'ble Commission passed its order in Petition No. 122 of 2012 thereby adopting the tariff quoted by POWERGRID in the competitive bidding process.

15. It is submitted that vide order dated 20.12.2015 in Petition No. 121/TL/2012, this Hon'ble Commission had revised the SCoD in regard to both the elements to 20.12.2015 as under:

*"12. The petitioner is directed to go ahead with execution of the project. As regards the extension of time for execution of the project, the petitioner is required to execute the project within 36 months from the effective date and is required to obtain the transmission licence within 6 months from the effective date in terms of Article 3.1.3 of the TSA. In other words, **the petitioner is required to implement the project within 30 months from the date of grant of transmission licence. In this case the petitioner was granted transmission licence on 20.6.2013 and accordingly, the petitioner should execute the project within a period of maximum 30 months with effect from 20.6.2013.**"*

[Emphasis Supplied]

16. On 23.10.2016, the Element 1 of the Transmission System was completed in all respects and was also put to use, with a delay of 308 days with reference to the Revised SCoD. Similarly, on 26.01.2019, the Element No. 2 was completed, with a delay of 1133 days from the Revised SCoD. Thus, by 26.01.2019, the entire transmission system within the scope of work of the Petitioner had been put to use.
17. On 22.03.2017, the Petitioner had filed Petition No. 62/MP/2017 before this Hon'ble Commission, seeking for the Actual CoD for Element 1 to be allowed as 23.10.2016 and apportionment of transmission charges between Element-1 and Element-2 of the Transmission Project.

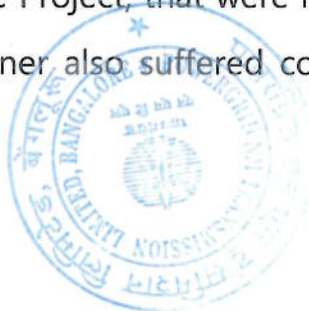


18. On 26.03.2018, this Hon'ble Commission had passed its order in Petition No. 62/MP/2017, inter-alia, holding as under:

"27. In our view, since there is no provision in the RfQ/RfP and TSA regarding apportionment of transmission charges between different elements of the transmission system being executed through TBCB route, and no certificate of CEA is available to the effect that commissioning of Nagapattinam-Salem transmission line is in the interest of the power system and safety and security of the grid. Moreover, the orders of the Commission dated 26.11.2015 and 28.1.2016 in Petition Nos. 122/MP/2015 and 284/ADP/2015 respectively are not applicable to the instant petition. Further, as per the Petitioner, the Madhugiri-Salem transmission line is expected to be commissioned in July, 2018. We are of the considered view that the Petitioner shall be entitled for tariff for the entire transmission system after the Madhugiri-Salem transmission line is put under commercial operation."

19. In view of the above, the Petitioner had filed a Review against order dated 26.03.2018, being No. 19/RP/2018. However, the said Review Petition No. 19/RP/2018 was rejected by this Hon'ble Commission vide Order dated 08.01.2020.
20. On 18.02.2020, the Petitioner had filed an Appeal being No. 166 of 2021 against the order dated 26.03.2018 and the same is pending for adjudication before the Hon'ble Appellate Tribunal. A copy of the Memorandum of Appeal filed by the Petitioner in Appeal No. 166 of 2021 (without annexures) is attached hereto and marked as '**Annexure B**'.
21. It is submitted that the Petitioner was prevented to complete and commission the Transmission Project on time, on account of various unforeseen and uncontrollable force majeure events that took place after the award of the Project, that were not attributable to the Petitioner. In addition, Petitioner also suffered cost over run on account of various

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Change in law events during the implementation of the Transmission Project.

22. On account of the above, the implementation of the Project at the bid tariff had become commercially impracticable for the Petitioner. Consequently, the Petitioner was constrained to file a Petition being Petition being No. 333/MP/2019, before this Hon'ble Commission seeking allowance of time overrun and cost overrun; and the approval of increase in tariff adopted for Transmission Project on account of Force Majeure and Change in Law events encountered during execution of the Project.
23. On 11.03.2023, this Hon'ble Commission passed its Order in Petition No. 333/MP/2019, thereby allowing the time-overrun and cost overrun amongst other reliefs as claimed by the Petitioner. The summary of the claims considered by this Hon'ble Commission in the Impugned Order is as under: -

Sr.	Particulars	Decision
A	Cost overrun due to delay in grant of transmission licence/adoption of tariff and clearance to commence the Project	Partly allowed and liberty is granted to approach with all requisite details.
B	Extension of SCOD of the Project till 26.1.2019	Allowed
C	Change in Law	
(i)	Increase in Excise Duty from 12.36% to 12.50%	Allowed
(ii)	Enactment of GST Laws w.e.f 1.7.2017	Allowed
(iii)	Increase in (i) cost of Compensatory Afforestation of lines and (ii) NPV due to Notification dated 2.3.2015 issued by Govt. of Tamil Nadu declaring Tal Reserve as Wildlife Sanctuary	(i) Liberty is granted to approach along with all the necessary/ supporting details (ii) Allowed
(iv)	Enhancement of tree compensation	Allowed subject to the observations in paragraph 96
(v)	Notification dated 18.6.2017 by Government of Karnataka for payment of land compensation in the State of Karnataka as per Order orders passed by District Commissioner/ Deputy Collector	Allowed subject to observations in paragraphs 101 & 102
(vi)	Payment of land compensation in the State of Tamil Nadu as per Judgment of Hon'ble High Court of Madras dated 12.4.2019 in W.P.No. 16460 of 2018	Liberty is granted to approach with complete justification/necessary details once such expenditure is incurred
(vii)	Increase in deposit amount paid to Railway Divisions as per deposit notes for crossing of Railways lines	Disallowed

D	Increase in cost of IDC and IEDC due to delay in completion of line due to Change in Law & Force Majeure events	Allowed subject to observation in paragraph 115
E	Carrying Cost	Allowed Subject to observation in paragraph 121

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24. In compliance to the order dated 11.03.2023, the Petitioner has provided documentary proof to LTTCs regarding increase in cost of the Transmission Project on account of allowed change in law claims and consequently corresponding increased Non-Escalable Transmission Charges has been claimed by Petitioner and billing is done accordingly. Further, as detailed above, this Hon'ble Commission vide order dated 11.03.2023 has also granted liberty to the Petitioner to approach this Hon'ble Commission along with all the necessary/supporting details in respect of the following change in law events: -

- a. Cost overrun due to delay in grant of transmission licence/adoption of tariff and clearance to commence the Project;
- b. Increase in cost of Compensatory Afforestation of lines;
- c. Payment of Land Compensation in the State of Tamil Nadu as per Judgment of Hon'ble High Court of Madras dated 12.4.2019 in W.P. No. 16460 of 2018; and
- d. Increase in deposit amount paid to Railway Divisions as per deposit notes for crossing of Railways lines.

25. In the facts and circumstances mentioned above the Petitioner is filing herewith the present petition seeking reliefs in respect of the following issues: -

A. COST OVERRUN ON ACCOUNT OF DELAY IN GRANT OF TRANSMISSION LICENCE AND ADOPTION OF TRANSMISSION CHARGES

26. In regard to the cost overrun on account of delay in grant of transmission license and adoption of transmission charges, the issue has been

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considered by this Hon'ble Commission in the order dated 11.03.2023 passed in Petition No. 333/MP/2019, inter-alia, as under:

50. It cannot be disputed that under the tariff based competitive bid projects, the tariff quoted by the bidder are keeping in view the timeline of the projects to be executed and any unavoidable delay in grant of the transmission licence beyond the control of the said party has an effect of dislodging the quoted tariff on account of the time and cost overruns and therefore, to the extent that such events qualify to be Change in Law as well as Force Majeure event (having simultaneous effect of cost and time overrun), an appropriate relief ought to be granted to the licensee. However, at the same time, it does not give the licensee a free hand to delay the implementation/construction works once the effect of the such events have been abated and the Commission has proceeded to issue licence with categorical direction to proceed with implementation of the Project. In the present case, as per the TSA, the transmission licence was to be obtained by the Petitioner within six months from the effective date of the TSA. The effective date of the TSA being 29.3.2012, the Petitioner was required to factor into the timeline till 29.9.2012 for grant of transmission licence and for such period, the Petitioner cannot raise any ground of delay in grant of licence. However, in the present case, due to various circumstances and the events as already discussed above, the licence came to be granted to the Petitioner on 20.6.2013 (with delay of approximately 9 months). Therefore, the claim of the Petitioner for the cost overrun has to be restricted for the period of (9) nine months only. It is observed that the Petitioner has claimed the cost overrun from February, 2012 (being the month in which the cut-off date fell). However, in our view, cost overrun from February, 2012 cannot be permitted since as per the provisions of TSA itself, the Petitioner was required to factor into a period of 6 months for obtaining transmission licence i.e. upto 29.9.2012 and therefore, any cost assumed or factored into by the Petitioner as on the bid date has to be considered taking into the account the above timeline for obtaining the transmission licence. Therefore, the cost overrun claims of the Petitioner can only be entertained for the period post 29.9.2012 (timeline which the Petitioner was required to factor into as per TSA) upto 20.6.2013 (i.e. day on which the Commission granted licence to the Petitioner and was categorically directed to go ahead with the implementation of the Project).

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51. The Petitioner has, however, submitted that the Commission took the cognizance of the unaddressed time overrun and cost overrun only vide order dated 16.4.2014 and therefore, the effective go ahead for the Project for the Petitioner can only be considered from 16.4.2014. The Petitioner has submitted that the Petitioner had to hold up all the activities and it could proceed with the implementation of the Project only after order dated 16.4.2014, wherein the Commission had directed the Petitioner to go ahead with the execution of the Project along with assurance on treatment of time and cost overrun.

52. We have considered the submissions of the Petitioner. However, in our view, the claim of the Petitioner for cost overrun up to 16.4.2014 is entirely inappropriate. As noted above, taking into the account the resolution of the issues relating the EC of the generating station of IL&FS, the Commission vide its order dated 20.6.2013 had already proceeded with grant of the transmission licence with direction to the Petitioner to go ahead with the execution of the Project. Thus, despite the aforesaid categorical directions of the Commission, the decision of the Petitioner to await the decision/relief on time and cost overrun and not proceeding with the award of the contracts for the implementation of the Project and letting the cost escalate further cannot be condoned. The escalation of the cost between the period from 20.6.2013 (grant of transmission licence) to 16.4.2014 (licence application disposed of addressing the time and cost overrun issues) is entirely on the Petitioner. In fact, in the order dated 16.4.2014, the Commission has observed that the Petitioner has also contributed to the delay in execution of the Project by not taking the expeditious action even though the transmission licence was granted to the Petitioner vide order dated 20.6.2013. Since the licence came to be granted to the Petitioner on 20.6.2013 as against the timeline of six months envisaged in the TSA (i.e. by i.e. 29.9.2012), the claim of the Petitioner for the cost overrun has to be restricted for the above period of approximately 9 months for the delayed period in grant of transmission licence to the Petitioner.

53. Now coming to the quantification of the cost overrun and the details furnished, it is observed that the Petitioner has computed the cost overrun by considering the various cost components (as % base cost) and has applied thereon the indices, changes in the safeguard

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duty, excise duty, service tax & customs duty and accordingly, derived the increase in the base cost component (in %), which is projected as 10.45% and has consequently sought increase in the quoted tariff @ 10.45%. It is noted that the Petitioner had sought cost overrun vide IA No. 1 of 2014 in Petition No. 122/TL/2012 in exact similar ways and the Commission in its order dated 16.4.2014 had observed that the Petitioner had sought increase in the base cost without disclosing cost of the Project assumed at the time of bidding as directed vide order dated 20.6.2013. The relevant extract of the said order is as under:

"10..... The petitioner in its IA 1/2014 has sought cost escalation of 32.09% from February 2012 to December 2013 over the base project cost without disclosing the cost of the project assumed at the time of bidding as directed in our order dated 20.6.2013..."

*In the present Petition also, the Petitioner has not disclosed the details as to the base Project cost assumed (for the various cost components) at the time of bidding and the actual cost of such components in terms of the various contracts awarded by the Petitioner. In absence of such details, it would not be appropriate to quantify the cost overrun relief for the aforesaid period merely on the basis of the change in the indices and the various levies, without having reasonably ascertained the actual impact of the cost overrun. **Accordingly, the Petitioner is hereby granted liberty to approach the Commission for quantification of its cost overrun reliefs for the aforesaid period of 9 months along with the details. Accordingly, the extent of the cost overrun and the entitlement of the Petitioner for increase in the transmission charges shall be determined in the Petition to be filed by the Petitioner in terms of the above liberty along with the requisite details.**"*

[Emphasis Supplied]

27. In terms of the above, this Hon'ble Commission has been pleased to allow cost-overrun for a period of 9 months i.e., from 29.09.2012 till 20.06.2013. However, for the quantification of its cost overrun reliefs for the aforesaid period of 9 months, liberty has been granted by this

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Hon'ble Commission to the Petitioner to approach through separate petition alongwith the details.

28. In view of the above background, item-wise cost assumed for various components at the time of the bidding (totaling to Rs. 668 Crores) is being provided herewith as '**Annexure C**'. As against the above, the final award cost is Rs. 887.27 Crores i.e. actual cost of such components in terms of the various contracts awarded by the Petitioner. In regard to the same, the item-wise details is attached hereto and marked as '**Annexure D**'. The details regarding the cost over run on this count is as follows;

Cost assumed for various components at the time of the bidding	Final award cost	Difference
(i)	(ii)	(iii) = (ii) - (i)
₹ 668 Crs	₹ 887.25 Crs	₹ 219.25 Crs

29. In addition to the above, a statement of escalation in indices was already submitted along with Petition No. 333/MP/2019. A copy of the Tabular Statement is being attached herewith as '**Annexure E**' for ready reference.
30. The Petitioner humbly submits that relief on account of increase in cost of the project of Rs. 219.25 Crores may please be allowed. Further, the Petitioner would provide all such other information as sought for by this Hon'ble Commission during the proceedings.

B. INCREASE IN COST OF COMPENSATORY AFFORESTATION OF LINES

31. It is submitted that this Hon'ble Commission while deciding upon the claim in respect of the Compensatory Afforestation had observed that

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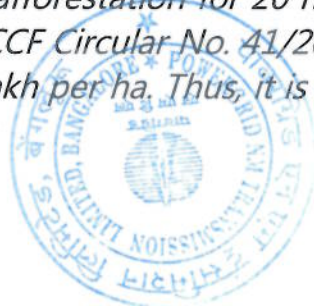
the Petitioner had not indicated as to how the proposed rate of Compensatory Afforestation of Rs. 30,000 per hectare came to be fixed in terms of the existing norms as on the cut-off date. In this regard the relevant extracts of the Order dated 11.03.2023 passed by this Hon'ble Commission in Petition No. 333/MP/2019 is as under:

"88. While the perusal of the aforesaid minutes of the meeting reveals that the Regional Empowered Committee of Regional Office (Sought Eastern Zone) had in fact increased the amount to be spent on compensatory afforestation of the degraded forest to 5 lakh per ha instead of earlier proposed Rs. 30,000 per ha, it, however, does not indicate that the amount of Rs. 30,000 per ha as earlier proposed was in line with the rates fixed by the concerned State authorities in this regard. The Petitioner has also not placed on record any supporting documents indicating the applicable rate for compensatory afforestation as on the cut-off date. Undeniably, the compensatory afforestation schemes are site specifics and per hectare rate will vary accordingly to the species, type of forest and site. In absence of any documents indicating that the earlier proposed rate of Rs. 30,000 per ha was prudent and as per the prevailing norms as on the cut-off date, we are unable to decide upon any change/increase therein as ordered by the Regional Empowered Committee cannot be considered as Change in Law. Further, it is observed that while applying for grant of the forest clearance, the Petitioner had also undertaken that it shall bear the cost of raising and maintenance of the compensatory afforestation and/or penal afforestation as well as the cost of protection and regeneration of safety zone, etc. as per the scheme prepared by the State Government in lieu of the forest land diverted for the construction of transmission line. In fact, in one of the letters of the DFO, Hosur to the Conservator of Forest, Dharmapuri dated 28.2.2013 forwarding the application of the Petitioner for diversion of 9.1904 Ha of forest land, had indicated the compensatory afforestation as Rs. 30 lakh as per the Circular No. 41 of 2000. The relevant extract of the said letter reads as under:

.....

As per the above, it appears that initially the rates towards compensatory afforestation for 20 ha degraded forest was fixed in terms of the PCCF Circular No. 41/2000 at Rs. 30 lakh, which works out to Rs. 1.5 lakh per ha. Thus, it is not forthcoming as to how the

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earlier proposed rate of Rs. 30,000 per ha came to be fixed. In the absence of the necessary details, the Petitioner is granted liberty to raise its claim by way of separate Petition along with all the necessary/supporting details in this regard."

32. In regard to the above, it is respectfully submitted that prior to the cut-off date, the rate of the Compensatory Afforestation of Rs. 25,000 per hectare per year was fixed/determined in terms of the following : -

a. Circular No. 41/2000 dated 27.07.2000, which inter-alia, reads as under: -

"Hence the compensation land for the lands transferred from forest land to other works, in order to grow forest uniform funds are to be collected and to adopt the method to follow is asked to the District Forest Officer/Wild life.

1. In order to grow forest in the compensatory lands uniform amount is to be collected. That is to be not less than Rs.25,000/- per Hect.

2. In order to grow forest in the compensatory land, the District Forest Officer/Wild life warden / forest Guards submitting scheme proposals, they should submit to maintains this garden for 5 years list. For most of the below standard lands, creating gardens Should be maintained not below 5 years.

3. for compensation forest growth, for one Hect. a minimum of 1000 plants (one thousands) are to be planted.

4. The pit for plantation of plants should be atleast 60 cu. C.m.

5. Around the compensatory forest chain link fencing is to be formed."

b. Decision taken in the Steering Committee Meeting of the State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) held on 03.02.2010, wherein the rates were fixed as Rs. 25,000 per hectare per year for compensatory afforestation. The relevant extracts of the Minutes of Meeting held on 03.02.2010 is as under:

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"Scheme No. 1: Raising Compensatory Afforestation:

The proposed scheme for raising Compensatory Afforestation over an extent of 241.52 ha. of non forest land taken over from the User Agencies, was agreed to for Rs.60.38 lakhs with pro-rata of Rs.25000/- per ha. for the first year towards the fulfillment of the most important condition of afforesting compensatory land. The compensatory lands handed over to the Forest Department are mostly marginal and difficult sites. Therefore they require application of intensive inputs and sustained protection to make them successful. It is proposed to plant tall seedlings to achieve good survival and also provide fencing/ watch and ward wherever found necessary. Community Organizations / Village Forest Committees nearby may also be involved in protection wherever feasible. The Chairman impressed upon including planting of Ficus Trees and avoiding Monoculture. The Principal Secretary to Government, Environment and Forest Department suggested that the local and native species may be planted. The Chief Conservator of Forests (Central) suggested appropriate size pits may be dug for planting tall seedlings Thiru Pratim Roy wanted local species to be preferred. The Member Secretary indicated that a mixture of native species such as Neem, Pungam, Iluppai, Naval is proposed to be planted. The Principal Chief Conservator of Forests informed that native species of the locality found silviculturally suitable by the local Officers will be planted. Monitoring of these works will be undertaken by the CAMPA cell besides the established Monitoring System followed in the Forest Department.

.....

Explanatory Note

Compensatory afforestation is one of the most important conditions stipulated by the Central Government while approving proposals for diversion of Forest land for non-Forest uses. There is an extent of 241.52 ha. of non-forest land taken over from the user agencies and Compensatory Afforestation has to be raised in this area to fulfill the condition stipulated by the Government of India. Hence it is proposed to raise Compensatory Afforestation in 241.52 ha. ha of Non-Forest Lands at a cost of Rs: 25000/ha. is required during the year 2010-11.

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The amount required is Rs: 60.38 lakhs. Hence an amount of Rs: 60.38 lakhs is proposed for sanction for raising Compensatory Afforestation over an extent of 241.52 ha. of NFL as detailed below:

S.NO	Name of Circle	Name of Division	Extent in Ha	Name of Project for which the NFL for Compensatory Afforestation received	Government of India, letter and date.
1	Salem	Salem	9.04	Quarrying black granite in Ellikaradu Bit-1	4-TNC 117/2005. Dated: 26.02.2009
			4.04	Formation of Pond across Sambarpallam Odai	11.2/TN/IP/191 Dated : 12.06.2007
			8.34	Four laning Slaem-Dharmapuri NH	4-TNB/270/2007 Dated : 04.02.2008
			21.42		
		Attur	13.365	Quarrying black granite in Paithur RF.	16-1/23/TN/MIN/ Dated: 09.01.03
			14.200	Execution of Kollimatlai HEP	16-1/29/TN/ Dated: 14.03.08
			27.565		

33. It is submitted that, as can be seen from the above quoted portion, the above rate of Rs. 25000 per hectare per year was fixed in terms of the Circular No. 41/2000 dated 27.07.2000 and as affirmed by the Steering Committee Meeting of CAMPA for Projects throughout the State of Tamil Nadu during the FY 2010-11 (during the period when the bidding process of the present transmission project was in process) including for projects within the area of Salem and Attur from where the transmission line of the Petitioner was traversing through. In fact, the demand raised

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on Petitioner for compensatory afforestation was also in regard to Pallipatti Reserve Forest falling within the District of Salem. Therefore, the only benchmark which the Petitioner could have taken for compensatory afforestation was Rs. 25000 per hectare per year.

34. It is submitted that the above mentioned rate of Rs. 25,000 per hectare per year in respect of Compensatory Afforestation for the year 2010-2011 was escalated by a percentage of approximately 5% per annum by the Petitioner thereby arriving at the rate of Rs. 30,000 per hectare per year at the cut-off date i.e., 03.02.2012. In terms of the Circular no. 41/2000 dated 27.07.2000, as the compensatory afforestation had to be carried out for 5 years, the compensatory afforestation would work out to Rs. 1,50,000/- for the period of 5 years, which was prevalent prior to the cut-off date (03.02.2012).
35. Thereafter, on 13.02.2015, the 2nd Meeting of the Regional Empowered Committee of Regional office (South Eastern Zone), the Ministry of Environment and Forests was held wherein, the issues of Diversion of forest land were considered and it was decided to revise the Compensatory Afforestation to Rs. 5 lakhs per hectare for 10 years (Rs. 50,000/- per year) as against earlier assumed rate of compensatory afforestation of Rs. 1,50,000/- for 5 years (i.e., Rs. 30,000/- per hectare per year). In regard to the same, the relevant extracts of the 2nd Meeting of the Regional Empowered Committee held on 13.02.2015 is as under:

"(ii) Cost of raising compensatory afforestation over degraded forest and its maintenance for 10 years shall be paid @ Rs.5 lakh per ha. Revised detailed CA scheme duly signed by the DFO along with soil suitability certificate and approved by the Conservator of Forests shall be furnished."

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A copy of the Circular No. 41/2000 dated 27.07.2000, Steering Committee Meeting of the State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) held on 03.02.2010 and Minutes of 2nd Meeting of the Regional Empowered Committee is attached hereto and marked as '**Annexure F**'.

36. In terms of the above, the Petitioner was, therefore, required to pay the Compensatory Afforestation of Rs. 5 lakhs per hectare as against earlier assumed rate of compensatory afforestation of Rs. 1,50,000/- per hectare in terms of the directions of the Statutory authorities which constitute a Change in Law event. In regard to the same, the Petitioner is attaching herewith the relevant demand notes issued by the Tamil Nadu Forest Department to the Petitioner 18.03.2015, 26.05.2015, 14.07.2015, 20.06.2018, 01.08/09.2018 for submission of charges in respect of forest areas as '**Annexure G**'.
37. In the above facts and circumstances, the Petitioner is entitled to the relief on the increase in the rate of Compensatory Afforestation from Rs. Rs. 1,50,000/- per hectare (at the time of the bidding) to Rs. 5 lakhs per hectare. In regard to the above, the Petitioner had issued a Notice of Change in Law to the Respondent No. 1 (IL & FS) on 20.04.2015. A copy of the Notice of Change in Law issued by the Petitioner to IL & FS is attached hereto and marked as '**Annexure H**'.
38. The calculation for the increase in the rate of Compensatory Afforestation by the Petitioner is as under:

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Increase in cost due to unprecedented hike of CA Cost.					
S.No	Details of Project	Extent of RF in	Compensation prevailing at the time of bidding (@ 1,50,000 per Ha. *)	Actual (@ 5,00,000 per Ha. *) in Cr.	Cost increase in Cr.
1	Element No 1	30.1Ha	0.90	3.01	2.11
2	Element No 2	15.61Ha	0.47	1.56	1.09
Total			1.37	4.57	3.20

*(considering double the area as per Rules/Guidelines)

Accordingly, present claim is Rs. 3.20 Crores against the earlier claim of Rs. 4.4 Crores, made inadvertently in Petition 333/MP/2019.

C. INCREASE IN DEPOSIT AMOUNT PAID TO RAILWAY DIVISIONS AS PER DEPOSIT NOTES FOR CROSSING OF RAILWAYS LINES

39. This Hon'ble Commission while deciding upon the Change in Law claims of the Petitioner in respect of increase in deposit amount paid to the Railway Divisions for crossing of railways lines, has held as under: -

"109. We have considered the submissions of the Petitioner. The Petitioner has sought to claim the increase in the amount claimed by the Railways under the demand notes for the railway crossing of the transmissions line as Change in Law. However, the Petitioner has failed to place on record any document issued by the Railways after the cut-off date indicating the increase in the charges to be levied on the crossing of the railway lines. It is observed that the claim of the Petitioner for increase in the deposit amount for railway crossing of the lines is on the basis that the charges levied in its case has been higher than that levied in previous case of PGCIL vide demand notes dated 18.11.2010 - which were the basis of its initial estimates. Indisputably, such charges which comprises way leave charges, supervision and inspection charges and material charges, if any, etc. would vary in each case. In such circumstances, increase in such charges from the charges levied in previous cases, cannot be claimed under Change in Law while contending the latter being basis of assumption at the time of placing the bid. The Petitioner is, however, granted liberty to approach the Commission in respect of the aforesaid claim with all the supporting documents if the increase

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has been caused pursuant to the issuance of any order/ notification/ circular by Railways after the cut-off date."

40. In regard to the above, it is submitted that there was an increase in the deposit amount to the tune of Rs. 1.33 Crores paid by the Petitioner to various Railway Divisions as per the deposit notes for Railway crossing of the lines.
41. It is submitted that the initial estimates computed by the Petitioner was in terms of the demand notes dated 18.11.2010 and 19.11.2010 issued by the Railways for the railway crossing in respect of the transmission lines passing through the vicinity of the instant project's transmission lines and coming under the same Southern Western Railways zone. A copy of the Demand Notes dated 18.11.2010 and 19.11.2010 issued by the Railway authorities are attached hereto and marked as '**Annexure I**'.
42. It is submitted that in consideration of the abovementioned Demand Notes, the cost for one railway crossing was Rs. 9,24,055, thus, for seven railway crossings the total cost would be roughly Rs. 0.65 Crores. However, contrary to the above, the total cost incurred by Petitioner was Rs. 1.98 Crores as per amounts paid to various Railway Divisions as per demand notice received. In regard to the above, the Petitioner had issued a Notice of Change in Law to the Respondent No. 1 (IL & FS) on 04.10.2015. A copy of the Notice of Change in Law issued by the Petitioner to IL & FS is attached hereto and marked as '**Annexure J**'.
43. The calculation for the increase in the deposit amount paid to the tune of Rs. 1.33 crore for Railway crossing of the lines by the Petitioner is as under:



Rs. in Crs.

Amount initially estimated based on previous demand notes	Total Railway crossing expenditure as per demand notes	Difference
(i)	(ii)	(iii) = (ii) - (i)
₹ 0.65	₹ 1.98	₹ 1.33

Copies of demand raised by Railway Authorities is attached as **Annexure – K**.

D. PAYMENT OF LAND COMPENSATION IN THE STATE OF TAMIL NADU AS PER JUDGMENT OF HON'BLE HIGH COURT OF MADRAS DATED 12.4.2019 IN W. P NO. 16460 OF 2018

44. It is submitted that the Petitioner had made a provisioning of Rs. 34.50 Crores towards the payment of land compensation in the State of Tamil Nadu for all the affected farmers who may seek compensation in accordance with the Judgment of Hon'ble High Court of Madras dated 12.04.2019 in Writ Petition 16460 of 2018. However, till date no claim has been raised by affected farmers and accordingly, no relief is sought in this petition. The Petitioner craves leave to raise the appropriate claims in respect of the impact of land compensation as and when the Petitioner is required to incur the said expenditure. In regard to the same this Hon'ble Commission may grant liberty to the Petitioner. A copy of the Judgment of Hon'ble High Court of Madras dated 12.04.2019 is attached hereto and marked as '**Annexure L**'.

45. Thus, the total cost overrun claim on account of aforesaid change in law events is summarized as below:

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Sl. No.	Description	Amount (Rs. Cr)
1	Cost overrun on account of delay in grant of transmission license and adoption of transmission charges	219.25
2	Increase in cost of CA of line and NPV in regard to Forest Areas /Wild Life Sanctuary	3.20
3	Increase in cost for Railway Crossings due to changes in Way Leave Facilities charges on Railway Land and other administration charges as per Demand Note raised by Railway	1.33
4	Land compensation in Tamil Nadu (Provision as per Judgment of Hon'ble High Court of Madras dated 12.04.2019 against W.P. No. 16460 of 2018).	No amount incurred and Liberty may be granted to approach with complete justification/necessary details once such expenditure is incurred
Total cost overrun for increase in Tariff		223.78

46. Article 12 of the TSA provides following relief to Petitioner on account change in law events;

"12.2 Relief for Change in Law:

12.2. 1 During construction period: During the construction period, the impact of increase/decrease in the cost of the project in the transmission charges shall be governed by the formula given below:

For every cumulative increase/decrease of each Rupees Three Crores Thirty Lakhs (3,30,00,000) in the cost of the project up to the Scheduled COD of the project, the increase / decrease in non-escalable transmission charges shall be an amount equal to 0.32 per cent (0.32%) of the Non-Escalable Transmission Charges."

47. The Petitioner has paid the requisite Court fees.
48. It is therefore, respectfully prayed that this Hon'ble Commission may be pleased to:



- a. Declare that the Petitioner shall be entitled to increase in quoted non-escalable transmission charges due to escalation of cost over and above base project cost for a period of 9 months i.e., from 29.09.2012 till 20.06.2013 due to delay in grant of transmission licence to the Petitioner;
- b. Declare that the Petitioner shall be entitled to increase in quoted non-escalable transmission charges due to cost overrun of Rs. 3.20 Crs, on account of the increase in the rate of Compensatory Afforestation from Rs. 1,50,000/- per hectare to Rs. 5,00,000/- per hectare;
- c. Declare that the Petitioner shall be entitled to increase in quoted non-escalable transmission charges due to cost overrun of Rs. 1.33 Crores, on account of the increase in the deposit amount paid for Railway crossing of the lines.;
- d. Grant liberty to the Petitioner to recover the Land Compensation as and when paid by the Petitioner on account of the Judgment of Hon'ble High Court of Madras dated 12.04.2019 in Writ Petition No. 16460 of 2018;
- e. Allow the Petitioner to recover the carrying cost in regard to increased tariff applicable for the past period up to the date of the Order; and
- f. Pass any such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.

**POWERGRID NM TRANSMISSION
COMPANY LIMITED**

DATE: 07.05.2024

PLACE: Bengaluru


THROUGH


ADVOCATE

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
3RD AND 4TH FLOOR, CHANDRALOK BUILDING,
36, JANPATH, NEW DELHI – 110 001

PETITION NO. /MP/2024

IN THE MATTER OF:

POWERGRID NM Transmission Company Limited - Petitioner

Versus

IL & FS Tamil Nadu Power Company Limited and Ors. - Respondents

AFFIDAVIT IN SUPPORT

I, K Nagraj Bhat, son of Sh C Krishna, aged about 54 years, resident of Bengaluru, Karnataka, presently at Bengaluru, do hereby solemnly affirm and state as under:

1. I say that I am working as CGM, Projects, SR-II in the Petitioner Company and am competent to swear the present affidavit.
2. I say that the contents of the accompanying Petition filed by the Petitioner are based on the information available with the Petitioner in the normal course of business and believed by me to be true.
3. I say that the Annexures to the Petition are the true and correct copies of their original.


DEPONENT

VERIFICATION

I, the deponent above-named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Bengaluru on this 7th day of May 2024.

SWORN TO BEFORE ME


G.R. RAVICHANDRA REDDY
 B.Sc., LL.B., P.O.D.R. & P.M.
 ADVOCATE & NOTARY PUBLIC
 # 61, 11th Cross, Sri Krishnadevaraya Layout
 Kogilu, Yelahanka, Bengaluru - 560 064
 Mob: 9845089115


DEPONENT



TRANSMISSION SERVICE AGREEMENT

FOR

PROCUREMENT OF TRANSMISSION SERVICES

FOR

**TRANSMISSION OF ELECTRICITY THROUGH
TARIFF BASED COMPETITIVE BIDDING**

FOR

**"TRANSMISSION SYSTEM ASSOCIATED WITH THE
IPPS OF NAGAPATTINAM/CUDDALORE AREA-
PACKAGE A"**

BETWEEN

IL&FS TAMIL NADU POWER COMPANY LIMITED

AND

*Attested from Pg. 18 to Page 157***NAGAPATTINAM - MADHUGIRI TRANSMISSION COMPANY LIMITED****ATTESTED TRUE COPY**
Ram Norendrasingh

Authorised Signatory





दिल्ली DELHI

R 842937

THIS TRANSMISSION SERVICE AGREEMENT (hereinafter referred to as "TSA" or "Agreement" or "the Agreement" or "this Agreement") is made on the 2nd day of February month of Two Thousand and Twelve

Between:

Persons whose names, addresses and other details are provided in Schedule 1 of this Agreement (collectively referred to as the "Long Term Transmission Customers" and individually referred to as the "Long Term Transmission Customer" respectively), which expression shall unless repugnant to the context or meaning thereof include its successors, and permitted assigns) as Party of the one part;

And

Nagapattinam-Madhugiri Transmission Company Limited, incorporated under the Companies Act, 1956, having its registered office at First Floor, "Urja Nidhi", 1, Barakhamba Road, Connaught Place, New Delhi - 110001 (herein after referred to as Transmission Service Provider or "TSP" which expression shall unless repugnant to the context or meaning thereof include its successors, and permitted assigns) as Party of the other part;

(IL&FS Tamil Nadu Power Company Limited)



(Nagapattinam-Madhugiri Transmission Company Limited)

(Each of the "Long Term Transmission Customer" or "Long Term Transmission Customers" and "TSP" are individually referred to as "Party" and collectively as the "Parties")

AND WHEREAS:

- A) In accordance with the Bidding Guidelines, the Bid Process Coordinator (hereinafter referred to as BPC) had initiated a competitive bidding process through issue of RFQ and RFP for selecting a Successful Bidder to build, own, operate and maintain the Project comprising of the Elements mentioned in Schedule 2 (hereinafter referred to as the Project)
- B) Pursuant to the said bidding process, the BPC shall identify the Selected Bidder as the TSP, who will be responsible to set up the Project on build, own, operate and maintain basis and to provide Transmission Service on long term basis to the Long Term Transmission Customers on the terms and conditions contained in this Agreement and the Transmission License.
- C) The Selected Bidder will acquire one hundred percent (100%) of the equity shareholding of Nagapattinam-Madhugiri Transmission Company Limited along with all its related assets and liabilities in terms of the provisions of the Share Purchase Agreement.
- D) The TSP has agreed to make an application for a Transmission License to the Appropriate Commission for setting up the Project on build, own, operate and maintain basis.
- E) The TSP has further agreed to make an application to the Appropriate Commission for the adoption of the Transmission Charges under Section 63 of the Electricity Act, 2003, along with a certification from the Bid Evaluation Committee in accordance with the Bidding Guidelines issued by Ministry of Power, Government of India.
- F) The Long Term Transmission Customers agree, on the terms and subject to the conditions of this Agreement, to use the available transmission capacity of the Project and pay TSP the Transmission Charges as determined in accordance with the terms of this Agreement.
- G) The terms and conditions stipulated in the Transmission License issued by the Appropriate Commission to the TSP shall be applicable to this Agreement and the TSP agrees to comply with these terms and conditions. In case of inconsistency between the License terms & conditions and the conditions of this Agreement, the conditions stipulated in the License granted by the Appropriate Commission shall prevail.
- H) CERC in its order for petition No. 154/MP/2011 dated December 13, 2011 has observed the following:

"Regarding the prayer of petitioner (I.e, PFCIL) for granting approval for inclusion of transmission system under the TSA to be notified by the Commission, it is

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Page 4 of 118

clarified that since these schemes are part of coordinated planning of transmission system by CTU & CEA, these transmission systems shall be part of TSA approved by this Commission under PoC Charges Regulation."

This observation of CERC is applicable to this transmission scheme i.e. "Transmission System associated with the IPPs of Nagapattinam/Cuddalore Area- Package A" also. Accordingly as and when this scheme becomes implementable, the transmission charges will be pooled and allocated to all system users as per CERC (Sharing of Transmission Charges and Losses) Regulation 2010, as applicable from time to time (PoC methodology). Further, CERC orders in petition No. 154/MP/2011 dated December 13, 2011 which covers "Transmission System associated with the IPPs of Nagapattinam/Cuddalore Area- Package A" will prevail over this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SETFORTH HEREIN, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

ARTICLE: 1

1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions:

- 1.1.1 The words/expressions used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them by the Electricity Act, 2003 and the rules or regulations framed there under including those issued/framed by the Appropriate Commission (as defined hereunder), as amended or re-enacted from time to time or the General Clauses Act, failing which it shall bear its ordinary English meaning.

The words/expressions when used in this Agreement shall have the respective meanings as specified below:

"Acquisition Price" shall have the same meaning as defined in the Share Purchase Agreement;

"Act" or "Electricity Act" or "Electricity Act 2003" shall mean the Electricity Act, 2003 and any amendments made to the same or any succeeding enactment thereof;

"Affiliate" shall mean a company that either directly or indirectly

- i. controls or

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(Nagapattinam-Madhugiri Transmission Company Limited)

- ii. is controlled by or
- iii. is under common control with

a Bidding Company (in the case of a single company) or a Member (in the case of a Consortium) and "control" means ownership by one company of at least twenty six percent (26%) of the voting rights of the other company;

"Agreed Form" in relation to any document shall mean the form of the document most recently agreed to by the Parties and initialled by them for identification;

"Allocated Project Capacity" shall mean, for each Long Term Transmission Customer, the sum of the generating capacities allocated to such Long Term Transmission Customer from the ISGS and the contracted power, if any, as adopted by CERC from time to time in determining sharing of transmission charges between the Long Term Transmission Customers;

"Appropriate Commission" shall mean the Central Regulatory Commission referred to in sub-section (1) of Section 76 of the Electricity Act, or the State Regulatory Commission referred to in Section 82 of the Electricity Act or the Joint Commission referred to in Section 83 of the Electricity Act, as the case may be;

"Arbitration Tribunal" shall mean the tribunal constituted under Article 16 of this Agreement;


"Availability" in relation to the Project or in relation to any Element of the Project, for a given period shall mean the time in hours during that period the Project is capable to transmit electricity at its Rated Voltage and shall be expressed in percentage of total hours in the given period and shall be calculated as per the procedure contained in Appendix-IV to Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 attached herewith in Schedule 9;

"Bid" shall mean non-financial bid and financial bid submitted by the Bidder, in response to the RFP, in accordance with the terms and conditions of the RFP;

"Bid Deadline" shall mean the last date and time for submission of the Bid in response to RFP, as specified in the RFP;

"Bidding Company" shall refer to such single company that has made a Response to RFQ for the Project;

"Bidding Consortium/ Consortium" shall refer to a group of companies that has collectively made a Response to RFQ for the Project;


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"Bid Documents" or "Bidding Documents" shall mean the RFQ and RFP, along with all attachments thereto or clarifications thereof;

"Bidding Guidelines" shall mean the "Tariff Based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for Encouraging Competition in Development of Transmission Projects" issued by Government of India, Ministry of Power dated 13th April 2006 under Section - 63 of the Electricity Act and as amended from time to time;

"Bid Process Coordinator" or "BPC" shall mean a person or its authorized representative as notified by the Government of India / concerned State Government, responsible for carrying out the process for selection of Transmission Service Provider;

"Business Day" shall mean a day other than Sunday or a statutory holiday, on which the banks remain open for business in the State in which the concerned Long Term Transmission Customers' registered office is located;

"CEA" shall mean the Central Electricity Authority constituted under Section - 70 of the Electricity Act;

"CERC" shall mean the Central Electricity Regulatory Commission of India constituted under Section-76 of the Electricity Act, 2003 or its successors;

"Change in law" shall have the meaning ascribed thereto in Article 12;

"Commercial Operation Date" or "COD" shall mean the date as per Article 6.2;

Provided that the COD shall not be a date prior to the Scheduled COD mentioned in the TSA, unless mutually agreed to by all Parties;

"Competent Court of Law" shall mean the Supreme Court or any High Court, or any tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to the Project;

"Connection Agreement" shall mean the agreement between the CTU/STU and the TSP, setting out the terms relating to the connection of the Project to the Inter-connection Facilities and use of the Inter State Transmission System as per the provisions of the IEGC / State Grid Code, as the case may be;

"Consultation Period" shall mean the period of sixty (60) days or such longer period as the Parties may agree, commencing from the date of issue of a TSP's Preliminary Termination Notice or a Long Term Transmission Customer's Preliminary Termination Notice as provided in Article 13 of this Agreement, for consultation between the Parties to mitigate the consequence of the relevant event having regard to all the circumstances;

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"Consents, Clearances and Permits" shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided by any Indian Governmental Instrumentality for the development, execution and operation of Project including without any limitation for the construction, ownership, operation and maintenance of the Transmission Lines and/or sub-stations;

"Construction Period" shall mean the period from (and including) the Effective Date of the TSA up to (but not including) the COD of the Element of the Project in relation to an Element and up to (but not including) the COD of the Project in relation to the Project;

"Contractors" shall mean the engineering, procurement, construction, operation & maintenance contractors, surveyors, advisors, consultants, designers, suppliers to the TSP and each of their respective sub-contractors (and each of their respective successors and permitted assigns) in their respective capacities as such;

"Contract Performance Guarantee" shall mean the irrevocable unconditional bank guarantee, submitted and to be submitted by the TSP or by the Selected Bidder on behalf of the TSP to the Long Term Transmission Customers from a bank mentioned in Annexure 12 of the RFP, in the form attached here to as Schedule 11, in accordance with Article 3 of this Agreement and which shall include the additional bank guarantee furnished by the TSP under this Agreement;

"Contract Year", for the purpose of payment of Transmission Charges, shall mean the period beginning on the COD, and ending on the immediately succeeding March 31 and thereafter each period of 12 months beginning on April 1 and ending on March 31 provided that the last Contract Year shall end on the last day of the term of the TSA;

"CTU" or "Central Transmission Utility" shall mean the utility notified by the Central Government under Section-38 of the Electricity Act, 2003;

"Day" shall mean a day starting at 0000 hours and ending at 2400 hours;

"D/C" shall mean Double Circuit;

"Dispute" shall mean any dispute or difference of any kind between a Long Term Transmission Customer and the TSP or between the Long Term Transmission Customers (jointly) and the TSP, in connection with or arising out of this Agreement including any issue on the interpretation and scope of the terms of this Agreement as provided in Article 16;

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Nagapattinam-Madhugiri Transmission Company Limited

Page 8 of 118

"Due Date" in relation to any Invoice shall mean the thirtieth day after the date on which any Invoice is received and duly acknowledged by the Long Term Transmission Customer (or, if that day is not a Business Day, the immediately following Business Day), and by such date, the Invoice is payable by the Long Term Transmission Customer;

"Effective Date" for the purposes of this Agreement, shall have the same meaning as per Article 2.1 of this Agreement;

"Electrical Inspector" shall mean a person appointed as such by the Appropriate Government under sub-section (1) of Section 162 of the Electricity Act 2003 and also includes Chief Electrical Inspector;

"Electricity Rules 2005" shall mean the rules framed pursuant to the Electricity Act 2003 and as amended from time to time;

"Element" shall mean each Transmission Line or each circuit of the Transmission Lines (where there are more than one circuit) or each bay of Sub-station or switching station or HVDC terminal or inverter station of the Project, which has a separate Scheduled COD as per Schedule 3 of this Agreement and has a separate percentage for recovery of Transmission Charges on achieving COD as per Schedule 6 of this Agreement;

"Escalable Transmission Charges" shall mean the charges as specified in Schedule 6 of this Agreement;

"Event of Default" shall mean the events as defined in Article 13 of this Agreement;

"Expiry Date" shall be the date which is 35 (thirty five) years from the Scheduled COD of the Project;

"Financial Closure" shall mean the first Business Day on which funds are made available to the TSP pursuant to the Financing Agreements;

"Financially Evaluated Entity" shall mean the company which has been evaluated for the satisfaction of the financial requirement set forth in the RFQ;

"Financing Agreements" shall mean the agreements pursuant to which the TSP is to finance the Project including the loan agreements, security documents, notes, indentures, security agreements, letters of credit and other documents, as may be amended, modified, or replaced from time to time, but without in anyway increasing the liabilities of the Long Term Transmission Customers;

"Financial Year" shall mean a period of twelve months at midnight Indian Standard Time (IST) between 1st April & 31st March;

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"Force Majeure" and **"Force Majeure Event"** shall have the meaning assigned thereto in Article 11;

"GOI" shall mean Government of India;

"Grid Code" / **"IEGC"** or **"State Grid Code"** shall mean the Grid Code specified by the Central Commission under Clause (h) of sub-section (1) of Section 79 of the Electricity Act and/or the State Grid Code as specified by the concerned State Commission, referred under Clause (h) of sub-section (1) of Section 86 of the Electricity Act 2003, as applicable;

"Indian Governmental Instrumentality" shall mean Government of India, Government of any State in India or any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or any State Government or both, any political sub-division of any of them including any court or Appropriate Commission or tribunal or judicial or quasi-judicial body in India but excluding TSP and Long Term Transmission Customers;

"Insurances" shall mean the insurance cover to be obtained and maintained by the TSP in accordance with Article 9 of this Agreement;

"Interconnection Facilities" shall mean the facilities as may be set up for transmission of electricity through the use of the Project, on either one or both side of generating station's / CTU's / STU's / Long Term Transmission Customer's substations (as the case may be) which shall include, without limitation, all other transmission lines, gantries, sub-stations and associated equipments not forming part of the Project;

"Invoice" shall mean a Monthly Transmission Charges Invoice, a Supplementary Invoice or any other Invoice or Bill raised by any of the Parties;

"Invoice Dispute Notice" shall have the same meaning as defined in Article 10.9.2 of this Agreement;

"Late Payment Surcharge" shall have the meaning ascribed thereto in Article 10.8;

"Law" or **"Laws"** in relation to this Agreement, shall mean all laws including electricity laws in force in India and any statute, ordinance, rule, regulation, notification, order or code, or any interpretation of any of them by an Indian Governmental Instrumentality having force of law and shall include all rules, regulations, decisions and orders of the Appropriate Commission;

"Lead Long Term Transmission Customer" shall have the meaning as ascribed hereto in Article 18.1.1 of this Agreement;

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Nagapattinam-Madhugiri Transmission Company Limited

Page 10 of 118

"Lead Member of the Bidding Consortium" or "Lead Member" shall mean a company who commits at least 26% equity stake in the Project, meets the technical requirement as specified in the RFQ and so designated by other Member(s) in Bidding Consortium;

"Letter of Credit" or "LC" shall mean an unconditional, irrevocable, revolving Letter of Credit opened by the Long Term Transmission Customer in favour of the TSP with any scheduled bank;

"Lenders" means the banks, financial institutions, multilateral funding agencies, non banking financial companies registered with the Reserve Bank of India (RBI), mutual funds, etc., including their successors and assigns, who have agreed on or before COD of the Project to provide the TSP with the debt financing described in the capital structure schedule, and any successor banks or financial institutions to whom their interests under the Financing Agreements may be transferred or assigned;

Provided that, such assignment or transfer shall not relieve the TSP of its obligations to the Long Term Transmission Customers under this Agreement in any manner and shall also does not lead to an increase in the liability of any of the Long Term Transmission Customers;

"Lenders Representative" shall mean the person notified by the Lenders in writing as being the representative of the Lenders and such person may from time to time be replaced by the Lenders pursuant to the Financing Agreements by written notice to the TSP;

"Long Term Transmission Customer(s)" shall mean a person availing or intending to avail access to the Inter-State Transmission System for a period up to twenty-five years or more, and for the purposes of this Project, shall refer to entities listed in Schedule 1 of this Agreement or any such other person who executes a Supplementary Agreement for availing Transmission Service as per the provisions of the TSA;

"Member in a Bidding Consortium/Member" shall mean each company in the Bidding Consortium;

"Month" shall mean a period of thirty (30) days from (and excluding) the date of the event;

"Monthly Transmission Charges" for any Element of the Project, after COD of the Element till COD of the Project, and for the Project after COD of the Project, shall mean the amount of Transmission Charges for the relevant Contract Year as specified in Schedule 5 of this Agreement;

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"Monthly Transmission Charges Invoice" or "Monthly Bill" shall mean a monthly invoice comprising the Monthly Transmission Charges, as per Schedule 5 hereof;

"National Load Despatch Centre" shall mean the centre established as per sub-section (1) of Section 26 of the Electricity Act 2003;

"Non-Escalable Transmission Charges" shall mean the charges as specified in column (4) of Schedule 6 of this Agreement;

"Notification" shall mean any notification, issued in the Gazette of India;

"O & M Contractor" shall mean the entity appointed from time to time by the TSP to operate, maintain & repair any of the Element(s) of the Project;

"Open Access Customer" shall mean a consumer permitted by the State Commission to receive supply of electricity from a person other than distribution licensee of his area of supply or a generating company (including captive generating plant) or a licensee, who has availed of or intends to avail of open access;

"Operating Period" for any Element of the Project shall mean the period from (and including) the COD of such Element of the Project, up to (and including) the Expiry Date and for the Project, shall mean the period from (and including) the COD of the Project, up to (and including) the Expiry Date;

"Parent Company" shall mean a Company that holds at least twenty six percent (26%) of the paid - up equity capital directly or indirectly in the Bidding Company or in the Member in a Bidding Consortium, as the case may be;

"Preliminary Termination Notice" shall mean a Long Term Transmission Customers' Preliminary Termination Notice or TSP's Preliminary Termination Notice, as the case may be, as defined in Article 13 of this Agreement;

"Project" shall mean "Transmission System Associated with the IPPs of Nagapattinam/Cuddalore Area – Package A", as detailed in Schedule 2 of this Agreement;

"Project Execution Plan" shall mean the plan referred to in Article 3.1.3(c) hereof;

"Prudent Utility Practices" shall mean the practices, methods and standards that are generally accepted internationally from time to time by electric transmission utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation, repair and maintenance of the Project and which practices, methods and standards shall be adjusted as necessary to take account of:

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Nagapattinam-Madhugiri Transmission Company Limited

Page 12 of 118

- (i) operation, repair and maintenance guidelines given by the manufacturers to be incorporated in the Project,
- (ii) the requirements of Law, and
- (iii) the physical conditions at the Site;

"RFP" shall mean Request For Proposal dated September 20, 2011 along with all schedules, annexures and RFP Project Documents attached thereto, issued by the BPC, including any modifications, amendments or alterations thereto;

"RFP Project Documents" shall mean the following documents to be entered into in respect of the Project, by the Parties to the respective agreements:

- a. TSA,
- b. Share Purchase Agreement and,
- c. Any other agreement as may be required;

"RFQ" shall mean the Request for Qualification document issued by PFC Consulting Limited for Tariff Based Competitive-bidding process for procurement of Transmission Services for the Project. Including any modifications, amendments or alterations thereto and clarifications issued regarding the same;

"RLDC" shall mean the relevant Regional Load Dispatch Centre as defined in the Electricity Act, 2003, in the region(s) in which the Project is located;

"RPC" shall mean the relevant Regional Power Committee established by the Government of India for the specific Region(s) in accordance with the Electricity Act, 2003 for facilitating integrated operation of the Power System in that Region;

"Rated Voltage" shall mean the manufacturers design voltage at which the Transmission System is designed to operate or such lower voltage at which the line is charged, for the time being, in consultation with Long Term Transmission Customers;

"Rebate" shall have the meaning as ascribed to in Article 10.7 of this Agreement;

"Scheduled COD" in relation to an Element(s) shall mean the date(s) as mentioned in Schedule 3 as against such Element(s) and in relation to the Project, shall mean the date as mentioned in Schedule 3 as against such Project, subject to the provisions of Article 4.4 of this Agreement, or such date as may be mutually agreed among the Parties;

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"Scheduled Outage" shall mean the final outage plan as approved by the RPC as per the provisions of the Grid Code;

"Selected Bid" shall mean the Bid of the Selected Bidder, copy of which shall be attached herewith as Schedule 10 on or prior to the Effective Date;

"Share Purchase Agreement" shall mean the agreement amongst PFC Consulting Limited, Nagapattinam-Madhugiri Transmission Company Limited and the Successful Bidder for the purchase of one hundred (100%) per cent of the shareholding of the Nagapattinam-Madhugiri Transmission Company Limited for the Acquisition Price, by the Successful Bidder on the terms and conditions as contained therein;

"Short Term Transmission Customer(s)" shall mean a transmission customer other than the Long Term Transmission Customer;

"Site" in relation to a substation, switching station or HVDC terminal or inverter station, shall mean the land and other places upon which such station / terminal is to be established;

"SLDC" shall mean the State Load Despatch Centre established as per sub-section (1) of Section 31 of the Electricity Act 2003;

"STU" or "State Transmission Utility" shall be the Board or the Government company specified as such by the State Government under sub-section (1) of Section 39 of the Electricity Act 2003;


"Successful Bidder" or "Selected Bidder" shall mean the Bidder selected pursuant to the RFP to acquire one hundred percent (100%) equity shares of Nagapattinam-Madhugiri Transmission Company Limited, along with all its related assets and liabilities, which will be responsible as the TSP to establish the Project on build, own, operate and maintain basis as per the terms of the TSA and other RFP Project Documents;

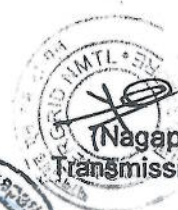
"Supplementary Agreement" shall mean the agreement as annexed hereto in Schedule 12 of this Agreement;

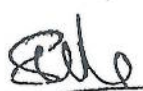
"Supplementary Bill" or "Supplementary Invoice" shall mean a bill other than a Monthly Bill raised by any of the Parties in accordance with Article 10.10;

"Target Availability" shall have the meaning as ascribed hereto in Article 8.2 of this Agreement;

"Technically Evaluated Entity" shall mean the company which has been evaluated for the satisfaction of the technical requirement set forth in RFQ;


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Nagapattinam-Madhugiri Transmission Company Limited

Page 14 of 118

"Termination Notice" shall mean a Long Term Transmission Customer Termination Notice or TSP Termination Notice, as the case may be given by Parties pursuant to the provisions of Articles 3.3.2, 3.3.4, 13.3 and 13.4 of this Agreement for the termination of this Agreement;

"Term of Agreement" for the purposes of this Agreement shall have the meaning ascribed thereto in Article 2.2 of this Agreement;

"Transmission Charges" shall mean the charges payable to the TSP by the Long Term Transmission Customers pursuant to the TSA, as adopted by the Appropriate Commission;

"Transmission Customer(s)" shall mean any person using the Project, including the Open Access Customers;

"Transmission License" shall mean the license granted by the Appropriate Commission in terms of the relevant regulations for grant of such license issued under the Electricity Act;

"Transmission Licensee" shall mean a licensee authorized to establish and operate Transmission Lines by the Appropriate Commission;

"Transmission Lines" shall mean all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switchgear and other works;

"Transmission Service" shall mean making the Project available for use by the Transmission Customers as per the terms and conditions of this Agreement;


"Transmission Service Provider" or "TSP" shall mean the Nagapattinam-Madhugiri Transmission Company Limited, which has executed this Transmission Service Agreement and has been / shall be acquired by the Selected Bidder;

"Transmission System" shall mean a line with associated sub-stations or a group of lines inter-connected together along with associated sub-stations and the term includes equipment associated with transmission lines and sub-stations;

"Unscheduled Interchange" shall have the meaning ascribed thereto in Rule 24 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2004 as amended from time to time;


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"Unscheduled Outage" shall mean an interruption resulting in reduction of the Availability of the Element(s) / Project (as the case may be) that is not a result of a Scheduled Outage or a Force Majeure Event.

"Ultimate Parent Company" shall mean a company which owns at least twenty six percent (26%) equity in the Bidding Company or Member of a Consortium, (as the case may be) and in the Technically Evaluated Entity and/or Financially Evaluated Entity (as the case may be) and such Bidding Company or Member of a Consortium, (as the case may be) and the Technically Evaluated Entity and/or Financially Evaluated Entity (as the case may be) shall be under the direct control or indirectly under the common control of such company;

"Week" means a calendar week commencing from 00:00 hours of Monday, and ending at 24:00 hours of the following Sunday;

1.2 Interpretation:

Save where the contrary is indicated, any reference in this Agreement to:

"Agreement" shall be construed as including a reference to its Schedules, Appendices and Annexures;

"Rupee", "Rupees" and "Rs." shall denote lawful currency of India;

"crore" shall mean a reference to ten million (10,000,000) and a **"lakh"** shall mean a reference to one tenth of a million (1,00,000);

"encumbrance" shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;

"holding company" of a company or corporation shall be construed as a reference to any company or corporation of which the other company or corporation is a subsidiary;

"indebtedness" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

"person" shall be construed as a reference to any person, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests;

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"subsidiary" of a company or corporation (the holding company) shall be construed as a reference to any company or corporation:

- (i) which is controlled, directly or indirectly, by the holding company, or
- (ii) more than half of the issued share capital of which is beneficially owned, directly or indirectly, by the holding company, or
- (iii) which is a subsidiary of another subsidiary of the holding company,

for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"winding-up", "dissolution", "insolvency", or "reorganization" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, re-organization, dissolution, arrangement, protection or relief of debtors.

- 1.2.1 Words importing the singular shall include the plural and vice versa.
- 1.2.2 This Agreement itself or any other agreement or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented.
- 1.2.3 A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time.
- 1.2.4 A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time.
- 1.2.5 Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part.
- 1.2.6 The tables of contents and any headings or sub-headings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement.
- 1.2.7 All interest payable under this Agreement shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty five (365) days.


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- 1.2.8 The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement.
- 1.2.9 The contents of Schedule 10 shall be referred to for ascertaining accuracy and correctness of the representations made by the Selected Bidder in Article 17.2.1 (f) hereof.


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Nagapattinam-Madhugiri Transmission Company Limited

Page 18 of 118

ARTICLE: 2**2 EFFECTIVENESS AND TERM OF AGREEMENT****2.1 Effective Date:**

This Agreement shall be effective from later of the dates of the following events:


- a. The Agreement is executed and delivered by the Parties; and
- b. The Selected Bidder has acquired for the Acquisition Price, one hundred percent (100%) of the equity shareholding of PFC Consulting Limited in Nagapattinam-Madhugiri Transmission Company Limited along with all its related assets and liabilities as per the provisions of the Share Purchase Agreement, and
- c. The Selected Bidder, on behalf of the TSP, has provided the Contract Performance Guarantee, as per terms of Article 3.1 of this Agreement.

2.2 Term and Termination:


2.2.1 Subject to Article 2.2.2 and Article 2.4, this Agreement shall continue to be effective in relation to the Project until the Expiry Date, when it shall automatically terminate unless extended by the Appropriate Commission for such period and on such terms and conditions as the Appropriate Commission may specify in this regard in terms of the procedures laid down by the Appropriate Commission for such matters.

2.2.2 This Agreement shall terminate before the Expiry Date:

- a. If a Termination Notice is served in accordance with Article 13
 - i. by the Majority Long Term Transmission Customers following a TSP Event of Default; or
 - ii. by the TSP following the Long Term Transmission Customers' Event of Default;
- b. If the Long Term Transmission Customers or the TSP serves a Termination Notice in accordance with Article 3.3.2 and 3.3.4.


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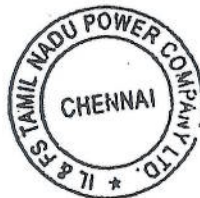
2.3 Conditions prior to the expiry of Transmission License

- 2.3.1 In order to continue the Project beyond the expiry of the Transmission License, the TSP shall be obligated to make an application to the Appropriate Commission at least two years before the date of expiry of the Transmission License, seeking the Appropriate Commission's approval for extension of the term of Transmission License upto the Expiry Date.
- 2.3.2 The TSP shall timely comply with all the requirements as may be laid down by the Appropriate Commission for extension of the term of the Transmission License beyond the initial term of 25 years and the TSP shall keep the Long Term Transmission Customers fully informed about progress on its application for extension of the term of Transmission License.

2.4 Survival:

The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive liquidated damages as per the terms of this Agreement, nor shall it effect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination including those under Article 3.3.3, 3.3.5, Article 9.3 (Application of Insurance Proceeds), Article 11 (Force Majeure), Article 13 (Events of Default and Termination), Article 14 (Liability & Indemnification), Article 16 (Governing Law & Dispute Resolution), Article 18 (Miscellaneous).


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ARTICLE: 3**3 CONDITIONS SUBSEQUENT****3.1 Satisfaction of conditions subsequent by the TSP**

- 3.1.1 Within thirty (30) days from the date of issue of Letter of Intent, the Selected Bidder, on behalf of the TSP shall provide the Contract Performance Guarantee, acquire for the Acquisition Price, one hundred percent (100%) equity shareholding of Nagapattinam-Madhugiri Transmission Company Limited from PFC Consulting Limited, who shall sell to the Selected Bidder, the equity shareholding of Nagapattinam-Madhugiri Transmission Company Limited, along with all its related assets and liabilities, and apply to the Appropriate Commission for grant of Transmission License.

The Selected Bidder on behalf of the TSP will provide to the Long Term Transmission Customers the Contract Performance Guarantee for an aggregate amount of Rs. 45,00,00,000/= (Rupees Forty Five Crores only), which shall be provided separately to each of the Long Term Transmission Customers for the amount calculated pro-rata in the ratio of their Allocated Project Capacity, as on the date seven (7) days prior to the Bid Deadline (rounded off to the nearest Rupees one Lakh (Rs. 100,000) with the principle that amounts below Rupees Fifty Thousand (Rs. 50,000) shall be rounded down and amounts of Rupees Fifty Thousand (Rs. 50,000) and above shall be rounded up).

- 3.1.2 The Contract Performance Guarantee shall be initially valid for a period up to three (3) months after the Scheduled COD of the Project and shall be extended from time to time to be valid for a period up to three (3) months after the COD of the Project. In case the validity of the Contract Performance Guarantee is expiring before the validity specified in this Article, the TSP shall, at least thirty (30) days before the expiry of the Contract Performance Guarantee, replace the Contract Performance Guarantee with another Contract Performance Guarantee or extend the validity of the existing Contract Performance Guarantee until the validity period specified in this Article.

- 3.1.3 The TSP agrees and undertakes to duly perform and complete the following activities within six (6) months from the Effective Date, unless such completion is affected due to the Long Term Transmission Customers' failure to comply with their obligations under Article 3.2 of this Agreement or by any Force Majeure Event, or if any of the activities


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is specifically waived in writing by the Majority Long Term Transmission Customers:

- a. To obtain the Transmission License for the Project from the Appropriate Commission;
- b. To obtain the order for adoption of Transmission Charges by the Appropriate Commission, as required under Section 63 of the Electricity Act 2003;
- c. To submit to the Lead Long Term Transmission Customer and CEA the Project Execution Plan, within one hundred and twenty (120) days from the Effective Date. The TSP's Project Execution Plan should be in conformity with the Scheduled COD as specified in Schedule 3 of this Agreement, and shall bring out clearly the organization structure, time plan and methodology for executing the Project, award of major contracts, designing, engineering, procurement, shipping, construction, testing, commissioning to commercial operation, necessary to demonstrate a complete and accurate understanding of the Project, as well as the TSP's knowledge of procedures and prevailing conditions in India. Submission of a detailed bar (GANTT) chart of the Project outlining each activity (taking longer than one Month), linkages as well as durations;
- d. To achieve Financial Closure;
- e. To provide an irrevocable letter to the Lenders duly accepting and acknowledging the rights provided to the Lenders under the provisions of Article 15.3 of this Agreement and all other RFP Project Documents; and
- f. To award the Engineering, Procurement and Construction contract ("EPC contract") for the design and construction of towers for the Project and shall have given to such Contractor an irrevocable notice to proceed.

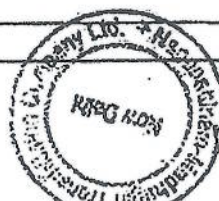
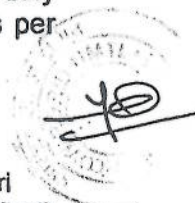
3.2 Satisfaction of conditions subsequent by the Long Term Transmission Customers

- 3.2.1 The Long Term Transmission Customers shall provide, within six (6) months from the Effective Date, an irrevocable letter to the Lenders duly accepting and acknowledging the rights provided to the Lenders as per Article 15.3 of this Agreement and all other RFP Project Documents

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3.3 Consequences of non-fulfilment of conditions subsequent

3.3.1 If any of the conditions specified in Article 3.1.3 is not duly fulfilled by the TSP even within three (3) Months after the time specified therein, then on and from the expiry of such period and until the TSP has satisfied all the conditions specified in Article 3.1.3, the TSP shall, on a weekly basis, be liable to furnish to the Long Term Transmission Customers additional Contract Performance Guarantee of Rupees Two Crore Twenty Five Lakhs (Rs. 2,25,00,000/-) within two (2) Business Days of expiry of every such Week. Such additional Contract Performance Guarantee shall be provided to each Long Term Transmission Customer in the manner provided in Article 3.1.1 and shall become part of the Contract Performance Guarantee and all the provisions of this Agreement shall be construed accordingly. The Long Term Transmission Customers shall be entitled to hold and/or invoke the Contract Performance Guarantee, including such additional Contract Performance Guarantee, in accordance with the provisions of this Agreement.

3.3.2 Subject to Article 3.3.4, if:

- (i) the fulfilment of any of the conditions specified in Article 3.1.3 is delayed beyond nine (9) Months from the Effective Date and the TSP fails to furnish additional Contract Performance Guarantee to the Long Term Transmission Customers in accordance with Article 3.3.1 hereof; or
- (ii) the TSP furnishes additional Performance Guarantee to the Long Term Transmission Customers in accordance with Article 3.3.1 hereof but fails to fulfil the conditions specified in Article 3.1.3 within a period of twelve (12) months from the Effective Date,

the Majority Long Term Transmission Customers, as per Article 18.1.5, shall have the right to terminate this Agreement, by giving a Termination Notice to the TSP in writing of at least seven (7) days, with a copy to the Appropriate Commission and the Lenders' Representative.

3.3.3 If the Long Term Transmission Customers elect to terminate this Agreement as per the provisions of Article 3.3.2, the TSP shall be liable to pay to the Long Term Transmission Customers an amount of Rupees Forty Five Crores (Rs. 45,00,00,000/=) only as liquidated damages. The Long Term Transmission Customers shall be entitled to recover this amount of damages by invoking the Contract Performance Guarantee to the extent of Rupees Forty Five Crores (Rs. 45,00,00,000/=), which

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shall be provided separately to each of the Long Term Transmission Customers on the basis of their Allocated Project Capacity in MW as on the dated seven (7) days prior to the Bid Deadline, and shall then return the balance Contract Performance Guarantee, if any, to the TSP. If the Long Term Transmission Customers are unable to recover the said amount of Rupees Forty Five Crores (Rs. 45,00,00,000/=) or any part thereof from the Contract Performance Guarantee, the shortfall in such amount not recovered from the Contract Performance Guarantee, if any, shall be payable by the TSP to the Long Term Transmission Customers within ten (10) days after completion of the notice period.

It is clarified for removal of doubt that this Article shall survive the termination of this Agreement.

- 3.3.4 In case of Inability of the TSP to fulfil the conditions specified in Article 3.1.3 due to any Force Majeure Event, the time period for fulfilment of the condition subsequent as mentioned in Article 3.1.3, shall be extended for a period of such Force Majeure Event, subject to a maximum extension period of three (3) Months, continuous or non-continuous in aggregate. Thereafter, this Agreement may be terminated by the Majority Long Term Transmission Customers or the TSP on mutually agreeable basis by giving a notice of at least seven (7) days, in writing to the other Party, with a copy to the Appropriate Commission and the Lenders' Representative and the Contract Performance Guarantee shall be returned as per the provisions of Article 6.5.2.

Provided, that due to the provisions of this Article 3.3.4, any increase in the time period for completion of conditions subsequent mentioned under Article 3.1.3, shall lead to an equal increase in the time period for the Scheduled COD. No adjustments to the Transmission Charges shall be allowed on this account.

- 3.3.5 Upon termination of this Agreement as per Articles 3.3.2 and 3.3.4, the Lead Long Term Transmission Customer shall approach the Appropriate Commission within seven (7) days of such termination for further necessary directions as per the provisions of the Electricity Act 2003.

3.4 Progress Reports

The TSP and the Lead Long Term Transmission Customer shall notify one another in writing at least once a Month on the progress made in satisfying the conditions subsequent in Articles 3.1.3 and 3.2.

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ARTICLE: 4**4 DEVELOPMENT OF THE PROJECT****4.1 TSP's obligations in development of the Project:**

Subject to the terms and conditions of this Agreement, the TSP at its own cost and expense shall observe, comply with, perform, undertake and be responsible:

- a. for procuring and maintaining in full force and effect all Consents, Clearances and Permits, required in accordance with Law for development of the Project;
- b. for financing, constructing, owning and commissioning each of the Element of the Project for the scope of work set out in Schedule 2 of this Agreement in accordance with:
 - i. the Grid Code, the grid connectivity standards applicable to the Transmission Line and the sub-station as per the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010, Central Electricity Authority (Grid Standards) Regulations, 2010, Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011 and Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010, as amended from time to time.
 - ii. Prudent Utility Practices and the Law;
- c. for entering into a Connection Agreement with the CTU/STU (as applicable) in accordance with the Grid Code.
- d. for owning the Project throughout the term of this Agreement free and clear of any encumbrances except those expressly permitted under Article 15 of this Agreement;
- e. to co-ordinate and liaise with concerned agencies and provide on a timely basis relevant information with regard to the specifications of the Project that may be required for interconnecting the Project with the Interconnection Facilities;


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- f. for providing all assistance to the Arbitrators as they may require for the performance of their duties and responsibilities;
- g. to provide to the Long Term Transmission Customers with a copy to CEA, on a monthly basis, progress reports with regard to the Project and its execution (in accordance with Agreed Form) to enable the Long Term Transmission Customers / CEA to monitor and co-ordinate the development of the Project matching with the Interconnection Facilities.
- h. to comply with all its obligations undertaken in this Agreement.

4.2 Long Term Transmission Customers' obligations in implementation of the Project:

- 4.2.1 Subject to the terms and conditions of this Agreement, Long Term Transmission Customers, at their own cost and expense, undertake to be responsible;
- a. for assisting and supporting the TSP in obtaining the Consents, Clearances and Permits required for the Project and in obtaining any applicable concessions for the Project, by providing letters of recommendation to the concerned Indian Governmental Instrumentality, as may be requested by the TSP from time to time;
 - b. for arranging and making available the Interconnection Facilities to enable the TSP to connect the Project;
 - c. for complying with all their obligations under this Agreement, and
 - d. for providing all assistance to the Arbitrators as they may require for the performance of their duties and responsibilities.

4.3 Time for Commencement and Completion:

- a. The TSP shall take all necessary steps to commence work on the Project from the Effective Date of the Agreement and shall achieve Scheduled COD of the Project in accordance with the time schedule specified in Schedule 3 of this Agreement.
- b. The COD of each Element of the Project shall occur no later than the Scheduled COD or within such extended time to which the TSP shall be entitled under Article 4.4 hereto.

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4.4 Extension of time:

4.4.1 In the event that the TSP is prevented from performing its obligations under Article 4.1(a), (b) and (e) by the stipulated date, due to any Long Term Transmission Customers' Event of Default, the Scheduled COD shall be extended, by a 'day for day' basis, subject to the provisions of Article 13.

4.4.2 In the event that an Element or the Project cannot be commissioned by its Scheduled COD on account of any Force Majeure Event as per Article 11, the Scheduled COD shall be extended, by a 'day for day' basis, for a maximum period of one hundred and eighty (180) days. In case the Force Majeure Event continues even after the maximum period of one hundred and eighty (180) days, the TSP or the Majority Long Term Transmission Customers may choose to terminate the Agreement as per the provisions of Article 13.5.

4.4.3 If the Parties have not agreed, within thirty (30) days after the affected Party's performance has ceased to be affected by the relevant circumstance, on how long the Scheduled COD should be deferred by, any Party may raise the Dispute to be resolved in accordance with Article 16.

4.5 Metering Arrangements:

4.5.1 The TSP shall comply with all the provisions of the IEGC and the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time, with regard to the metering arrangements for the Project. The TSP shall fully cooperate with the CTU / STU / RLDC and extend all necessary assistance in taking meter readings.

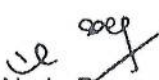
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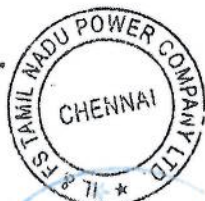


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ARTICLE: 5**5 CONSTRUCTION OF THE PROJECT****5.1 TSP's Construction Responsibilities:**

- 5.1.1 The TSP, at its own cost and expense, shall be responsible for designing, constructing, erecting, completing and commissioning each Element of the Project by the Scheduled COD in accordance with the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010, Central Electricity Authority (Grid Standards) Regulations, 2010, Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011 and Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010, Prudent Utility Practices and other applicable Laws.
- 5.1.2 The TSP acknowledges and agrees that it shall not be relieved from any of its obligations under this Agreement or be entitled to any extension of time by reason of the unsuitability of the Site or Transmission Line route(s) for whatever reasons. The TSP further acknowledges and agrees that it shall not be entitled to any financial compensation in this regard.
- 5.1.3 The TSP shall be responsible for obtaining all Consents, Clearances and Permits relating but not limited to road / rail / river / canal / power line / crossings, Power and Telecom Coordination Committee (PTCC), defence, civil aviation, right of way / way-leaves and environmental & forest clearances from relevant authorities required for developing, financing, constructing, maintaining/ renewing all such Consents, Clearances and Permits in order to carry out its obligations under this Agreement in general and Article 5.1.1 in particular and shall furnish to the Lead Long Term Transmission Customer promptly with copy/ies of each Consents, Clearances and Permits, which it obtains. The Long Term Transmission Customers shall assist and support the TSP in obtaining the Consents, Clearances and Permits required for the Project and in obtaining any applicable concessions for the Project, by providing letters of recommendation to the concerned Indian Governmental Instrumentality, as may be reasonably required from time to time.


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5.1.4 The TSP shall be responsible for:

- (a) acquisition of land for location specific substations, switching stations or HVDC terminal or inverter stations;
- (b) final selection of Site including its geo-technical investigation;
- (c) survey and geo-technical investigation of line route in order to determine the final route of the Transmission Lines;
- (d) seeking access to the Site and other places where the Project is being executed, at its own costs, including payment of any crop compensation or any other compensation as may be required.

5.1.5 In case the Project involves any resettlement and rehabilitation, the resettlement and rehabilitation package will be implemented by the State Government authorities, for which the costs is to be borne by the TSP and no changes would be allowed in the Transmission Charges on account of any variation in the resettlement and rehabilitation cost. The TSP shall provide assistance on best endeavour basis, in implementation of the resettlement and rehabilitation package, if execution of such package is in the interest of expeditious implementation of the Project and is beneficial to the Project affected persons.

5.2 Appointing Contractors:

5.2.1 The TSP shall conform to the requirements as provided in this Agreement while appointing Contractor(s) for procurement of goods & services.

5.2.2 The appointment of such Contractor(s) shall neither relieve the TSP of any of its obligations under this Agreement nor make Long Term Transmission Customers liable for the performance of such Contractor(s).

5.3 Monthly Progress Reporting:

The TSP shall provide to the Long Term Transmission Customers, on a monthly basis, progress reports with regard to the Project and its execution (in accordance with Agreed Form) to enable the Long Term Transmission Customers to monitor and co-ordinate the development of the Project, matching with the Interconnection Facilities.

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A copy of such monthly report shall also be sent by the TSP to the CEA.

5.4 Quality of Workmanship:

The TSP shall ensure that the Project is designed, built and completed in a good workmanlike manner using sound engineering and construction practices, and using only materials and equipment that are new and of international – utility grade quality such that, the useful life of the Project will be till the Expiry Date.

The TSP shall ensure that design, construction and testing of all equipment, facilities, components and systems of the Project shall be in accordance with Indian Standards and Codes issued by Bureau of Indian Standards and only in case they are not applicable under certain conditions, the other equivalent internationally recognised Standards and Codes shall be followed.

5.5 Inspection by the Lead Long Term Transmission Customer:

The Lead Long Term Transmission Customer shall designate, from time to time by a written notice to the TSP, at the most three (3) employees from any of the Long Term Transmission Customers, who shall have access at all reasonable times to the Site and to all such places where the Project is being executed for the purpose of inspecting the progress of the Project, at its own cost and expenses.

5.6 Site regulations and Construction Documents

The TSP shall abide by the Safety Rules and Procedures as mentioned in Schedule 4 of this Agreement

The TSP shall retain at the Site and make available for inspection to the Lead Long Term Transmission Customer at all reasonable times copies of the Consents, Clearances and Permits, construction drawings and other documents related to construction.

5.7 Supervision of work:

The TSP shall provide all necessary superintendence for execution of the Project and its supervisory personnel shall be available to provide full-time superintendence for execution of the Project. The TSP shall provide skilled personnel who are experienced in their respective fields.

5.8 Remedial Measures:


The TSP shall take all necessary actions for remedying the shortfall in achievement of timely progress in execution of the Project, if any, as

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intimated by the CEA. However, such intimation by the CEA and the subsequent effect of such remedial measures carried out by the TSP shall not relieve the TSP of its obligations in the Agreement. CEA may carry out random inspections during the Project execution, as and when deemed necessary by it. If the shortfalls as intimated to the TSP are not remedied to the satisfaction of the CEA, it may refer the same to the Appropriate Commission for appropriate action.


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Page 31 of 118





ARTICLE: 6**6 CONNECTION AND COMMISSIONING OF THE PROJECT****6.1 Connection with the Inter-Connection Facilities:**

6.1.1 The TSP shall give the RLDC(s), CTU/ STU, as the case may be, the Long Term Transmission Customers and any other agencies as required at least sixty (60) days advance written notice of the date on which it intends to connect an Element of the Project, which date shall be not earlier than its Scheduled COD or Schedule COD extended as per Article 4.4.1 of this Agreement, unless the Lead Long Term Transmission Customer otherwise agrees.

6.1.2 The RLDC / SLDC (as the case may be) or the CTU / STU (as the case may be) or the Lead Long Term Transmission Customer may, for reasonable cause, including failure to arrange for Interconnection Facilities as per Article 4.2, defer the connection for up to fifteen (15) days from the date notified by the TSP pursuant to Article 6.1.1 if it notifies to the TSP in writing, before the date of connection, of the reason for the deferral and when the connection is to be rescheduled. However, no such deferment on one or more occasions would be for more than an aggregate period of 30 days. Further, the Scheduled COD would be extended as required, for all such deferments on day for day basis.

6.1.3 Subject to Articles 6.1.1 and 6.1.2, any Element of Project may be connected with the Interconnection Facilities when:

- a. it has been completed in accordance with this Agreement and the Connection Agreement;
- b. it meets the Grid Code, Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007 and all other Indian legal requirements and
- c. The TSP has obtained the approval in writing of the Electrical Inspector certifying that the Element is ready from the point of view of safety of supply and can be connected with the Interconnection Facilities.

6.2 Commercial Operation:

6.2.1 An Element of the Project shall be declared to have achieved COD seventy two (72) hours following the connection of the Element with the

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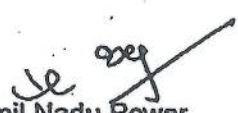


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Interconnection Facilities or seven (7) days after the date on which it is declared by the TSP to be ready for charging but is not able to be charged for reasons not attributable to the TSP or seven (7) days after the date of deferment, if any, pursuant to Article 6.1.2.

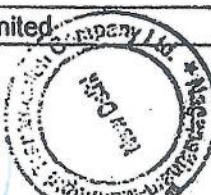
Provided that an Element shall be declared to have achieved COD only after all the Element(s), if any, which are pre-required to have achieved COD as defined in Schedule 3 of this Agreement, have been declared to have achieved their respective COD.

- 6.2.2 Once any Element of the Project has been declared to have achieved deemed COD as per Article 6.2.1 above, such Element of the Project shall be deemed to have Availability equal to the Target Availability till the actual charging of the Element and to this extent, shall be eligible for payment of the Monthly Transmission Charges applicable for such Element.
- 6.3 **Liquidated Damages for delay due to Long Term Transmission Customer Event of Default or Direct Non Natural Force Majeure Events or Indirect Non Natural Force Majeure Events or Natural Force Majeure Event (affecting the Long Term Transmission Customer)**
- 6.3.1 If the TSP is otherwise ready to connect the Element(s) of the Project and has given due notice, as per provisions of Article 6.1.1, to the Long Term Transmission Customer(s) of the date of intention to connect the Element(s) of the Project, where such date is on or before the Scheduled COD, but is not able to connect the Element(s) of the Project by the said date specified in the notice, due to a Long Term Transmission Customer Event of Default or due to Direct Non Natural Force Majeure Event or Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Long Term Transmission Customer) provided such Direct Non Natural Force Majeure Event or Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Long Term Transmission Customer(s)) has continued for a period of more than three (3) continuous or non-continuous Months, the TSP shall, until the effects of the Long Term Transmission Customer Event of Default or of Direct Non Natural Force Majeure Event or Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Long Term Transmission Customer(s)) no longer prevent the TSP from connecting the Element(s) of the Project, be deemed to have achieved COD relevant to that date and to this extent, be deemed to have been providing Transmission Service with effect from the date notified, and


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shall be treated as follows.

- a. In case of delay on account of the Long Term Transmission Customer Event of Default, the Long Term Transmission Customer(s) shall make payment to the TSP of Non Escalable Transmission Charges in proportion to their Allocated Project Capacity, calculated on Target Availability for and during the period of such delay.
- b. In case of delay due to Direct Non Natural Force Majeure Event, the Long Term Transmission Customer(s) shall make payments to the TSP of Non Escalable Transmission Charges calculated on Target Availability for the period of such events in excess of three (3) continuous or non continuous Months in the manner provided in (d) below.
- c. In case of delay due to Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Long Term Transmission Customer(s)), the Long Term Transmission Customer(s) shall make payment to the TSP for debt service, subject to a maximum of Non Escalable Transmission Charges calculated on Target Availability, which is due under the financing agreements for the period of such events in excess of three (3) continuous or non continuous Months in the manner provided in (d) below.
- d. In case of delay due to Direct Non Natural Force Majeure Event or Indirect Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Long Term Transmission Customer(s)), the Long Term Transmission Customer(s) shall be liable to make payments mentioned in (b) and (c) above, after commencement of Transmission Service, in the form of an increase in Non Escalable Transmission Charges. These amounts shall be paid from the date, being the later of a) the date of cessation of such Direct Non Natural Force Majeure Event or Indirect Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Long Term Transmission Customer(s)) and b) the completion of sixty (60) days from the receipt of the financing agreements by the Long Term Transmission Customer(s) from the TSP.

Provided such increase in Non Escalable Transmission Charges shall be determined by Appropriate Commission on the basis of putting the TSP in the same economic position as the TSP would have been in case the TSP had been paid amounts mentioned in (b) and (c) above in a situation where the Force Majeure Event had not occurred.

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For the avoidance of doubt, it is specified that the charges payable under this Article 6.3.1 shall be paid by the Long Term Transmission Customer(s) in proportion to their then Allocated Project Capacity.

6.4 Liquidated Damages for Delay In achieving COD of Project:

6.4.1 If the TSP fails to achieve COD of any Element of the Project or the Project, by the Element's / Project's Scheduled COD as extended under Articles 4.4.1 and 4.4.2, then the TSP shall pay to the Long Term Transmission Customer(s), as communicated by the Lead Long Term Transmission Customer, in proportion to their Allocated Project Capacity as on the date seven (7) days prior to the Bid Deadline, a sum equivalent to 3.33% of Monthly Transmission Charges applicable for the Element of the Project [in case where no Elements have been defined, to be on the Project as a whole] / Project, for each day of delay up to sixty (60) days of delay and beyond that time limit, at the rate of five percent (5%) of the Monthly Transmission Charges applicable to such Element / Project, as liquidated damages for such delay and not as penalty, without prejudice to Long Term Transmission Customers' any rights under the Agreement.

6.4.2 The TSP's maximum liability under this Article 6.3 shall be limited to the amount of liquidated damages calculated in accordance with Article 6.4.1 for and up to six (6) months of delay for the Element or the Project.

Provided that in case of failure of the TSP to achieve COD of the Element of the Project even after the expiry of six (6) months from its Scheduled COD, the provisions of Article 13 shall apply.

6.4.3 The TSP shall make payment of the liquidated damages calculated pursuant to Article 6.4.1 within ten (10) days of the earlier of:

- a. the date on which the applicable Element achieves COD; or
- b. the date of termination of this Agreement.

The payment of such damages shall not relieve the TSP from its obligations to complete the Project or from any other obligation and liabilities under the Agreement.

6.4.4 If the TSP fails to pay the amount of liquidated damages within the said period of ten (10) days, the Long Term Transmission Customers shall be entitled to recover the said amount of the liquidated damages by invoking the Contract Performance Guarantee. If the then existing Contract Performance Guarantee is for an amount which is less than the amount

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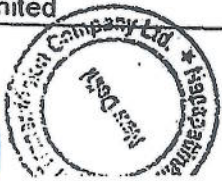
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Page 35 of 118

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of the liquidated damages payable by the TSP to the Long Term Transmission Customers under this Article 6.3, the TSP shall be liable to forthwith pay the balance amount.

6.5 Return of Contract Performance Guarantee

6.5.1 If the TSP fails to achieve COD of any of the Elements on their respective Scheduled COD specified in this Agreement, subject to conditions mentioned in Article 4.4, the Long Term Transmission Customers shall have the right to encash the Contract Performance Guarantee and appropriate in their favour as liquidated damages an amount specified in Article 6.4.1, without prejudice to the other rights of the Long Term Transmission Customers under this Agreement.

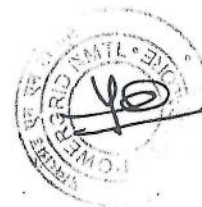
6.5.2 The Contract Performance Guarantee as submitted by TSP in accordance with Article 3.1.1 shall be released by the Long Term Transmission Customers within three (3) months from the COD of the Project. In the event of delay in achieving Scheduled COD of any of the Elements by the TSP (otherwise than due to reasons as mentioned in Article 3.1.1 or Article 11) and consequent part invocation of the Contract Performance Guarantee by the Long Term Transmission Customers, the Long Term Transmission Customers shall release the Contract Performance Guarantee if any, remaining unadjusted, after the satisfactory completion by the TSP of all the requirements regarding achieving the Scheduled COD of the remaining Elements of the Project. It is clarified that the Long Term Transmission Customers shall also return/release the Contract Performance Guarantee in the event of (i) applicability of Article 3.3.2 to the extent the Contract Performance Guarantee is valid for an amount in excess of Rupees Forty Five Crores (Rs. 45,00,00,000/=) or (ii) termination of this Agreement by any Party as mentioned under Article 3.3.4 of this Agreement.

6.5.3 The release of the Contract Performance Guarantee shall be without prejudice to other rights of the Long Term Transmission Customers under this Agreement.

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ARTICLE: 7**7 OPERATION AND MAINTENANCE OF THE PROJECT****7.1 Operation and Maintenance of the Project:**

- 7.1.1 The TSP shall be responsible for ensuring that the Project is operated and maintained in accordance with the Indian Electricity Grid Code (IEGC) / State Grid Code (as applicable), Transmission License, directions of National Load Despatch Centre / RLDC / SLDC (as applicable), Prudent Utility Practices, other legal requirements including the terms of Consents, Clearances and Permits and is made available for use by the Transmission Customers as per the provisions of applicable regulations including but not limited to the Central Electricity Regulatory Commission (Open Access in Inter-state Transmission) Regulations, 2004, Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, and the Central Electricity Authority (Grid Standards) of Operation and Maintenance of Transmission Lines Regulations, 2010, as amended from time to time and provisions of this Agreement.
- 7.1.2 The TSP shall operate and maintain the Project in an efficient, coordinated and economical manner and comply with the directions issued by the National Load Despatch Centre, RLDC or the SLDC, as the case may be, in line with the provisions of the Electricity Act 2003 and Rule 5 of the Electricity Rules, 2005, and as amended from time to time.
- 7.1.3 The TSP shall be responsible to provide non-discriminatory open access to the Project as per the provisions of the Electricity Act 2003, Central Electricity Regulatory Commission (Open Access in Inter-state Transmission) Regulations, 2004 (as amended from time to time) and applicable regulations of the relevant State Electricity Regulatory Commission, as the case may be, as amended from time to time. The Long Term Transmission Customers agree with the TSP to provide such access to the Open Access Customers.
- 7.1.4 If the TSP fails to comply with the directions issued by the Appropriate Commission or the RLDC / SLDC, as the case may be and is liable to pay a penalty under the provisions of the Electricity Act 2003, such penalties shall be borne by the TSP and can not be claimed from any of the Long Term Transmission Customers.


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7.1.5 The TSP may, with prior intimation to the Appropriate Commission and the Lead Long Term Transmission Customer, engage in any business for the optimum utilisation of the assets, subject to the provisions of Section 41 of the Electricity Act 2003 and Transmission License.

7.1.6 The TSP shall abide by the Safety Rules and Procedures during the Operation Period as mentioned in Schedule 4 of this Agreement.

7.2 Scheduled Outage

7.2.1 In line with the provisions of the Grid Code, as amended from time to time, the TSP shall provide its annual outage plan, and shall be governed by the decisions of the RPC in this regard.

7.3 Unscheduled Outage

7.3.1 In the event of an Unscheduled Outage, the TSP shall inform, in writing to the concerned RLDC/SLDC, as the case may be, and the Lead Long Term Transmission Customer, the reasons and the details of occurrence of such Unscheduled Outage. The TSP shall further inform about, the nature of the work to be carried out, the estimated time required to complete it and the latest time by which in its opinion the work should begin consistent with the Prudent Utility Practices.

7.3.2 The TSP shall use its reasonable endeavours consistent with Prudent Utility Practices to carry out the maintenance in minimum time schedule to address such Unscheduled Outage and bring the Element/Project back in operation.


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ARTICLE: 8**8 AVAILABILITY OF THE PROJECT****8.1 Calculation of Availability of the Project:**


Calculation of Availability for the Elements and for the Project, as the case may be, shall be as per Appendix – IV of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, as applicable seven (7) days prior to the Bid Deadline and as appended in Schedule 9.

8.2 Target Availability:

The Target Availability of the Project shall be ninety eight percent (98%).


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ARTICLE: 9**9 INSURANCES****9.1 Insurance:**

9.1.1 The TSP shall effect and maintain or cause to be effected and maintained during the Construction Period and the Operating Period, Insurances against such risks, with such deductibles and endorsements and co-beneficiary/insured, as may be necessary under

- a. any of the Financing Agreements,
- b. the Laws, and
- c. in accordance with Prudent Utility Practices.

The Insurances shall be taken effective from a date prior to the date of the Financial Closure till the Expiry Date.

9.2 Evidence of Insurance cover:

9.2.1 The TSP shall furnish to the Lead Long Term Transmission Customer copies of certificates and policies of the Insurances as soon as they are effected and renewed by or on behalf of the TSP from time to time in terms of Article 9.1

9.3 Application of Insurance Proceeds:

9.3.1 Save as expressly provided in this Agreement, the policies of Insurances and the Financing Agreements, the proceeds of any insurance claim made due to loss or damage to the Project or any part of the Project shall be first applied to reinstatement, replacement or renewal of such loss or damage.

9.3.2 If a Natural Force Majeure Event renders the Project no longer economically and technically viable and the insurers under the Insurances make payment on a "total loss" or equivalent basis, the portion of the proceeds of such Insurance available to the TSP (after making admissible payments to the Lenders as per the Financing Agreements) shall be allocated to the TSP and the Long Term Transmission Customers shall have no claim on such proceeds of the Insurance.

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9.3.3 Subject to the requirements of the Lenders under the Financing Agreements, any dispute or difference between the Parties as to whether the Project is no longer economically and technically viable due to a Force Majeure Event or whether that event was adequately covered in accordance with this Agreement by the Insurances shall be determined in accordance with Article 16.

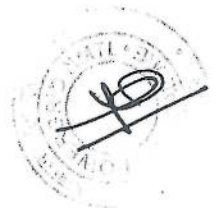
9.4 Effect on liability of the Long Term Transmission Customers

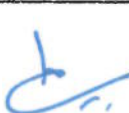
9.4.1 The Long Term Transmission Customers shall have no financial obligations or liability whatsoever towards the TSP in respect of this Article 9.


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ARTICLE: 10**10 BILLING AND PAYMENT OF TRANSMISSION CHARGES**

10.1 Subject to provisions of this Article 10, the Long Term Transmission Customers shall pay to the TSP, in Indian Rupees, on monthly basis, the Monthly Transmission Charges from the date on which an Element(s) has achieved COD until the Expiry Date of this Agreement, unless terminated earlier, in line with the provisions of Schedule 5 of this Agreement.

10.2 Calculation of Monthly Transmission Charges:

The Monthly Transmission Charges for each Contract Year shall be calculated in accordance with the provisions of Schedule 5 of this Agreement.

10.3 Incentive Payment

Incentive payment, on account of Availability being more than the Target Availability shall be payable by the Long Term Transmission Customer(s), in line with Clause 1.2.2 of Schedule 5 of this Agreement and shall be paid on an annual basis. The annual incentive amount payable to the TSP shall be shared by the Long Term Transmission Customer(s) in the ratio of the Transmission Charges paid or actually payable to the TSP by them existing at the end of the relevant Contract Year.

10.4 Payment of Penalty

The TSP shall pay a penalty on account of Availability being less than ninety five percent (95%) in any Contract Year in respect of the Element(s) having achieved COD or in case of the Project, after COD of the Project, to be computed in line with Clause 1.2.3 of Schedule 5 of this Agreement and paid on an annual basis. This penalty payable by the TSP shall be apportioned in favour of the Long Term Transmission Customer(s) in the ratio of the Transmission Charges paid or actually payable to the TSP by them existing at the end of the relevant Contract Year.

10.5 Delivery of Invoices:**10.5.1 TSP's Invoices**

- a. Commencing with the month following the month in which the COD of an Element (which is first Commissioned) occurs, the TSP shall

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submit to Long Term Transmission Customers by the fifth day of such and each succeeding month (or, if such day is not a Business Day, the immediately following Business Day) an Invoice in the Agreed Form (the "Monthly Transmission Charge Invoice") signed by the authorised signatory of the TSP setting out the computation of the Monthly Transmission Charges to be paid by the Long Term Transmission Customers to the TSP in respect of the immediately preceding month in accordance with this Agreement; and

- b. Each Monthly Transmission Charge Invoice shall include detailed calculations of the amounts payable under it, together with such further supporting documentation and information as Long Term Transmission Customers may reasonably require / request, from time to time.

10.5.2 Long Term Transmission Customers Invoices

- a. Long Term Transmission Customers shall (as and when any amount becomes due to be paid by TSP), on the fifth day of the month (or, if such day is not a Business Day, the immediately following Business Day) submit to the TSP an Invoice in the Agreed Form (the "Long Term Transmission Customers Invoice") setting out the computation of any amount that may be payable to it by the TSP for the immediately preceding month pursuant to this Agreement.

- b. Each Long Term Transmission Customer's Invoice shall include detailed calculations of the amounts payable under it, together with such further supporting documentation as the TSP may reasonably require/request, from time to time.

10.6 Payment of Invoices:

- 10.6.1 Pursuant to Article 10.4, any amount payable under an Invoice shall be paid in immediately available and freely transferable clear funds, for value on or before the Due Date, to such account of the TSP or Long Term Transmission Customers as shall have been previously notified to Long Term Transmission Customers or the TSP, as the case may be.

10.6.2 Where in respect of any month there is both:

- a. an amount payable by the Long Term Transmission Customers to TSP pursuant to a Monthly Transmission Charge Invoice and
- b. an amount payable by the TSP to Long Term Transmission Customer pursuant to a Long Term Transmission Customer's Invoice as per

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Nagapattinam-Madhugiri Transmission Company Limited

Page 43 of 118



provisions of this Agreement,

the two amounts, to the extent agreed to be set off by the TSP may, be set off against each other and the balance, if any, shall be paid by Long Term Transmission Customers to the TSP or by TSP to Long Term Transmission Customers, as the case may be.

10.6.3 The Long Term Transmission Customers shall pay the amount payable under the Monthly Transmission Charge Invoice and the Supplementary Bill on the Due Date to such account of the TSP, as shall have been previously notified by the TSP to the Long Term Transmission Customers in accordance with Article 10.6.6 below.

10.6.4 All payments made by the Long Term Transmission Customers shall be appropriated by the TSP in the following order of priority:

- i. towards Late Payment Surcharge, payable to the TSP, if any;
- ii. towards earlier unpaid Monthly Transmission Charge Invoice, if any;
- iii. towards earlier unpaid Supplementary Bill, if any;
- iv. towards the then current Monthly Transmission Charge Invoice, if any; and
- v. towards the then current Supplementary Bill.

10.6.5 All payments required to be made under this Agreement shall only include any deduction or set off for:

- i. deductions required by the Law; and
- ii. amounts claimed by the Long Term Transmission Customers from the TSP, through an Invoice duly acknowledged by the TSP, to be payable by the TSP, and not disputed by the TSP within thirty (30) days of receipt of the said Invoice and such deduction or set-off shall be made to the extent of the amounts not disputed. It is clarified that the Long Term Transmission Customers shall be entitled to claim any set off or deduction under this Article, after expiry of the said thirty (30) day period.

Provided further, the maximum amounts that can be deducted or set-off by all the Long Term Transmission Customers taken together (proportionate to their Allocated Transmission Capacity in case of

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each Long Term Transmission Customer) under this Article in a Contract Year shall not exceed Rupees Ten Crores (Rs. 10,00,00,000/-) only, except on account of payments under sub Article (i) above.

- 10.6.6 The TSP shall open a bank account at (the "Designated Account") for all payments to be made by the Long Term Transmission Customers to the TSP, and notify the Long Term Transmission Customers of the details of such account at least ninety (90) days before the Scheduled COD of the first Element to the Long Term Transmission Customers. The Long Term Transmission Customers shall, on the day of payment, notify the TSP of the payment made to the Designated Account. The Long Term Transmission Customers shall also designate a bank account at for payments to be made by the TSP to Long Term Transmission Customers and notify the TSP of the details of such account ninety (90) days before the Scheduled COD of the first Element.

10.7 Payment of Rebate:

- 10.7.1 In case the Long Term Transmission Customer pays to the TSP through any mode of payment in respect of a Monthly Transmission Charge Invoice or Supplementary Bill, the following shall apply:

- a. For payment of Invoices through any mode of payment, a Rebate of 2% shall be allowed on the Monthly Transmission Charge Invoice or Supplementary Bill for payments made in full within one Business Day of the receipt of the Invoice; or
- b. For payment of Invoices subsequently, but within the Due Date, a Rebate of 1% shall be allowed on the payments made in full.
- c. Applicable rate of Rebate at (a) and (b) above shall be based on the date on which the payment has been actually credited to the TSP's account. Any delay in transfer of money to the TSP's account, on account of a statutory holiday, public holiday, or any other reasons shall be to the account of the Long Term Transmission Customers.
- d. No Rebate shall be payable on the bills raised on account of Change in Law relating to taxes, duties and cess;

Provided that if any Long Term Transmission Customer fails to pay a Monthly Transmission Charge Invoice/ Supplementary Bill or part thereof within and including the Due Date, the TSP shall recover such amount as per provisions of Article 19.11(1).

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10.8 Surcharge

- 10.8.1 Any amount due from one Party to the other, pursuant to this Agreement and remaining unpaid for thirty (30) days after the Due Date, shall bear Late Payment Surcharge @ 1.25% per month on the unpaid amount. Such Late Payment Surcharge shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by the payee.

10.9 Disputed Invoices

- 10.9.1 If either Party does not question or dispute an Invoice within thirty (30) days of receiving it, the Invoice shall be considered correct, complete and conclusive between the Parties.
- 10.9.2 If either Party disputes any item or part of an item set out in any Invoice then that Party shall serve a notice (an "Invoice Dispute Notice") on the other Party setting out (i) the item or part of an item which is in dispute, (ii) its estimate of what such item or part of an item should be, (iii) and with all written material in support of its claim.
- 10.9.3 If the invoicing Party agrees to the claim raised in the Invoice Dispute Notice issued pursuant to Article 10.9.2, the invoicing Party shall revise such Invoice within seven (7) days of receiving such notice from the disputing Party and if the disputing Party has already made the excess payment, the invoicing Party shall refund to the disputing Party, such excess amount within fifteen (15) days of receiving such notice. In such a case, the excess amount shall be refunded along with interest at the same rate as the Late Payment Surcharge, which shall be applied from the date on which such excess payment was made to the invoicing Party and up to and including the date on which such payment has been received as refund.
- 10.9.4 If the invoicing Party does not agree to the claim raised in the Invoice Dispute Notice issued pursuant to Article 10.9.2, it shall, within fifteen (15) days of receiving the Invoice Dispute Notice, furnish a notice to the disputing Party providing (i) reasons for its disagreement; (ii) its estimate of what the correct amount should be; and (iii) all written material in support of its counter-claim.
- 10.9.5 Upon receipt of notice of disagreement to the Invoice Dispute Notice under Article 10.9.4, authorised representative(s) or a director of the board of directors/member of board of each Party shall meet and make


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best endeavours to amicably resolve such Dispute within fifteen (15) days of receiving such notice of disagreement to the Invoice Dispute Notice.

- 10.9.6 If the Parties do not amicably resolve the dispute within fifteen (15) days of receipt of notice of disagreement to the Invoice Dispute Notice pursuant to Article 10.9.4, the matter shall be referred to Appropriate Commission for Dispute resolution in accordance with Article 16.
- 10.9.7 If a Dispute regarding a Monthly Transmission Charge Invoice or a Supplementary Invoice is settled pursuant to Article 10.7 or by Dispute resolution mechanism provided in this Agreement in favour of the Party that issues the Invoice Dispute Notice, the other Party shall refund the amount, if any incorrectly charged and collected from the disputing Party or pay as required, within five (5) days of the Dispute either being amicably resolved by the Parties pursuant to Article 10.9.5 or settled by Dispute resolution mechanism, along with interest (at the same rate as Late Payment Surcharge) or Late Payment Surcharge from the date on which such payment had been made to the invoicing Party or the date on which such payment was originally due, as may be applicable.
- 10.9.8 For the avoidance of doubt, it is clarified that despite a Dispute regarding an Invoice, the concerned Long Term Transmission Customer shall, without prejudice to its right to Dispute, be under an obligation to make payment, of the lower of (a) an amount equal to simple average of last three (3) months Invoices (being the undisputed portion of such three months Invoices) and (b) Monthly Invoice which is being disputed, provided such Monthly Invoice has been raised based on the Allocated Project Capacity and in accordance with this Agreement.

10.10 Payment of Supplementary Bill

- 10.10.1 Either Party may raise a bill on the other Party ("Supplementary Bill") for payment on account of:

- i. adjustments (if any) required by the Regional Energy Account ; or
- ii. quarterly or annual reconciliation as per Article 10.13 ; or
- iii. Change in Law as provided in Article 12,

and such Bill shall be paid by the other Party.

10.11 Payment Security Mechanism:

- 10.11.1 Establishment of Letter of Credit:

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- (a) Not later than one (1) Month prior to the Scheduled COD of the first Element of the Project, each Long Term Transmission Customer shall, through a scheduled bank, open a Letter of Credit in favour of the TSP, to be made operative from a date prior to the Due Date of its first Monthly Transmission Charge Invoice under this Agreement and shall be renewed annually.
- (b) The draft of the proposed Letter of Credit shall be provided by each Long Term Transmission Customer to the TSP not later than the Financial Closure of the Project and shall be mutually agreed between the Parties.
- (c) The Letter of Credit shall have a term of twelve (12) Months and shall be for an amount:
- for the first Contract Year or for each subsequent Contract Year, equal to one point one (1.1) times the estimated average Monthly Transmission Charges based on Target Availability of the Elements or Project with Scheduled COD in such Contract Year, as the case may be;
 - Provided that, the TSP shall not make any drawl before the Due Date and shall not make more than one drawal in a month.
- Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 10.11.1, otherwise than by reason of drawal of such Letter of Credit by the TSP, the relevant Long Term Transmission Customer shall restore such shortfall within seven (7) days.
- (d) Long Term Transmission Customers shall cause the scheduled bank issuing the Letter of Credit to intimate the TSP, in writing regarding establishing of such Letter of Credit.
- (e) In case of drawal of the Letter of Credit by the TSP in accordance with the terms of this Article 10.11.1, the amount of the Letter of Credit shall be reinstated within seven (7) days from the date of such drawal.
- (f) If any Long Term Transmission Customer fails to pay a Monthly Transmission Charge Invoice / Supplementary Bill or part thereof within and including the Due Date, then, unless an Invoice Dispute Notice is received by the TSP as per the provisions of Article

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10.9.2, the TSP may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from the Long Term Transmission Customers, an amount equal to such Monthly Transmission Charge Invoice/Supplementary Bill or part thereof plus Late Payment Surcharge, if applicable, in accordance with Article 10.8 above, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- i. a copy of the Monthly Transmission Charge Invoice/Supplementary Bill which has remained unpaid by such Long Term Transmission Customer;
- ii. a certificate from the TSP to the effect that the Invoice at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date; and
- iii. calculations of applicable Late Payment Surcharge, if any.

Provided that failure on the part of the TSP to present the documents for negotiation of the Letter of Credit shall not attract any Late Payment Surcharge on the Long Term Transmission Customers.

- (g) Each Long Term Transmission Customer shall ensure that the Letter of Credit shall be renewed not later than thirty (30) days prior to its expiry.
- (h) All costs relating to opening and maintenance of the Letter of Credit shall be borne by the Long Term Transmission Customers. However, the Letter of Credit negotiation charges shall be borne and paid by the TSP.
- (i) If a Long Term Transmission Customer fails to pay (with respect to a Monthly Bill or Supplementary Bill) an amount exceeding thirty percent (30%) of the most recent undisputed Monthly Bill, for a period of seven (7) days after the Due Date and the TSP is unable to recover the amount outstanding to the TSP through the Letter of Credit,
 - i. the TSP shall issue a notice to such Long Term Transmission Customer within seven (7) days from such period, with a copy to each of the other Long Term Transmission Customers, highlighting the non payment of such amount by such Long Term Transmission Customer;

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Page 48 of 118

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- ii. If such Long Term Transmission Customer still fails to pay such amount within a period of thirty (30) days after the issue of notice by TSP as mentioned in (i) above, the TSP shall approach the RLDC / SLDC (as the case may be) requesting for the alteration of the schedule of dispatch of the lowest cost power of such Long Term Transmission Customer(s) from the Central Generating Stations, and the RLDC / SLDC shall continue to reschedule the lowest cost power till all the dues of the TSP are recovered;
- Provided that in this case, the quantum of electricity and the corresponding period in which it would be rescheduled for dispatch shall be corresponding to the amount of default. This electricity will then be dispatched to other utilities by the concerned RLDC/SLDC, as the case may be, during the peak hours, i.e., 7pm to 10 pm. The price of this electricity will be determined as per the UI rate;
 - Provided further that the revenue from such diverted power would be used to pay the dues first of the generating company (which would include the capacity charges as well as the energy charges) and the remainder would be available for covering the default amount and the balance (if any), after recovering both the charges, would be paid to the defaulting Long Term Transmission Customer.

10.12 Payment Intimation

Long Term Transmission Customers shall remit all amounts due under an Invoice raised by the TSP to the TSP's account by the Due Date and notify the TSP of such remittance on the same day. Similarly, the TSP shall pay all amounts due under an Invoice raised by Long Term Transmission Customers by the Due Date to concerned Long Term Transmission Customer's account and notify such Long Term Transmission Customers/s of such payment on the same day.

10.13 Quarterly and Annual Reconciliation

- 10.13.1 Parties acknowledge that all payments made against Monthly Bill(s) and Supplementary Bill(s) shall be subject to quarterly reconciliation at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year to take into account Regional Energy Account, adjustments in Transmission Charges

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payments, Rebates, Late Payment Surcharge, Incentive, Penalty, or any other reasonable circumstance as may be mutually agreed between the Parties.

- 10.13.2 The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year, as the case may be, is available and has been finally verified and adjusted, the TSP and each Long Term Transmission Customer shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the TSP or Long Term Transmission Customers, as the case may be, shall raise a Supplementary Bill for the payments as may be due as a result of reconciliation for the relevant quarter/ Contract Year and shall make payment of such Supplementary Bill for the adjustments in Transmission Charges payments for the relevant quarter/Contract Year.
- 10.13.3 Interest / Late Payment Surcharge shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable. Any dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of Article 16

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Nagapattinam-Madhugiri Transmission Company Limited

Page 51 of 118

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ARTICLE: 11**11 FORCE MAJEURE****11.1 Definitions**

11.1.1 The following terms shall have the meanings given hereunder.

11.2 Affected Party

11.2.1 An Affected Party means any of the Long Term Transmission Customers or the TSP whose performance has been affected by an event of Force Majeure.

11.2.2 An event of Force Majeure affecting the CTU/STU or any agent of the Long Term Transmission Customers, which has affected the Interconnection Facilities, shall be deemed to be an event of Force Majeure affecting the Long Term Transmission Customers.

11.2.3 Any event of Force Majeure shall be deemed to be an event of Force Majeure affecting the TSP only if the Force Majeure event affects and results in, late delivery of machinery and equipment for the Project or construction, completion, commissioning of the Project by Scheduled COD and/or operation thereafter ;

11.3 Force Majeure.

A 'Force Majeure' means any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:

(a) Natural Force Majeure Events:

act of God, including, but not limited to drought, fire and explosion (to the extent originating from a source external to the Site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred (100) years,

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(b) Non-Natural Force Majeure Events:

i. Direct Non-Natural Force Majeure Events

- Nationalization or compulsory acquisition by any Indian Governmental Instrumentality of any material assets or rights of the TSP; or
- the unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consents, Clearances and Permits required by the TSP to perform their obligations under the RFP Project Documents or any unlawful, unreasonable or discriminatory refusal to grant any other Consents, Clearances and Permits required for the development/ operation of the Project, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down; or
- any other unlawful, unreasonable or discriminatory action on the part of an Indian Governmental Instrumentality which is directed against the Project, provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down.

ii. Indirect Non - Natural Force Majeure Events

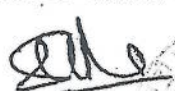
- act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or
- radio active contamination or ionising radiation originating from a source in India or resulting from any other Indirect Non Natural Force Majeure Event mentioned above, excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Site by the Affected Party or those employed or engaged by the Affected Party; or
- industry wide strikes and labour disturbances, having a nationwide impact in India.

11.4 Force Majeure Exclusions

11.4.1 Force Majeure shall not include (i) any event or circumstance which is


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within the reasonable control of the Parties and (ii) the following conditions, except to the extent that they are consequences of an event of Force Majeure:

- (a) Unavailability, late delivery, or changes in cost of the machinery, equipment, materials, spare parts etc. for the Project;
- (b) Delay in the performance of any Contractors or their agents;
- (c) Non-performance resulting from normal wear and tear typically experienced in transmission materials and equipment;
- (d) Strikes or labour disturbance at the facilities of the Affected Party;
- (e) Insufficiency of finances or funds or the Agreement becoming onerous to perform; and
- (f) Non-performance caused by, or connected with, the Affected Party's:
 - i. negligent or intentional acts, errors or omissions;
 - ii. failure to comply with an Indian Law; or
 - iii. breach of, or default under this Agreement or any Project Documents.

11.5 Notification of Force Majeure Event

- 11.5.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than seven (7) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement.

Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular reports on the progress of those

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remedial measures and such other information as the other Party may reasonably request about the Force Majeure.

- 11.5.2 The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.

11.6 Duty to perform and duty to mitigate

To the extent not prevented by a Force Majeure Event, the Affected Party shall continue to perform its obligations as provided in this Agreement. The Affected Party shall use its reasonable efforts to mitigate the effect of any event of Force Majeure as soon as practicable.

11.7 Available Relief for a Force Majeure Event

Subject to this Article 11

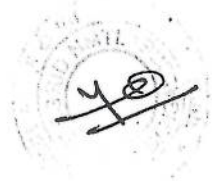
- (a) no Party shall be in breach of its obligations pursuant to this Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event;
- (b) every Party shall be entitled to claim relief for a Force Majeure Event affecting its performance in relation to its obligations under this Agreement.
- (c) For the avoidance of doubt, it is clarified that the computation of Availability of the Element(s) under outage due to Force Majeure Event, as per Article 11.3 affecting the TSP shall be as per Appendix IV to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 as on seven (7) days prior to the Bid Deadline. For the event(s) for which the Element(s) is/are deemed to be available as per Appendix IV to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009, then only the Non Escalable Transmission Charges, as applicable to such Element(s) in the relevant Contract Year, shall be paid by the Long Term Transmission Customers as per Schedule 5, for the duration of such event(s).
- (d) For so long as the TSP is claiming relief due to any Force Majeure Event under this Agreement, the Lead Long Term Transmission Customer may, from time to time on one (1) day notice, inspect the


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Project and the TSP shall provide the Lead Long Term Transmission Customer's personnel with access to the Project to carry out such inspections, subject to the Lead Long Term Transmission Customer's personnel complying with all reasonable safety precautions and standards.




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ARTICLE: 12**12 CHANGE IN LAW****12.1 Change in Law**

12.1.1 Change in Law means the occurrence of any of the following after the date, which is seven (7) days prior to the Bid Deadline resulting into any additional recurring / non-recurring expenditure by the TSP or any income to the TSP:

- the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law;
- a change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;
- the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;
- a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits;
- any change in the licensing regulations of the Appropriate Commission, under which the Transmission License for the Project was granted if made applicable by such Appropriate Commission to the TSP;
- any change in the Acquisition Price; or
- any change in tax or introduction of any tax made applicable for providing Transmission Service by the TSP as per the terms of this Agreement.

12.1.2 Notwithstanding anything contained in this Agreement, Change in Law shall not cover any change:

- a. on account of regulatory measures by the Appropriate Commission including calculation of Availability; and
- b. in any tax applied on the income or profits of the TSP.

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12.2 Relief for Change in Law**12.2.1 During Construction Period:**

During the Construction Period, the impact of increase/decrease in the cost of the Project in the Transmission Charges shall be governed by the formula given below:

For every cumulative increase/decrease of each Rupees Three Crores Thirty Lakhs (Rs. 3,30,00,000/=) in the cost of the Project up to the Scheduled COD of the Project, the increase/decrease in non-escalable Transmission Charges shall be an amount equal to 0.32 percent (0.32%) of the Non-Escalable Transmission Charges.

12.2.2 During the Operation Period:

During the Operation Period, the compensation for any increase/decrease in revenues shall be determined and effective from such date, as decided by the Appropriate Commission whose decision shall be final and binding on both the Parties, subject to rights of appeal provided under applicable Law.

Provided that the above mentioned compensation shall be payable only if the increase/decrease in revenues or cost to the TSP is in excess of an amount equivalent to one percent (1%) of Transmission Charges in aggregate for a Contract Year.

12.2.3 For any claims made under Articles 12.2.1 and 12.2.2 above, the TSP shall provide to the Long Term Transmission Customers and the Appropriate Commission documentary proof of such increase/decrease in cost of the Project/revenue for establishing the impact of such Change in Law.

12.2.4 The decision of the Appropriate Commission, with regards to the determination of the compensation mentioned above in Articles 12.2.1 and 12.2.2, and the date from which such compensation shall become effective, shall be final and binding on both the Parties subject to rights of appeal provided under applicable Law.

12.3 Notification of Change in Law:

12.3.1 If the TSP is affected by a Change in Law in accordance with Article 12.1 and wishes to claim relief from such Change in Law under this Article 12, it

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shall give notice to Lead Long Term Transmission Customer of such Change in Law as soon as reasonably practicable after becoming aware of the same.

12.3.2 The TSP shall also be obliged to serve a notice to Lead Long Term Transmission Customer even when it is beneficially affected by a Change in Law.

12.3.3 Any notice served pursuant to Articles 12.3.1 and 12.3.2 shall provide, amongst other things, precise details of the Change in Law and its effect on the TSP.

12.4 Payment on account of Change in Law

12.4.1 The payment for Change in Law shall be through Supplementary Bill as mentioned in Article 10.10. However, in case of any change in Monthly Transmission Charges by reason of Change in Law, as determined in accordance with this Agreement, the Monthly Invoice to be raised by the TSP after such change in Transmission Charges shall appropriately reflect the changed Monthly Transmission Charges.

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ARTICLE: 13

13 EVENTS OF DEFAULT AND TERMINATION

13.1 TSP Event of Default

The occurrence and continuation of any of the following events shall constitute a TSP Event of Default, unless any such TSP Event of Default occurs as a result of a breach by the Long Term Transmission Customers of their obligations under this Agreement, the Long Term Transmission Customers Event of Default or a Force Majeure Event:

- a. After having taken up the construction of the Project, the abandonment by the TSP or the TSP's Contractors of the construction of the Project for a continuous period of two (2) months and such default is not rectified within thirty (30) days from the receipt of notice from the Lead Long Term Transmission Customer in this regard;
- b. The failure to commission any Element of the Project by the date falling six (6) months after its Scheduled COD;

c. If the TSP:

- i. assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Project in contravention of the provisions of this Agreement; or
- ii. transfers or novates any of its obligations pursuant to this Agreement, in a manner contrary to the provisions of this Agreement;

except where such transfer is in pursuance of a Law and


- It does not affect the ability of the transferee to perform, and such transferee has the financial and technical capability to perform, its obligations under this Agreement;
- is to a transferee who assumes such obligations under the Project and this Agreement remains effective with respect to the transferee;

d. If:

- i. The TSP becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days; or


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- ii. any winding up or bankruptcy or insolvency order is passed against the TSP; or
- iii. the TSP goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

Provided that a dissolution or liquidation of the TSP will not be a TSP Event of Default where such dissolution or liquidation of the TSP is for the purpose of a merger, consolidation or reorganization with the prior approval of the Appropriate Commission as per the provisions of Central Electricity Regulatory Commission (Procedure, terms and Conditions for grant of Transmission License and other related matters) Regulations, 2006 or as amended from time to time; or

- e. Revocation of the Transmission License of TSP; or
- f. Non-payment of i) an amount exceeding Rupees Fifty (50) lakhs required to be paid to the Long Term Transmission Customers under this Agreement within three (3) months after the Due Date of an undisputed Invoice raised by the said Long Term Transmission Customer(s) on the TSP or ii) an amount up to Rupees Fifty (50) lakhs required to be made to the Long Term Transmission Customers under this Agreement within six (6) months after the Due Date of an undisputed Invoice; or
- g. Failure on the part of the TSP to comply with the provisions of Article 18.2 of this Agreement; or
- h. the TSP repudiates this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the Lead Long Term Transmission Customer in this regard; or
- i. after Commercial Operation Date of the Project, the TSP fails to achieve monthly Target Availability of ninety eight percent (98%), for a period of six (6) consecutive months or within a non-consecutive period of six (6) months within any continuous aggregate period of eighteen(18) months except where the Availability is affected by Force Majeure Events as per Article 11; or
- j. any of the representations and warranties made by the TSP in Article 17 of this Agreement being found to be untrue or inaccurate. Further, in addition to the above, any of the undertakings submitted by the TSP at the time of submission of the Bid being found to be breached or inaccurate, including but not limited to undertakings from its Parent Company/ Affiliates related to the minimum equity obligation; or

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Nagapattinam-Madhugiri Transmission Company Limited

Page 61 of 118

- k. the TSP fails to complete/fulfil all the activities/conditions within the specified period as per Article 3 ; or
- l. except where due to any Long Term Transmission Customer's failure to comply with its obligations, the TSP is in material breach of any of its obligations under this Agreement and such material breach is not rectified by the TSP within thirty (30) days of receipt of notice in this regard from the Majority Long Term Transmission Customers; or
- m. the TSP fails to take the possession of the land required for location specific substations, switching stations or HVDC terminal or inverter stations and/or fails to pay the requisite price to the parties and/or any State Government authority from whom the land is acquired, within twelve (12) months from the Effective Date.

13.2 Long Term Transmission Customers' Event of Default

The occurrence and continuation of any of the following events shall constitute a Long Term Transmission Customers' Event of Default, unless any such Long Term Transmission Customers' Event of Default occurs as a result of a breach by the TSP of its obligations under this Agreement, a TSP Event of Default or a Force Majeure Event:

- a. a Long Term Transmission Customer fails to pay (with respect to a Monthly Bill or Supplementary Bill) an amount exceeding thirty percent (30%) of the most recent undisputed Monthly Bill, for a period of ninety (90) days after the Due Date and the TSP is unable to recover the amount outstanding to the TSP through the Letter of Credit; or
- b. the Long Term Transmission Customer repudiates this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the TSP in this regard; or
- c. except where due to the TSP's failure to comply with its obligations, the Long Term Transmission Customers are in material breach of any of their obligations under this Agreement and such material breach is not rectified by the Long Term Transmission Customer within thirty (30) days of receipt of notice in this regard from the TSP to all the Long Term Transmission Customers; or
- d. any of the representations and warranties made by the Long Term Transmission Customers in Article 17 of this Agreement being found to be untrue or inaccurate; or
- e. If:

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- i. any Long Term Transmission Customer becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days; or
- ii. any winding up or bankruptcy or insolvency order is passed against the Long Term Transmission Customer; or
- iii. the Long Term Transmission Customer goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

Provided that it shall not constitute a Long Term Transmission Customer Event of Default where such dissolution or liquidation of such Long Term Transmission Customer is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement, similar to such Long Term Transmission Customer and expressly assumes all obligations of such Long Term Transmission Customer under this Agreement and is in a position to perform them;

13.3 Termination Procedure for TSP Event of Default

- a. Upon the occurrence and continuance of any TSP's Event of Default under Article 13.1 the Majority Long Term Transmission Customers, through the Lead Long Term Transmission Customer, may serve notice on the TSP, with a copy to the Appropriate Commission and the Lenders' Representative, of their intention to terminate this Agreement (a "Long Term Transmission Customer's Preliminary Termination Notice"), which shall specify in reasonable detail, the circumstances giving rise to such Long Term Transmission Customer's Preliminary Termination Notice.
- b. Following the issue of a Long Term Transmission Customer's Preliminary Termination Notice, the Consultation Period shall apply and would be for the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- c. During the Consultation Period, the Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement, and the TSP shall not remove any material, equipment or any part of the Project, without prior consent of the Lead Long Term Transmission Customer.

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Transmission Company Limited)



Nagapattinam-Madhugiri Transmission Company Limited

Page 63 of 118

- d. Following the expiry of the Consultation Period, unless the Parties shall have otherwise agreed to the contrary or the circumstances giving rise to Long Term Transmission Customers Preliminary Termination Notice shall have ceased to exist or shall have been remedied, the Long Term Transmission Customers may terminate this Agreement by giving written notice of thirty (30) days ("Long Term Transmission Customers' Termination Notice") to the TSP, with a copy to the Lenders' Representative and the Appropriate Commission. Unless the Lenders have exercised their rights of substitution as per the provisions of Article 15.3 of this Agreement and the Appropriate Commission has agreed to such substitution rights of the Lenders or otherwise directed by the Appropriate Commission, this Agreement shall terminate on the date of expiry of such Long Term Transmission Customers' Termination Notice. Upon termination of the Agreement, the Lead Long Term Transmission Customer shall approach the Appropriate Commission seeking revocation of the Transmission License and further action as per the provisions of the Electricity Act, 2003.

13.4 Termination Procedure for Long Term Transmission Customers Event of Default

- a. Upon the occurrence of a Long Term Transmission Customers Event of Default under Article 13.2, the TSP may serve notice on Long Term Transmission Customers, with a copy to the Appropriate Commission and the Lenders' Representative, of its intention to terminate this Agreement (a "TSP's Preliminary Termination Notice"), which notice shall specify in reasonable detail the circumstances giving rise to such TSP's Preliminary termination Notice.
- b. Following the issue of a TSP's Preliminary Termination Notice, the Consultation Period shall apply.
- c. The Consultation Period would be for the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- d. During the Consultation Period, both Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- e. Following the expiry of the Consultation Period, unless the Parties shall have otherwise agreed or the circumstances giving rise to the TSP Preliminary Termination Notice shall have ceased to exist or shall have been remedied, the TSP may terminate this Agreement by giving written notice of thirty (30) days ("TSP's Termination Notice") to the Lead Long Term Transmission Customer, with a copy to the

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(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 64 of 118

Lenders' Representative and the Appropriate Commission. Unless the Lenders have exercised their rights for substitution as per provisions of Article 15.3 of this Agreement and the Appropriate Commission has agreed to such substitution rights of the Lenders or otherwise directed by the Appropriate Commission, this Agreement shall terminate on the date of expiry of such Termination Notice.

13.5 Termination due to Force Majeure

13.5.1 In case the Parties could not reach an agreement pursuant to Article 4.4.2 of this Agreement and the Force Majeure Event or its effects continue to be present, either Party shall have the right to cause termination of the Agreement. The Long Term Transmission Customers shall also have the right to cause termination of the Agreement and to approach the Appropriate Commission to seek further directions in this regard. In such an event, subject to the terms and conditions of the Financing Agreements, this Agreement shall terminate on the date of such Termination Notice. In case of such termination, the Contract Performance Guarantee shall be returned to the TSP as per the provisions of Article 6.5.2.

13.5.2 In case of termination of this Agreement, the TSP shall provide to the Lead Long Term Transmission Customer the full names and addresses of its Contractors as well as complete designs, design drawings, manufacturing drawings, material specifications and technical information, as required by the Long Term Transmission Customers within 30 (thirty) days of Termination Notice.

13.6 Revocation of the Transmission License

13.6.1 The Appropriate Commission may, as per the provisions of the Electricity Act, 2003, revoke the Transmission License of the TSP. In the event of the revocation of the Transmission License, the Appropriate Commission would take necessary steps as per the provisions of the Electricity Act, 2003. Further the Long Term Transmission Customers reserve the right to terminate the Agreement in the event of the revocation of the Transmission License of the TSP by the Appropriate Commission.

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Nagapattinam-Madhugiri Transmission Company Limited

Page 65 of 118

ARTICLE: 14**14 LIABILITY AND INDEMNIFICATION****14.1 Indemnity**

14.1.1 The TSP shall indemnify, defend and hold each Long Term Transmission Customer harmless against:

- (a) any and all third party claims, actions, suits or proceedings against the Long Term Transmission Customers for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the TSP of any of its obligations under this Agreement, except to the extent that any such claim, action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of Long Term Transmission Customers, its Contractors, servants or agents; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by Long Term Transmission Customers from third party claims arising by reason of:
 - i. a breach by the TSP of any of its obligations under this Agreement, (provided that this Article 14 shall not apply to such breaches by the TSP, for which specific remedies have been provided for under this Agreement) except to the extent that any such losses, damages, costs and expenses including legal costs, fines, penalties and interest (together to constitute "Indemnifiable Losses") has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of Long Term Transmission Customers, its Contractors, servants or agents or
 - ii. any of the representations and warranties of the TSP under this Agreement being found to be inaccurate or untrue.

14.1.2 Each of the Long Term Transmission Customers shall indemnify, defend and hold the TSP harmless against:

- (a) any and all third party claims, actions, suits or proceedings against the TSP, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the Long Term Transmission Customers of any of their obligations under this Agreement except to the extent that any such claim,

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Nagapattinam-Madhugiri Transmission Company Limited

Page 66 of 118

action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of the TSP, its Contractors, servants or agents; and

- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest ('Indemnifiable Losses') actually suffered or incurred by the TSP from third party claims arising by reason of:
- i. a breach by the Long Term Transmission Customers of any of their obligations under this Agreement (Provided that this Article 14 shall not apply to such breaches by Long Term Transmission Customers, for which specific remedies have been provided for under this Agreement.), except to the extent that any such Indemnifiable Losses have arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of the TSP, its Contractors, servants or agents or
 - ii. any of the representations and warranties of the Long Term Transmission Customers under this Agreement being found to be inaccurate or untrue.

14.2 Patent Indemnity:

14.2.1

- (a) The TSP shall, subject to the Long Term Transmission Customers compliance with Article 14.2.1 (b), indemnify and hold harmless the Long Term Transmission Customers and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Long Term Transmission Customers may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Agreement by reason of the setting up of the Project by the TSP.

Such indemnity shall not cover any use of the Project or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Agreement, any infringement resulting from the misuse of the Project or any part thereof, or any products produced in association or combination with any other equipment, plant or materials not supplied by the TSP, pursuant to the Agreement.

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- (b) If any proceedings are brought or any claim is made against the Long Term Transmission Customers arising out of the matters referred to in Article 14.2.1(a), the Lead Long Term Transmission Customer shall promptly give the TSP a notice thereof, and the TSP shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. The TSP shall promptly notify the Lead Long Term Transmission Customer of all actions taken in such proceedings or claims.
- (c) If the TSP fails to notify the Lead Long Term Transmission Customer within twenty-eight (28) days after receipt of such notice from the Long Term Transmission Customers under Article 14.2.1(b) above, that it intends to attend any such proceedings or claim, then the Long Term Transmission Customers shall be free to attend the same on their own behalf at the cost of the TSP. Unless the TSP has so failed to notify the Lead Long Term Transmission Customer within the twenty eight (28) days period, the Lead Long Term Transmission Customer shall make no admission that may be prejudicial to the defence of any such proceedings or claims.
- (d) The Lead Long Term Transmission Customer shall, at the TSP's request, afford all available assistance to the TSP in attending to such proceedings or claim, and shall be reimbursed by the TSP for all reasonable expenses incurred in so doing.

14.2.2

- (a) The Long Term Transmission Customers, subject to the TSP's compliance with Article 14.2.2(b) shall indemnify and hold harmless the TSP and its employees, officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs and expenses of whatsoever nature, including attorney's fees and expenses, which the TSP may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Agreement by reason of the setting up of the Project by the TSP.
- (b) If any proceedings are brought or any claim is made against the TSP arising out of the matters referred to in Article 14.2.2 (a) the TSP shall promptly give the Lead Long Term Transmission Customer a notice thereof, and the Long Term Transmission Customers shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or

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claim. The Lead Long Term Transmission Customer shall promptly notify the TSP of all actions taken in such proceedings or claims.

- (c) If the Lead Long Term Transmission Customer fails to notify the TSP within twenty-eight (28) days after receipt of such notice from the TSP under Article 14.2.2(b) above, that it intends to attend any such proceedings or claim, then the TSP shall be free to attend the same on its own behalf at the cost of the Long Term Transmission Customers. Unless the Lead Long Term Transmission Customer has so failed to notify the TSP within the twenty (28) days period, the TSP shall make no admission that may be prejudicial to the defence of any such proceedings or claim.
- (d) The TSP shall, at the Long Term Transmission Customers request, afford all available assistance to the Long Term Transmission Customers in attending to such proceedings or claim, and shall be reimbursed by the Long Term Transmission Customers for all reasonable expenses incurred in so doing.

14.3 Monetary Limitation of liability

- 14.3.1 A Party ("Indemnifying Party") shall be liable to indemnify the other Party ("Indemnified Party") under this Article 14 for any indemnity claims made in a Contract Year only up to an amount of Rupees One Crore Seventy Lakhs (Rs. 1,70,00,000/=) only. With respect to each Long Term Transmission Customer, the above limit of Rupees One Crore Seventy Lakhs (Rs. 1,70,00,000/=) only shall be divided in the ratio of their Allocated Project Capacity, as existing on the date of the indemnity claim.

14.4 Procedure for claiming indemnity

- 14.4.1 Where the Indemnified Party is entitled to indemnification from the Indemnifying Party pursuant to Articles 14.1 or 14.2 the Indemnified Party shall promptly notify the Indemnifying Party of such claim, proceeding, action or suit referred to in Articles 14.1 or 14.2 in respect of which it is entitled to be indemnified. Such notice shall be given as soon as reasonably practicable after the Indemnified Party becomes aware of such claim, proceeding, action or suit. The Indemnifying Party shall be liable to settle the indemnification claim within thirty (30) days of receipt of the above notice.

Provided however that, if:

- i. the Parties choose to contest, defend or litigate such claim, action, suit or proceedings in accordance with Article 14.4.3

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Nagapattinam-Madhugiri Transmission Company Limited

Page 69 of 118

below; and

- ii. the claim amount is not required to be paid/deposited to such third party pending the resolution of the Dispute,

the Indemnifying Party shall become liable to pay the claim amount to the Indemnified Party or to the third party, as the case may be, promptly following the resolution of the Dispute, if such Dispute is settled in favour of the Indemnified Party.

- 14.4.2 The Indemnified Party may contest, defend and litigate a claim, action, suit or proceeding for which it is entitled to be indemnified under Articles 14.1 or 14.2 and the Indemnifying Party shall reimburse to the Indemnified Party all reasonable costs and expenses incurred by the Indemnified Party. However, such Indemnified Party shall not settle or compromise such claim, action, suit or proceedings without first getting the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

- 14.4.3 An Indemnifying Party may, at its own expense, assume control of the defence of any proceedings brought against the Indemnified Party if it acknowledges its obligation to indemnify such Indemnified Party, gives such Indemnified Party prompt notice of its intention to assume control of the defence, and employs an independent legal counsel at its own cost that is reasonably satisfactory to the Indemnified Party.

14.5 Limitation on Liability

- 14.5.1 Except as expressly provided in this Agreement, neither the TSP nor the Long Term Transmission Customers nor their respective officers, directors, agents, employees or Affiliates (including, officers, directors, agents of employees of such Affiliates), shall be liable or responsible to the other Party or its Affiliates including its officers, directors, agents, employees, successors, insurers or permitted assigns for incidental, indirect or consequential, punitive or exemplary damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of transmission capacity or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of the Long Term Transmission Customers, the TSP or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.

- 14.5.2 The Long Term Transmission Customers shall have no recourse against

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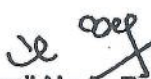
Nagapattinam-Madhugiri Transmission Company Limited

Page 70 of 118

any officer, director or shareholder of the TSP or any Affiliate of the TSP or any of its officers, directors or shareholders for such claims excluded under this Article. The TSP shall also have no recourse against any officer, director or shareholder of Long Term Transmission Customers, or any Affiliate of Long Term Transmission Customers or any of its officers, directors or shareholders for such claims excluded under this Article.

14.6 Duty to Mitigate

The party entitled to the benefit of an indemnity under this Article 14 shall take all reasonable measures to mitigate any loss or damage which has occurred. If the party fails to take such measures, the other party's liabilities shall be correspondingly reduced.


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Transmission Company Limited)


Nagapattinam-Madhugiri Transmission Company Limited

Page 71 of 118

ARTICLE: 15**15 ASSIGNMENTS AND CHARGES****15.1 Assignments:**

15.1.1 This Agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any Party, except as provided in Article 15.2.4.

15.2 Permitted Charges:

15.2.1 Neither Party shall create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement.

15.2.2 However, the TSP may create any encumbrance over all or part of the receivables, Letter of Credit or the other assets of the Project in favour of the Lenders or the Lenders' Representative on their behalf, as security for amounts payable under the Financing Agreements and any other amounts agreed by the Parties.

Provided that:

- i. the Lenders or the Lenders' Representative on their behalf shall have entered into the Financing Agreements and agreed in writing to the provisions of this Agreement; and
- ii. any encumbrance granted by the TSP in accordance with this Article 15.2.2 shall contain provisions pursuant to which the Lenders or the Lender's Representative on their behalf agrees unconditionally with the TSP to release from such encumbrances upon payment by the TSP to the Lenders of all amounts due under the Financing Agreements.

15.2.3 Article 15.2.1 does not apply to:

- a. liens arising by operation of law (or by an agreement evidencing the same) in the ordinary course of the TSP carrying out the Project;
- b. pledges of goods, the related documents of title and / or other related documents, arising or created in the ordinary course of the TSP carrying out the Project; or

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- c. security arising out of retention of title provisions in relation to goods acquired in the ordinary course of the TSP carrying out the Project.

15.2.4 Neither the TSP nor any of the Long Term Transmission Customers can relinquish or transfer its rights and obligations, without prior approval of the Appropriate Commission.

15.3 Substitution Rights of the Lenders

15.3.1 The TSP would need to operate and maintain the Project under the provisions of the Transmission License granted by the Appropriate Commission and the provisions of this Agreement and can not assign the Transmission License or transfer the Project or part thereof to any person by sale, lease, exchange or otherwise, without the prior approval of the Appropriate Commission.

15.3.2 However, in the case of default by the TSP in debt repayments, the Appropriate Commission may, on an application from the Lenders, assign the Transmission License to the nominee of the Lenders subject to the fulfilment of the qualification requirements and provisions of the Central Electricity Regulatory Commission (Procedure, terms and Conditions for grant of Transmission License and other related matters) Regulations, 2006 or as amended from time to time.

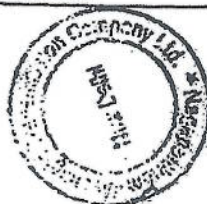
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Nagapattinam-Madhugiri Transmission Company Limited

Page 73 of 118



ARTICLE: 16**16 GOVERNING LAW AND DISPUTE RESOLUTION****16.1 Governing Law:**

This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in

16.2 Amicable Settlement:

16.2.1 Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement, including its existence or validity or termination or whether during the execution of the Project or after its completion and whether prior to or after the abandonment of the Project or termination or breach of the Agreement by giving a written notice to the other Party, which shall contain:

- (i) a description of the Dispute;
- (ii) the grounds for such Dispute; and
- (iii) all written material in support of its claim.

16.2.2 The other Party shall, within thirty (30) days of issue of notice issued under Article 16.2.1, furnish:

- (i) counter-claim and defences, if any, regarding the Dispute; and
- (ii) all written material in support of its defences and counter-claim.

16.2.3 Within thirty (30) days of issue of notice by the Party pursuant to Article 16.2.1 if the other Party does not furnish any counter claim or defense under Article 16.2.2, or thirty (30) days from the date of furnishing counter claims or defence by the other Party, both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days from the later of the dates mentioned in this Article 16.2.3, the Dispute shall be referred for dispute resolution in accordance with Article 16.3.

16.3 Dispute Resolution:


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Nagapattinam-Madhugiri Transmission Company Limited

Page 74 of 118



16.3.1 Where any Dispute

- i. arises from a claim made by any Party regarding any provisions of this Agreement, , or
- ii. relates to any matter agreed to be referred to the Appropriate Commission, including those under Articles, 2.2.1, 2.3.1, 3.3.5, 5.1.2, 7.1.4, 7.1.5, 9.3.3, 10.9.6, 12.1.1, 12.2, 13, 15.2.4, 15.3, 16.3.3, and 18.17.1 hereof,

such Dispute shall be submitted to adjudication by the Appropriate Commission.

Appeal against the decisions of the Appropriate Commission shall be admissible only as per the provisions of the Electricity Act, 2003, as amended from time to time.

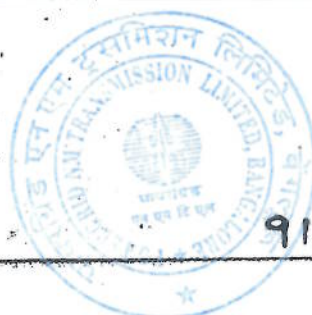
16.3.2 The obligations of the Long Term Transmission Customers under this Agreement towards the TSP shall not be affected in any manner by reason of inter-se disputes amongst the Long Term Transmission Customers.**16.3.3 Where any dispute is referred by the Appropriate Commission to be settled through arbitration process, such Dispute shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996 and the Rules of the Indian Council of Arbitration, in accordance with the process specified in this Article.**

- (i) The Arbitration Tribunal shall consist of three arbitrators to be appointed in accordance with the Indian Council of Arbitration Rules
- (ii) The place of arbitration shall be The language of the arbitration shall be English.
- (iii) The Arbitration Tribunal's award shall be substantiated in writing. The Arbitration Tribunal shall also decide on the costs of the arbitration proceedings and the allocation thereof.
- (iv) The award shall be enforceable in any court having jurisdiction, subject to the applicable Laws.
- (v) The provisions of this Article shall survive the termination of this Agreement for any reason whatsoever.


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16.4 Parties to Perform Obligations:

Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission or the Arbitration Tribunal as provided in Article 16.3 and save as the Appropriate Commission or the Arbitration Tribunal may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.

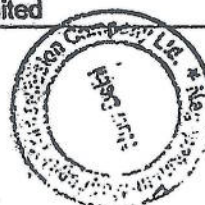

(IL&FS Tamil Nadu Power
Company Limited)




(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 76 of 118



ARTICLE: 17

17 REPRESENTATION AND WARRANTIES

17.1 Representation and warranties of the Long Term Transmission Customers

- 17.1.1 Each Long Term Transmission Customer hereby represents and warrants to and agrees with the TSP as follows and acknowledges and confirms that the TSP is relying on such representations and warranties in connection with the transactions described in this Agreement:
- It has all requisite powers and has been duly authorized to execute and consummate this Agreement;
 - This Agreement is enforceable against the said Long Term Transmission Customer in accordance with its terms;
 - The consummation of the transactions contemplated by this Agreement on the part of said Long Term Transmission Customer will not violate any provision of nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the said Long Term Transmission Customer is a Party or to which the said Long Term Transmission Customer is bound, which violation, default or power has not been waived;
 - The said Long Term Transmission Customer is not insolvent and no insolvency proceedings have been instituted, nor threatened or pending by or against the said Long Term Transmission Customer;
 - There are no actions, suits, claims, proceedings or investigations pending or, to the best of the said Long Term Transmission Customer's knowledge, threatened in writing against the said Long Term Transmission Customer at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgements, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to comply with its obligations under this Agreement;


(IL&FS Tamil Nadu Power
Company Limited)




(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 77 of 118

17.1.2 Each of the said Long Term Transmission Customer makes all the representations and warranties above to be valid as on the date of this Agreement.

17.2 Representation and Warranties of the TSP:

17.2.1 The TSP hereby represents and warrants to and agrees with the Long Term Transmission Customers as follows and acknowledges and confirms that the Long Term Transmission Customers is relying on such representations and warranties in connection with the transactions described in this Agreement:

- a. It has all requisite powers and has been duly authorized to execute and consummate this Agreement;
- b. This Agreement is enforceable against it in accordance with its terms;
- c. The consummation of the transactions contemplated by this Agreement on the part of the TSP will not violate any provision of nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the TSP is a Party or to which the TSP is bound which violation, default or power has not been waived;
- d. The TSP is not insolvent and no insolvency proceedings have been instituted, nor threatened or pending by or against the TSP;
- e. There are no actions, suits, claims, proceedings or investigations pending or, to the best of the TSP's knowledge, threatened in writing against the TSP at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to execute the Project or to comply with its obligations under this Agreement.

17.2.2 The TSP makes all the representations and warranties above to be valid as on the date of this Agreement.


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(Nagapattinam-Madhugiri
Transmission Company Limited)

ARTICLE: 18**18 MISCELLANEOUS PROVISIONS****18.1 Lead Long Term Transmission Customer:**

18.1.1 The Long Term Transmission Customers hereby appoint and authorise "IL&FS Tamil Nadu Power Company Limited" (hereinafter referred to as the "Lead Long Term Transmission Customer") to represent all the Long Term Transmission Customers for discharging the rights and obligations of the Long Term Transmission Customers, which are required to be undertaken by all the Long Term Transmission Customers. All the Long Term Transmission Customers shall follow and be bound by the decisions of the Lead Long Term Transmission Customer on all matters specified in the Schedule 8 of this Agreement. Accordingly each Long Term Transmission Customer agrees that any decision, communication, notice, action or inaction of the Lead Long Term Transmission Customer on such matters shall be deemed to have been on its/his behalf and shall be binding on each of the Long Term Transmission Customer. The TSP shall be entitled to rely upon any such action, decision or communication or notice from the Lead Long Term Transmission Customer. It is clarified that provisions under this Article 18.1 are not intended to and shall not render the Lead Long Term Transmission Customer liable to discharge Transmission Charges payments due to TSP from the other Long Term Transmission Customers.

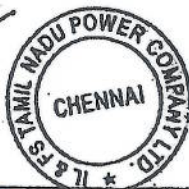
18.1.2 Omitted.

18.1.3 Omitted.

18.1.4 Notwithstanding anything contained above, any decision which is required to be taken by the Long Term Transmission Customers jointly under the provisions of Article 13, shall be taken by all the Long Term Transmission Customers and in case of difference amongst the Long Term Transmission Customers, the said decision shall be taken by the Majority Long Term Transmission Customers, as defined in Article 18.1.5 below.

18.1.5 Any decision taken by Long Term Transmission Customers, who taken together constitute sixty five percent (65%) of the Allocated Project Capacity and constitute in number at least fifty percent (50%) of the total number of Long Term Transmission Customers (hereinafter referred to as "Majority Long Term Transmission Customers"), shall be binding on the Lead Long Term Transmission Customer and all other Long Term

(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)



Nagapattinam-Madhugiri Transmission Company Limited

Page 79 of 118



Transmission Customers. Majority Long Term Transmission Customers shall also have the right to replace the Lead Long Term Transmission Customer by any other Long Term Transmission Customer of their choice. All decisions taken by the Majority Long Term Transmission Customers in this Agreement shall be conveyed by the Lead Long Term Transmission Customer.

18.2 Equity Lock-In Commitment:

18.2.1 The aggregate equity share holding of the Selected Bidder in the issued and paid up equity share capital of Nagapattinam-Madhugiri Transmission Company Limited shall not be less than the following:

(a) Fifty one percent (51%) up to a period of two (2) years after COD of the Project; and

(b) Twenty six percent (26%) for a period of three (3) years thereafter

Provided that in case the Lead Member or Bidding Company is holding equity through Affiliate/s, Ultimate Parent Company or Parent Company, such restriction as specified in (a) and (b) above shall apply to such entities.

Provided further, that in case the Selected Bidder is a Bidding Consortium, the Lead Member shall continue to hold equity of at least twenty six percent (26%) upto a period of five (5) years after COD of the Project and any Member of such Bidding Consortium shall be allowed to divest its equity as long as the other remaining Members (which shall always include the Lead Member) hold the minimum equity specified in (a) and (b) above.

18.2.2 If equity is held by the Affiliates, Parent Company or Ultimate Parent Company of the Selected Bidder, subject to the second proviso to Article 18.2.1, then such Affiliate, Parent Company or Ultimate Parent Company shall be eligible to transfer its shareholding in Nagapattinam-Madhugiri Transmission Company Limited to another Affiliate or to the Parent Company / Ultimate Parent Company of the Selected Bidder. If any such shareholding entity, qualifying as an Affiliate / Parent Company / Ultimate Parent Company, is likely to cease to meet the criteria to qualify as an Affiliate / Parent Company / Ultimate Parent Company, the shares held by such entity shall be transferred to another Affiliate / Parent Company / Ultimate Parent Company of the Selected Bidder.

18.2.3 Subject to Article 18.2.1, all transfer(s) of shareholding of Nagapattinam-Madhugiri Transmission Company Limited by any of the entities referred to in Article 18.2.1 and 18.2.2 above, shall be after

(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)



Nagapattinam-Madhugiri Transmission Company Limited

Page 80 of 118



prior written permission from the Lead Long Term Transmission Customer.

- 18.2.4 For computation of effective Equity holding, the Equity holding of the Selected Bidder or its Ultimate Parent Company in such Affiliate(s) or Parent Company and the equity holding of such Affiliate(s) or Ultimate Parent Company in Nagapattinam-Madhugiri Transmission Company Limited shall be computed in accordance with the example given below:

If the Parent Company or the Ultimate Parent Company of the Selected Bidder A directly holds thirty percent (30%) of the equity in Nagapattinam-Madhugiri Transmission Company Limited, then holding of Selected Bidder A in Nagapattinam-Madhugiri Transmission Company Limited shall be thirty percent (30%);

If Selected Bidder A holds thirty percent (30%) equity of the Affiliate and the Affiliate holds fifty percent (50%) equity in Nagapattinam-Madhugiri Transmission Company Limited, then, for the purposes of ascertaining the minimum equity/equity lock-in requirements specified above, the effective holding of Bidder A in Nagapattinam-Madhugiri Transmission Company Limited shall be fifteen percent (15%), (i.e., $30\% \times 50\%$)

- 18.2.5 The provisions as contained in this Article 18.2 shall override the terms of the consortium agreement submitted as part of the Bid.

- 18.2.6 The TSP shall be responsible to report, within thirty (30) days from the occurrence of any event that would result in any change in the equity holding structure from that existed as on the date of signing of the Share Purchase Agreement. In such cases, the Lead Long Term Transmission Customer would reserve the right to ascertain the equity holding structure and to call for all such required documents / information/clarifications as may be required.

18.3 Language:

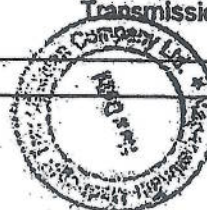
- 18.3.1 All agreements, correspondence and communications between the Parties relating to this Agreement and all other documentation to be prepared and supplied under the Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with English language.

- 18.3.2 If any of the agreements, correspondence, communications or documents are prepared in any language other than English, the English translation of such agreements, correspondence, communications or documents shall prevail in matters of interpretation.

(IL&FS Tamil Nadu Power Company Limited)



(Nagapattinam-Madhugiri Transmission Company Limited)



Nagapattinam-Madhugiri Transmission Company Limited

Page 81 of 118

18.4 Affirmation

The TSP and the Long Term Transmission Customers, each affirm that

1. neither it nor its respective directors, employees, or agents has paid or undertaken to pay or shall in the future pay any unlawful commission, bribe, pay-off or kick-back; and
2. it has not in any other manner paid any sums, whether in Indian currency or foreign currency and whether in India or abroad to the other Party to procure this Agreement, and the TSP and the Long Term Transmission Customers hereby undertake not to engage in any similar acts during the Term of Agreement.

18.5 Severability

The invalidity or enforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.

18.6 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which collectively shall be deemed one and the same Agreement.

18.7 Breach of Obligations

The Parties acknowledge that a breach of any of the obligations contained herein would result in injuries. The Parties further acknowledge that the amount of the liquidated damages or the method of calculating the liquidated damages specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the non-defaulting party in each case specified under this Agreement.

18.8 Nomination Restriction

Notwithstanding anything contained to the contrary in this Agreement, wherever a reference is made to the right of a Long Term Transmission Customer to nominate a third Party to receive benefits under this Agreement, such Third Party shall have a financial standing comparable to that of the Long Term Transmission Customer in question.

18.9 Commercial Acts

The Long Term Transmission Customers and the TSP unconditionally and irrevocably agree that the execution, delivery and performance by each of them of this Agreement and any other RFP Project Document to which it is a Party constitute private and commercial acts rather than public or

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Company Limited)

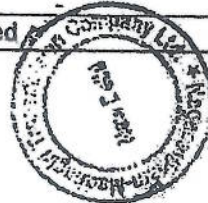


(Nagapattinam-Madhugiri
Transmission Company Limited)



Nagapattinam-Madhugiri Transmission Company Limited

Page 82 of 118



governmental acts;

18.10 Restriction of Shareholders/Owners Liability

18.10.1 Parties expressly agree and acknowledge that none of the shareholders of the Parties hereto shall be liable to the other Parties for any of the contractual obligations of the concerned Party under this Agreement.

18.10.2 Further, the financial liabilities of the shareholder/s of each Party to this Agreement shall be restricted to the extent provided in the Indian Companies Act, 1956.

18.11 Taxes and Duties:

18.11.1 The TSP shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/levied on the TSP, its Contractors or their employees that are required to be paid by the TSP as per the Law in relation to the execution of the Project and for providing Transmission Service as per the terms of this Agreement.

18.11.2 Long Term Transmission Customers shall be indemnified and held harmless by the TSP against any claims that may be made against Long Term Transmission Customers in relation to the matters set out in Article 18.11.1.

18.11.3 Long Term Transmission Customers shall not be liable for any payment of, taxes, duties, levies, cess whatsoever for discharging any obligation of the TSP by the Long Term Transmission Customers on behalf of TSP or its personnel, provided the TSP has consented in writing to Long Term Transmission Customers for such work, which consent shall not be unreasonably withheld.

18.12 No Consequential or Indirect Losses

The liability of the TSP and the Long Term Transmission Customers shall be limited to that explicitly provided in this Agreement.

Provided that, notwithstanding anything contained in this Agreement, under no event shall the Long Term Transmission Customers or the TSP claim from one another any indirect or consequential losses or damages.

18.13 Discretion:

Except where this Agreement expressly requires a Party to act fairly or reasonably, a Party may exercise any discretion given to it under this Agreement in any way it deems fit.

(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 83 of 118



18.14 Confidentiality.

18.14.1 The Parties undertake to hold in confidence this Agreement and RFP Project Documents and not to disclose the terms and conditions of the transaction contemplated hereby to third parties, except:

- (a) to their professional advisors;
- (b) to their officers, contractors, employees, agents or representatives, financiers, who need to have access to such information for the proper performance of their activities; or
- (c) disclosures required under Law

without the prior written consent of the other Parties.

Provided that the TSP agrees and acknowledges that any of the Long Term Transmission Customers may at any time, disclose the terms and conditions of the Agreement and the RFP Project Documents to any person, to the extent stipulated under the Law and the Competitive Bidding Guidelines.

18.15 Order of priority in application:

In case of inconsistencies between the terms and conditions stipulated in Transmission License issued by Appropriate Commission to the TSP, agreement(s) executed between the Parties, applicable Law including rules and regulations framed thereunder, the order of priority as between them shall be the order in which they are placed below:

- terms and conditions of Transmission License
- applicable Law, rules and regulations framed thereunder,
- this Agreement.

18.16 Independent Entity:

18.16.1 The TSP shall be an independent entity performing its obligations pursuant to the Agreement.

18.16.2 Subject to the provisions of the Agreement, the TSP shall be solely responsible for the manner in which its obligations under this Agreement are to be performed. All employees and representatives of the TSP or Contractors engaged by the TSP in connection with the performance of the Agreement shall be under the complete control of the TSP and shall not be deemed to be employees, representatives, Contractors of Long Term Transmission Customers and nothing contained in the Agreement or in any agreement or contract awarded by the TSP shall be construed to create any contractual relationship between any such employees, representatives or Contractors and the Long Term Transmission Customers.

(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 84 of 118

18.17 Amendments:

18.17.1 This Agreement may only be amended or supplemented by a written agreement between the Parties and after obtaining approval of the Appropriate Commission, where necessary.

18.18 Waiver:

18.18.1 No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorised representative of such Party:

18.18.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement nor time or other indulgence granted by one Party to the other Parties shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement, which shall remain in full force and effect.

18.19 Relationship of the Parties:

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership or agency or any such other relationship between the Parties or to impose any partnership obligation or liability upon either Party and neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

18.20 Entirety:

18.20.1 This Agreement along with its sections, schedules and appendices is intended by the Parties as the final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement.

18.20.2 Except as provided in this Agreement, all prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement or the provision of Transmission Service under this Agreement to the Long Term Transmission Customers by the TSP shall stand superseded and abrogated.

18.21 Notices:

18.21.1 All notices or other communications which are required to be given under this Agreement shall be in writing and in the English language

(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 85 of 118

- 18.21.2 If to the TSP, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the addressee below:

Nagapattinam-Madhugiri Transmission Company Limited

Address : B-9, Qutab Institutional Area
Kadwana Sarai, New Delhi - 110016
Attention : Chief Executive Officer
Email :
Fax. No. : 011-26601081
Telephone No. : 011-2577800 26560072/75

- 18.21.3 If to the Long Term Transmission Customers, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the addresses below:

(i) "IL&FS Tamil Nadu Power Company Limited"

Address : B-Block, Navin's Presidium, 4th Floor,
103, Nelson Manickam Road, Aminjikarai,
Chennai - 600 029.
Attention :
Email : hazig.beg@ilfsindia.com
Fax. No. : 91-44-23745544
Telephone No. : 91-44-23745544/45

- 18.21.4 All notices or communications given by facsimile shall be confirmed by sending a copy of the same via post office in an envelope properly addressed to the appropriate Party for delivery by registered mail. All notices shall be deemed validly delivered upon receipt evidenced by an acknowledgement of the recipient, unless the Party delivering the notice can prove in case of delivery through the registered post that the recipient refused to acknowledge the receipt of the notice despite efforts of the postal authorities.

- 18.21.5 Any Party may by notice of at least fifteen (15) days to the other Party change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

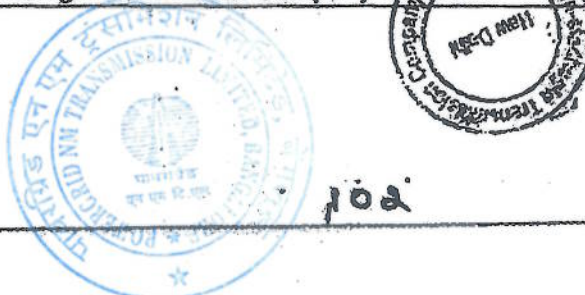
(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 86 of 118



18.22 Fraudulent and Corrupt Practices

18.22.1 The TSP and its respective officers, employees, agents and advisers shall observe the highest standard of ethics during the subsistence of this Agreement. Notwithstanding anything to the contrary contained in the Agreement, the Long Term Transmission Customer(s) may terminate the Agreement without being liable in any manner whatsoever to the TSP, if it determines that the TSP has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bid process. In such an event, the Long Term Transmission Customer(s) shall forfeit the Contract Performance Guarantee, without prejudice to any other right or remedy that may be available to the Long Term Transmission Customer(s) hereunder or subsistence otherwise.

18.22.2 Without prejudice to the rights of the Long Term Transmission Customer(s) under Clause 18.22.1 hereinabove and the rights and remedies which the Long Term Transmission Customer(s) may have under this Agreement, if a TSP is found by the Long Term Transmission Customer(s) to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bid process, or after the issue of Letter of Intent (hereinafter referred to as LoI) or after the execution of the TSA, the Long Term Transmission Customer(s) may terminate the Agreement without being liable in any manner whatsoever to the TSP. Further, the TSP shall not be eligible to participate in any tender or RFP issued by the Long Term Transmission Customer(s) during a period of 2 (two) years from the date such TSP is found by the Long Term Transmission Customer(s) to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.

18.22.3 For the purposes of this Clause 18.22, the following terms shall have the meaning hereinafter respectively assigned to them:

(a) "corrupt practice" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bid process (for avoidance of doubt, offering of employment to or employing or engaging in any

(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 87 of 118



manner whatsoever, directly or indirectly, any official of the BPC who is or has been associated or dealt in any manner, directly or indirectly with the Bid process or the Lol or has dealt with matters concerning the TSA or arising there from, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the BPC, shall be deemed to constitute influencing the actions of a person connected with the Bid Process; or (ii) engaging in any manner whatsoever, whether during the Bid Process or after the issue of the Lol or after the execution of the TSA, as the case may be, any person in respect of any matter relating to the Project or the Lol or the TSA, who at any time has been or is a legal, financial or technical adviser of the BPC in relation to any matter concerning the Project;

(b) "fraudulent practice" means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bid process;

(c) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the Bid process;

(d) "undesirable practice" means (i) establishing contact with any person connected with or employed or engaged by the BPC with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bid process; or (ii) having a Conflict of Interest; and

(e) "restrictive practice" means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bid process;

18.23 Compliance with Law:

Despite anything contained in this Agreement but without prejudice to Article 12, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, or any rules and regulations made there under, such provision shall be deemed to be void to the extent required to bring it into

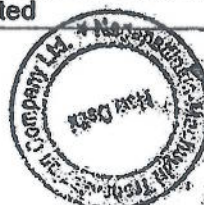
(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 88 of 118



compliance with the aforesaid relevant provisions as amended from time to time.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR DULY AUTHORISED REPRESENTATIVES AS OF THE DATE AND PLACE AS SET FORTH ABOVE.

1. For and on behalf of "Nagapattinam-Madhugiri Transmission Company Limited"

Signature: [Signature]

Name: Sanjay Rai

Designation: Project In-charge

Address: First Floor, "Urjanidhi", 1, Barakhamba Lane
Connaught Place, New Delhi - 110001

2. For and on behalf of "IL&FS Tamil Nadu Power Company Limited"

Signature: [Signature]

Name: Hazig Beg

Designation: Director

Address: B- Blocak, Navin's Presidium, 4th Floor,
103, Nelson Manickam Road, Aminjikarai,
Chennai - 600 029.



WITNESSES:

1. For and on behalf of CTU

Signature: [Signature]

Name: राकेश प्रसाद / Rakesh Prasad

Designation: आवर गिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Ltd.

Address: प्लॉट नं-2, सेक्टर-28, गुरुगंज-122 001 (हरियाणा)
Plot No.2, Sector-28, Gurgaon-122 001 (HARYANA)

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(Nagapattinam-Madhugiri Transmission Company Limited)



SCHEDULES

(IL&FS Tamil Nadu Power
Company Limited)



(Nagapattinam-Madhugiri
Transmission Company Limited)



Nagapattinam-Madhugiri Transmission Company Limited

Page 90 of 118

Handwritten signature in blue ink.



106



Schedule : 1

Sl. No.	Name of the Long Term Transmission Customer	Address of Registered Office	Law under which incorporated	Allocated Project Capacity (in MW)
1.	IL&FS Tamil Nadu Power Company Limited	B- Blocak, Navin's Presidium, 4 th Floor, 103, Nelson Manickam Road, Aminjikarai, Chennai – 600 029.	Companies Act, 1956	As per CERC methodology of sharing charges (PoC methodology) corresponding to LToA of 1150 MW.

Note:

- A. The above list of Long Term Transmission Customer is on date. Any addition or deletion in this list after the award of Lol shall be duly notified to the parties to the TSA.

The new Long Term Transmission Customers shall become a party to the TSA after agreeing to the terms and conditions of the TSA and signing a Supplemental Agreement as annexed in Schedule 12 to the TSA.

(IL&FS Tamil Nadu Power Company Limited)



(Nagapattinam-Madhugiri Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 91 of 118



107

Schedule : 2

Project Description and Scope of Project

The transmission corridor covered under the present project has been evolved to transfer power to their target/actual beneficiaries from the proposed IPP generation projects in the Nagapattinam / Cuddalore area, Tamil Nadu. Nagapattinam/Cuddalore area in Tamil Nadu is having vast-coastline thereby facilitating large port facility in these areas. This port facility has attracted many IPP generation developers to establish imported coal based generation projects in the area. Nagapattinam & Cuddalore are 100 km apart from each other and many generation projects are located in these areas which have approached POWERGRID for LTOA/LTA.

POWERGRID has received 6 nos. of applications for grant of Long Term Open Access (LTOA) / Long Term Access (LTA) from generation projects located in Nagapattinam / Cuddalore area of Tamil Nadu for transfer of power to different target beneficiaries in Southern/Western/Northern regions with the total installed capacity of about 7530 MW have been sought LTA for quantum of 6788 MW.

In view of above, considering the huge generation potential in this area a comprehensive transmission system has been evolved to take care of the evacuation & transfer needs of power from generation projects of Nagapattinam/Cuddalore area. For this a 765/400 kV pooling station at Nagapattinam (GIS) is to be established through LIL of Neyveli - Trichy 400kV S/c line with bypass arrangements. All the power from different IPP generation projects will be pooled at this pooling station through 400kV transmission lines. The power so pooled at Nagapattinam Pooling Station shall be further dispersed through high capacity transmission corridors of 765kV D/c lines towards Madhugiri. (Bangalore) via Salem to supply target/actual beneficiaries in Southern region through displacement.

Further the IPP generation project have target beneficiaries in Western & Northern Region of about 2140 MW & 700 MW respectively, for this power transfer a 765kV high capacity corridor have been planned viz. Madhugiri - Narendra - Kolhapur - Padghe (one ckt. Via Pune) 765 kV D/c lines. These high capacity transmission lines in conjunction with the already planned High Capacity Power Transmission Corridor - IX i.e. Jabalpur Pooling Station - Orai - Bulandshahr 765 kV S/c shall provide adequate transmission capacity for transfer of power to target beneficiaries in WR/NR.

The 3rd Joint Co-ordination Committee Meeting of Southern Region for IPPs granted LTOA / LTA on 01.04.2011 wherein it was informed by the

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Page 92 of 118

representative of IPP generation projects signed BPTA that there is a certainty of the generation projects, they are yet to receive final clearances for establishment of the projects. Further the status of the progress at other generation projects which yet to receive grant of LTO/ALTA but there is still uncertainty of the implementation. Therefore, looking into all these uncertainties the comprehensive transmission system shall have to be implemented in the phased manner.

As per the BPTA signed with the IPP projects, the transmission charges for the various element of Common Transmission System for ISGS Projects in Nagapattinam / Cuddalore area of Tamil Nadu would be shared by the IPP generation developers in proportion to the LTA quantum sought till the finalization of firm beneficiaries. After the finalization of beneficiaries through signing of long term PPA, the transmission charges shall be shared by the respective beneficiary from the project.

The TSP will be required to establish the following Transmission System for "Transmission System Associated with IPPs of Nagapattinam/ Cuddalore Area - Package A" on build, own, operate and maintain basis.

S. No. Transmission System for "Transmission System Associated with IPPs of Nagapattinam/Cuddalore Area - Package A"			
	Transmission Lines	Completion Target	Conductor per phase
1.	Nagapattinam Pooling Station - Salem 765 kV D/C line	36 months from Effective Date	6 x Zebra ACSR or AAAC. Transmission line design should be corresponding to 85° C conductor temperature operation
2.	Salem - Madhugiri 765 kV S/C line	36 months from Effective Date	Quad. Bersimis conductor ACSR or AAAC. Transmission line design should be corresponding to 85° C conductor temperature operation

Note: The above transmission lines shall be initially charged at 400 kV level. In future, when these are to be charged at its rated voltage level of 765 kV, some minor realignment near the terminal stations may be required for realigning its connection from 400

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Page 93 of 118

(ii) Under swing conditions

Wind pressure Condition	Minimum electrical clearance
a) Swing angle corresponding to 2 years return period	4.4mtrs
b) Swing angle corresponding to 50 years return period	1.3mtrs

However the phase to phase spacing for 765kV D/C line shall not be less than 15m.

6.0 The minimum mid span separation between earth wire and conductor shall be 9.0m

7.0 The switching impulse withstand voltage (wet) for 765 kV line shall be 1550 KVP.

8.0 The maximum shielding angle shall not exceed 200 for 765 kV S/c line and 100 for 765 kV D/c line.

9.0 The lines have to be designed for fault current of 50 kA for 1 sec so that they can be initially charged at 400 kV level.

10.0 The lines shall be designed for medium pollution level (creepage of 20mm/kV as per IEC-60815). For Normal location porcelain/glass insulators shall be used while for critical locations coming in areas with higher pollution level, anti-fog type insulators with higher creepage distance or silicone rubber polymer insulators depending on the level of pollution shall be used.

11.0 In order to meet the requirement of grid management and operation of substations, TSP shall conform to the following requirements:

For Nagapattinam Pooling Station – Salem 765 kV D/C Line

i) Nagapattinam Pooling Station – Salem 765 kV D/C Line one OPGW containing 24 Fibres is to be installed by the TSP in place of conventional earth-wire during the construction of line for grid management and sub-station operation purpose by CTU. The installation of OPGW shall be done from gantry of Nagapattinam pooling sub-station up to the gantry of Salem sub-station and shall be terminated in a joint box by TSP at both the ends. These joint boxes shall be installed at a height of around 10 mts. above ground and shall conform to IP66.

ii) All these fibres of OPGW shall be at the disposal of CTU. The maintenance of OPGW shall be the responsibility of TSP.

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Page 95 of 118

For Salem-Madhugiri 765 kV S/C line

In case after completion of construction of this line, it is decided that the OPGW is to be installed by the CTU for grid management and sub-station operation purpose, the TSP shall provide the right of way free of cost to CTU for installation of one OPGW.

Table – A1

Line configuration	Minimum conductor diameter requirement based on interference criteria	ACSR Conductor specified	Equivalent AAAC conductor based on 53.5% conductivity of Al Alloy	Stranding details of AAAC Conductor
765kV SIC with quad conductor	35.05mm diameter	Bersimis; 689 sq.mm Aluminium area	36.0mm diameter; 767 sq.mm Aluminium alloy area	61/4.00mm
765kV DIC with hexagonal conductor	28.62mm diameter	Zebra; 428 sq.mm Aluminium area	28.71 mm diameter; 487.5 sq.mm Aluminium alloy area	61/3.19mm
400kV with twin conductor	31.77mm diameter	Moose; 528 sqmm Aluminium area	31.95 mm diameter; 604 sq.mm Aluminium alloy area	61/3.55mm

Note: The transmission lines shall have to be designed for a maximum operating conductor temperature of 85 deg C for both ACSR as well as AAAC.

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Page 98 of 118

Schedule : 3**Scheduled COD**

[Note: As referred to in the definition of "Element", "Scheduled COD", and in Articles 3.1.3 (c), 4.1 (b) and 4.3 (a) of this Agreement]

All Elements of the Project are required to be commissioned progressively as per the schedule given in the following table;

Sl. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date	Percentage of "Actual Transmission Charges" payable on Scheduled COD of the Element of the Project	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	Nagapattinam Pooling Station - Salem 765 kV D/C line	36 months	-	Salem-Madhugiri 765 kV, S/C line
2.	Salem Madhugiri 765 kV S/C line	36 months	-	Nagapattinam Pooling Station-Salem 765 kV, D/C line

The payment of Transmission Charges for any Element irrespective of its successful commissioning on or before its Scheduled COD shall only be considered after successful commissioning of the Element(s) which are pre-required for declaring the commercial operation of such Element as mentioned in the above table.

Scheduled COD for overall Project: 36 months from the Effective Date.

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Page 97 of 118

Schedule : 4**Safety Rules and Procedures**

[Note: As referred to in Articles 5.6 and 7.1.6 of this Agreement]

1: Site Regulations and Safety:

The TSP shall establish Site regulations within sixty (60) days from fulfilment of conditions subsequent, as per Prudent Utility Practices setting out the rules to be observed in the execution of the Agreement at the Site and shall comply therewith.

Such Site regulations shall include, but shall not be limited to, rules in respect of security, safety of the Project, gate control, sanitation, medical care, and fire prevention, public health, environment protection, security of public life, etc.

Copies of such Site regulations shall be provided to the Lead Long Term Transmission Customer and CEA for the purpose of monitoring of the Project.

2: Emergency Work:

In cases of any emergency, the TSP shall carry out all necessary remedial work as may be necessary.

If the work done or caused to be done by any Party other than the TSP, the TSP shall, reimburse the actual costs incurred, to the other Party carrying out such remedial works.

3: Site Clearance:

In the course of execution of the Agreement, the TSP shall keep the Site reasonably free from all unnecessary obstruction, storage, remove any surplus materials, clear away any wreckage, rubbish and temporary works from the Site, and remove any equipment no longer required for execution of the Agreement. After completion of all Elements of the Project, the TSP shall clear away and remove all wreckage, rubbish and debris of any kind from the Site, and shall leave the Site clean and safe.

4: Watching and Lighting:

The TSP shall provide and maintain at its own expense all lighting, fencing, and watching when and where necessary for the proper construction, operation, maintenance/repair of any of the Elements of the Project, or for the safety of the owners and occupiers of adjacent property and for the safety of the public, during such maintenance/repair.

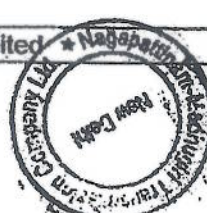
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Page 98 of 118



114

Schedule : 5**Computation of Transmission Charges**

[Note: As referred to in the definitions of "Monthly Transmission Charges", "Monthly Transmission Charges Invoice" and in Articles 10.1, 10.2, 10.3, and 11.7(c) of this Agreement]

1.1 General

- a. The Monthly Transmission Charges to be paid by the Long Term Transmission Customers to the TSP for providing Transmission Service for any Contract Year during the term of the Agreement shall be in accordance with this Schedule.
- b. The Transmission Charges to be paid to the TSP shall comprise of the Escalable Transmission Charges and the Non Escalable Transmission Charges, payable by each Long Term Transmission Customer, in proportion to their Allocated Project Capacity for the Contract Year, as determined by the CERC. In the event of change by CERC in the methodology for the allocation of Transmission Charges between the Long Term Transmission Customers, such revised methodology shall apply.
- c. For the purpose of payment, the Escalable Transmission Charges to be paid in any Contract Year shall be the Escalable Transmission Charge as per Schedule 6 duly escalated as provided in Schedule 7.
- d. In case of any extension of time period for the Scheduled COD, the applicable Transmission Charges in relation to an Element shall be the Transmission Charges of the Contract Year in which the COD of such Element occurs or it has deemed to have occurred, and in relation to the Project, the Transmission Charges applicable will be for the Contract Year in which the COD occurs.
- e. The Annual Transmission Charges shall be the sum of the Payable Annual Escalable Transmission Charges and the Payable Annual Non Escalable Transmission Charges for the Contract Year n.
- f. The Transmission Charges shall be payable based on the Allocated Project Capacity at Target Availability and Incentive for Availability beyond the Target Availability as provided in this schedule shall be admissible for payment. In case of Availability being lower than the Target Availability, the

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Page 99 of 118



Transmission Charges shall be payable on proportionate basis as provided in this Schedule. In case of the Availability being lower than the level as specified in Article 10.4, the TSP shall pay a penalty as per the provisions in this Schedule. This penalty payable by the TSP shall be apportioned in favour of the Long Term Transmission Customer(s) in the ratio of the Transmission Charges paid or actually payable to the TSP then existing at the end of the relevant Contract Year.

- g. The Availability shall be calculated as per the procedure specified in Appendix IV of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 as notified by CERC and as attached herewith.
- h. All applicable Rebates and Surcharges will be computed and Invoices, as required, would be raised based on the provisions laid out in Articles 10.7 of this Agreement.
- i. Reactive Power compensations and payments shall be as per the provisions of the Grid Code.

1.2 Components of Monthly Bill

The Monthly Bill for any month in a Contract Year shall consist of the following:


- i. Monthly Transmission Charges in accordance with Article 1.2.1 below;
- ii. Incentive Payment determined in accordance with Article 1.2.2 below (applicable on annual basis and included only in the Monthly Tariff Payment for the first month of the next Contract Year); and
- iii. Penalty Payment determined in accordance with Article 1.2.3 below (applicable on annual basis and included in the Monthly Tariff Payment for the first month of the next Contract Year).

1.2.1 Computation of Monthly Transmission Charges

The Monthly Transmission Charges for any month 'm' in a Contract Year 'n' shall be calculated as below:

If $CA \geq NA$;

Monthly Transmission Charge MTC (₹) =


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$$\sum_{m=1}^M [T_{mn} / \text{No. of days in the month 'm' in Contract Year 'n' * No. of days in the month 'm' in Contract Year 'n' for which bill is raised}] - \sum_{m=1}^{M-1} [MTC(m-1)]$$

ELSE

Monthly Transmission Charge MTC (m)=

$$\sum_{m=1}^M [T_{mn} / \text{No. of days in the month 'm' in Contract Year 'n' * AA/NA * No. of days in the month 'm' in Contract Year 'n' for which bill is raised}] - \sum_{m=1}^{M-1} [MTC(m-1)]$$

where:

- 'm' is the month in Contract Year 'n'
- M= month considered for payment in the Contract Year 'n'
- T_{mn} = Transmission Charges for the month 'm' in Contract Year 'n' and is equal to the sum of Monthly Escalable Transmission Charges (METC mn) and Monthly Non Escalable Transmission Charges (MNETC mn)
- CA is the Cumulative Availability, as per REA, from the first day of the Contract Year "n" in which month 'm' occurs upto and including upto the end of the month "m";
- AA is the actual Availability for the month 'm' in the Contract Year n, as per REA, (expressed in percentage);
- NA is the Target Availability;
- MTC (m-1) is the Payable Monthly Transmission Charge for the month '(m-1)' for the Contract Year 'n'
- Monthly Escalable Transmission Charges (METC mn)

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Page 101 of 118



The Monthly Escalable Transmission Charges (METCmn) for month 'm' for the Contract Year 'n' shall be calculated by the following formula.

$$\text{METCmn} = [\text{Escalable Transmission Charge for the first Contract year (as provided in Schedule 6)} / \text{No. of days in the Contract Year 'n'}] \times \text{No. of days in the month 'm'} \times p/q$$

Where,

'p' is the escalation index as per Schedule 7 at the beginning of the month 'm' (expressed as a number)

'q' is the escalation index as per Schedule 7 applicable as at the beginning of the first Contract Year mentioned in Schedule 6 (expressed as a number)

• **Monthly Non Escalable Transmission Charges (MNETCmn)**

The Monthly Non Escalable Transmission Charges (MNETCmn) for month 'm' for the Contract Year 'n' shall be calculated as follows:

$$\text{MNETCmn} = [\text{Non Escalable Transmission Charge for the Contract year 'n' (as provided in Schedule 6)} / \text{No. of days in the Contract Year 'n'}] \times \text{No. of days in the month 'm'}$$

Provided, no Transmission Charges shall be paid during the period for which the RLDC has not allowed the operation of the Element/Project due to the failure of the TSP to operate it as per the provisions of the Grid Code.

1.2.2 Incentive Payment

If and to the extent the Availability in a Contract Year exceeds ninety eight percent (98%) for AC system/ninety five percent (95%) for HVDC system, the TSP shall be entitled for an annual Incentive as calculated below:

$$\text{Incentive} = 0.02 \times \text{Annual Transmission Charges} \times (\text{Actual annual Availability} - \text{Target Availability})$$

Provided that no Incentive shall be payable above the Availability of 99.75% for AC system and 98.5% for HVDC system.

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Page 102 of 118



Incentive shall be shared by the Long Term Transmission Customer(s) in the ratio of the Transmission Charges paid or actually payable to the TSP by then existing at the end of the relevant Contract Year.

1.2.3 Penalty

If and to the extent that the Availability in a Contract Year falls below ninety five percent (95%) for AC system / ninety two percent (92%) for HVDC system, the TSP shall be entitled for an annual penalty as per the formula given below:

$$\text{Penalty} = 0.02 \times \text{Annual Transmission Charges} \times (\text{Target Availability} - \text{Actual Annual Availability})$$

The penalty payable by the TSP shall be apportioned in favour of the Long Term Transmission Customer(s) in the ratio of the Transmission Charges paid or actually payable to the TSP by them existing at the end of the relevant Contract Year.

1.3 Recovery from Short Term Transmission Customers

The Transmission Charges to be paid by the Long Term Transmission Customers to the TSP shall stand reduced in proportion to their then existing Allocated Project Capacity at the end of the relevant month, to the extent of adjustable revenues from Short Term Transmission Customers.

The charges payable by the Short Term Transmission Customers shall be calculated on the basis of the provisions of the Central Electricity Regulatory Commission (Open Access in Inter-state Transmission) Regulations, 2004 or as amended from time to time.

1.4 Scheduling Charges

The payment of scheduling charges to the respective RLDC or SLDC, as the case may be, shall be the responsibility of the Long Term Transmission Customers.

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Nagapattinam-Madhugiri Transmission Company Limited

Page 103 of 118

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Schedule : 6**Transmission Charges**

[Note: As referred to in the definitions of "Element", "Escalable Monthly Charges", "Non Escalable Monthly Charges" and "Monthly Transmission Charges" and in Clauses 1.1 (c) of Schedule 5 of this Agreement]

[To be incorporated from the Bld of the Selected Bidder]

[In case of pre-signing of RFP Project Documents, this needs to be inserted after selection of the Selected Bidder]


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Nagapattinam-Madhugiri Transmission Company Limited

Page 104 of 118





120

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



पावरग्रिड

केन्द्रीय कार्यालय : "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, हरियाणा

फोन : 2571700 - 719, फैक्स : 2571760, 2571761 तार : 'नेटग्रिड'.

Corporate Office : "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, Haryana

Tel. : 2571700 - 719, Fax : 2571760, 2571761 Gram : 'NATGRID'

संदर्भ संख्या/Ref. Number

Date: 09.02.2012

Subject: Financial Bid in respect of Bid for selection of TSP for the "Transmission System Associated with IPPs of Nagapattinam/ Cuddalore Area - Package A"

Quoted Transmission Charges

Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non- Escalable Transmission Charges (in Rupees Millions)	Quoted Escalable Transmission Charges (in Rupees Millions)
(1)	(2)	(3)	(4)	(5)
1.	06-April-2015	31-March-2016	874.83	18.56
2.	1-April-2016	31-March-2017	1166.57	Same as Above
3.	1-April-2017	31-March-2018	1144.81	Same as Above
4.	1-April-2018	31-March-2019	1117.55	Same as Above
5.	1-April-2019	31-March-2020	1091.34	Same as Above
6.	1-April-2020	31-March-2021	1063.08	Same as Above
7.	1-April-2021	31-March-2022	1035.94	Same as Above
8.	1-April-2022	31-March-2023	1008.85	Same as Above
9.	1-April-2023	31-March-2024	982.82	Same as Above
10.	1-April-2024	31-March-2025	954.75	Same as Above
11.	1-April-2025	31-March-2026	835.56	Same as Above
12.	1-April-2026	31-March-2027	797.48	Same as Above
13.	1-April-2027	31-March-2028	795.77	Same as Above
14.	1-April-2028	31-March-2029	793.97	Same as Above
15.	1-April-2029	31-March-2030	792.08	Same as Above
16.	1-April-2030	31-March-2031	790.09	Same as Above
17.	1-April-2031	31-March-2032	787.99	Same as Above
18.	1-April-2032	31-March-2033	785.79	Same as Above
19.	1-April-2033	31-March-2034	783.47	Same as Above
20.	1-April-2034	31-March-2035	781.04	Same as Above
21.	1-April-2035	31-March-2036	778.47	Same as Above
22.	1-April-2036	31-March-2037	775.78	Same as Above
23.	1-April-2037	31-March-2038	772.94	Same as Above

पंजीकृत कार्यालय : गी. 2, सेक्टर-29, गुडगाँव-122 001, हरियाणा, कटवारिया सराय, गुडगाँव-122 001, हरियाणा
Registered Office : G-2, Sector-29, Gurgaon-122 001, Haryana, Katwaria Sarai, Gurgaon-122 001, Haryana

स्वहित- पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
Save Energy for Better of Self and Nation
Power Grid Corporation of India Ltd.

प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, हरियाणा

Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non- Escalable Transmission Charges (in Rupees Millions)	Quoted Escalable Transmission Charges (in Rupees Millions)
(1)	(2)	(3)	(4)	(5)
24.	1-April-2038	31-March-2039	769.96	Same as Above
25.	1-April-2039	31-March-2040	766.83	Same as Above
26.	1-April-2040	31-March-2041	763.53	Same as Above
27.	1-April-2041	31-March-2042	760.06	Same as Above
28.	1-April-2042	31-March-2043	756.42	Same as Above
29.	1-April-2043	31-March-2044	752.58	Same as Above
30.	1-April-2044	31-March-2045	748.55	Same as Above
31.	1-April-2045	31-March-2046	744.31	Same as Above
32.	1-April-2046	31-March-2047	739.85	Same as Above
33.	1-April-2047	31-March-2048	735.16	Same as Above
34.	1-April-2048	31-March-2049	730.22	Same as Above
35.	1-April-2049	31-March-2050	725.03	Same as Above
36.	1-April-2050	35 th Anniversary of the Scheduled COD	722.30	

Signature of authorized person

Name: Umesh Kumar Tyagi

Designation: General Manager (Commercial)

Date: 9/12/2012

उमेश कुमार त्यागी/UMESH TYAGI
General Manager (Commercial)
पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Ltd.
प्लॉट नं०-2, सेक्टर-29, गुरुगाँव-122 001 (हरियाणा)
Plot No. 2, Sector-29, Gurgaon-122 001 (HARYANA)

Company rubber stamp



Schedule : 7

Escalation Index


[Note: As referred to In Clause 1.1 of Schedule 5 of this Agreement]

The index ("Escalation Index") to be applied for escalation of Escalable Transmission Charges shall be computed by assuming that as on the date of the Bid Deadline, the value of such Escalation Index is 100. Thereafter, for each month after the Bid Deadline, the value of the Escalation Index shall be computed by applying the per annum inflation rate specified by CERC for payment of Escalable Transmission Charges, as per the provisions of the Competitive Bidding Guidelines.

For the avoidance of doubt, it is clarified that:

- if the prevailing inflation rate specified by CERC is 4.7% per annum, then at the end of the first month after the Bid Deadline, the value of the Escalation Index shall be 100.3917 [i.e., $100 * (1 + 4.7/12)$] for Escalable Transmission Charges. Thereafter, at the end of the second month beyond such first month, the value of the Escalation Index shall be 100.7849 [i.e., $100.3917 * (1 + 4.7/12)$] and so on. The value of the Escalation Index at the end of the Nth Month after the Bid Deadline shall be calculated as: $100 * (1 + N * 0.047 / 12)$ for Quoted Escalable Energy Charges.
- the per annum inflation rate specified by CERC shall be revised only at the end of every six (6) months.
- The value of the Escalation Index shall be calculated upto the fourth decimal point.

In case, due to any reason, CERC discontinues the publication of the inflation rate mentioned above, then the Lead Long Term Transmission Customer and the TSP shall replace the above inflation rate with an inflation rate which shall be computed on the same basis as was being used by CERC to estimate their notified inflation rate.

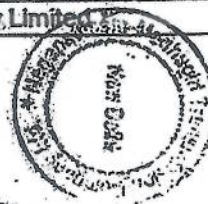

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Page 105 of 118



123

Schedule : 8

List of Articles

List of Articles under which rights and obligations of the Long Term Transmission Customers (including all matters incidental thereto and related follow-up), which are required to be undertaken by the Lead Long Term Transmission Customer, or by Majority Long Term Transmission Customers or by the Long Term Transmission Customers jointly, respectively:

A) Rights and Obligations of the Long Term Transmission Customers required to be undertaken by the Lead Long Term Transmission Customer

1. Article 3.3.5 (approach the Appropriate Commission on termination of the Agreement on TSP's not able to meet conditions subsequent)
2. Article 5.5 (inspection of the Project during the construction phase);
3. Articles 6.1.1 and 6.1.2 (extension of Scheduled COD);
4. Article 6.4.1 (communication with the TSP on imposition of liquidated damages)
5. Articles 7.3.2 (notice for maintenance of Interconnection Facilities under the purview of the Long Term Transmission Customers);
6. Article 11.7(d) (inspection of Project during operation of Force Majeure);
7. Article 13.1 (a) (notice to TSP on abandonment of Project);
8. Article 13.3 (d) (to approach the Appropriate Commission for revocation of Transmission Licensee on account of TSP's Event of Default);
9. Articles 14.2.1(b), 14.2.2(b) and 14.2.2(c) (notice for patent indemnity);
10. Article 14.2.1(d) (provide assistance to the TSP during the proceedings of patent indemnity);

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Page 106 of 118

11. Article 18.2.3 (written permission to TSP for divestment of equity holding and subsequent verification of equity structure, post-divestment); and
 12. Schedule 7 (computation of alternative escalation index in the event of CERC discontinuing publishing of the inflation rate mentioned in this schedule).
- B) Rights and Obligations of the Long Term Transmission Customers required to be undertaken by the Majority Long Term Transmission Customers**
1. Article 2.3.1 (decision to continue the Project beyond the Expiry Date);
 2. Article 3.1.3 (waiver of the TSP's obligations due to reasons attributable to the Long Term Transmission Customer(s));
 3. Articles 3.3.2 and 3.3.4 (right to terminate the Agreement on non-fulfillment of conditions subsequent);
 4. Articles 13.1 (k) and 13.1 (l) (Invocation of termination of the Agreement due to the TSP's Event of Default);
 5. Article 13.3 (notice to TSP for termination of Agreement on TSP's Event of Default);
 6. Article 18.1.4 (in case of any difference of opinion on any decision among the Long Term Transmission Customers, decision in such cases to be taken by the Majority Long Term Transmission Customers); and
 7. Article 18.1.5 (Right to replace the Lead Long Term Transmission Customer).

and any other Articles of this Agreement not specifically mentioned herein, which provide for a joint action by all the Long Term Transmission Customers.


(IL&FS Tamil Nadu Power Company Limited)

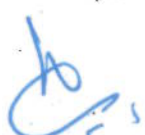



(Nagapattinam-Madhugiri Transmission Company Limited)



Nagapattinam-Madhugiri Transmission Company Limited

Page 107 of 118





125

Schedule : 9

Appendix IV of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009

Appendix - IV

Procedure for Calculation of Transmission System Availability Factor for a Month

1. Transmission system availability factor for a calendar month (TAFM) shall be calculated by the respective transmission licensee, got verified by the concerned RLDC and certified by the Member-Secretary, Regional Power Committee of the region concerned, separately for each AC and HVDC transmission system and grouped according to sharing of transmission charges.
2. TAFM, in percent, shall be equal to $(100 - 100 \times \text{NAFM})$, where NAFM is the non-availability factor in per unit for the month, for the transmission system / sub-system.
3. NAFM for A.C. systems / sub-systems shall be calculated as follows :

$$\text{NAFM} = \frac{L}{T} \left[\sum_{i=1}^L (\text{OH}_i \times \text{Cktkm}_i \times \text{NSC}_i) + \sum_{t=1}^T (\text{OH}_t \times \text{MVA}_t \times 2.5) \right. \\ \left. + \sum_{r=1}^R (\text{OH}_r \times \text{MVAR}_r \times 4) \right] + \text{THM} \times \left[\sum_{i=1}^L (\text{Cktkm}_i \times \text{NSC}_i) + \sum_{t=1}^T (\text{MVA}_t \times 2.5) + \sum_{r=1}^R (\text{MVAR}_r \times 4) \right]$$

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Nagapattinam-Madhugiri Transmission Company Limited

Page 108 of 118

12/6

Where

l identifies a transmission line circuit

t identifies a transformer / ICT

r identifies a bus reactor, switchable line reactor or SVC

L = total number of line circuits

T = total number of transformers and ICTs

R = total number of bus reactors, switchable line reactors and SVCs

OH = Outage hours or hours of non-availability in the month, excluding the duration of outages not attributable to the transmission licensee, if any, as per clause (5).

Ctkm = Length of a transmission line circuit in km

NSC = Number of sub-conductors per phase

MVA = MVA rating of a transformer / ICT

MVAR = MVAR rating of a bus reactor, switchable line reactor or an SVC (in which case it would be the sum of inductive and capacitive capabilities).

THM = Total hours in the month.

4 NAFM for each HVDC system shall be calculated separately, as follows :

$$\text{NAFM} = [\sum (\text{TCR} \times \text{hours})] \div [\text{THM} \times \text{RC}]$$

Where

TCR = Transmission capability reduction of the system in MW

RC = Rated capacity of the system in MW.

For the above purpose, the HVDC terminals and directly associated EHV / HVDC lines of an HVDC system shall be taken as one integrated system.

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Nagapattinam-Madhugiri Transmission Company Limited

Page 109 of 118

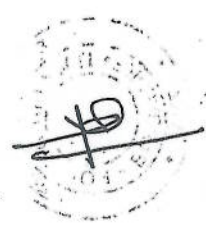
5. The transmission elements under outage due to following reasons shall be deemed to be available:
- Shut down availed for maintenance or construction of elements of another transmission scheme. If the other transmission scheme belongs to the transmission licensee, the Member-Secretary, RPC may restrict the deemed availability period to that considered reasonable by him for the work involved.
 - Switching off of a transmission line to restrict over voltage and manual tripping of switched reactors as per the directions of RLDC.
6. Outage time of transmission elements for the following contingencies shall be excluded from the total time of the element under period of consideration.
- Outage of elements due to acts of God and force majeure events beyond the control of the transmission licensee. However, onus of satisfying the Member Secretary, RPC that element outage was due to aforesaid events and not due to design failure shall rest with the transmission licensee. A reasonable restoration time for the element shall be considered by Member Secretary, RPC and any additional time taken by the transmission licensee for restoration of the element beyond the reasonable time shall be treated as outage time attributable to the transmission licensee. Member Secretary, RPC may consult the transmission licensee or any expert for estimation of reasonable restoration time. Circuits restored through ERS (Emergency Restoration System) shall be considered as available.
 - Outage caused by grid incident/disturbance not attributable to the transmission licensee, e.g. faults in substation or bays owned by other agency causing outage of the transmission licensee's elements, and tripping of lines, ICTs, HVDC, etc. due to grid disturbance. However, if the element is not restored on receipt of direction from RLDC while normalizing the system following grid incident/disturbance within reasonable time, the element will be considered not available for the period of outage after issuance of RLDC's direction for restoration.

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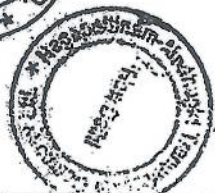
(Nagapattinam-Madhugiri
Transmission Company Limited)


Schedule : 10

Entire Bid (both financial bid and non-financial bid) of the Selected Bidder to be attached




(IL&FS Tamil Nadu Power
Company Limited)




(Nagapattinam-Madhugiri
Transmission Company Limited)

Nagapattinam-Madhugiri Transmission Company Limited

Page 111 of 118



**IN THE APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI
APPELLATE JURISDICTION**

APPEAL NO 166 OF 2020

IN THE MATTER OF:

Appeal against the order dated 26.03.2018 passed by the Central Electricity Regulatory Commission in Petition No. 62/MP/2017

AND IN THE MATTER OF:

POWERGRID NM Transmission Limited - Appellant

Versus

Central Electricity Regulatory Commission & Ors. - Respondents

INDEX OF PAPERS

S. NO.	PARTICULARS	P. NOS.
VOLUME-I		
1.	Synopsis with List of Dates	A-G
2.	Memo of Parties	H-I
3.	Memorandum of Appeal alongwith Affidavit in Support	1-28
4.	Annexure 'A': A copy of the Order dated 26.03.2018 passed by the Central Commission in Petition No. 62/MP/2017	29-47
5.	Annexure 'B': A copy of the Transmission Service Agreement dated 02.02.2012	48-185
6.	Annexure 'C': A copy of the Order dated 16.04.2014 passed by the Central Commission in Petition No. 121/TL/2012	186-197
7.	Annexure 'D': A copy of the Letter dated 23.03.2016 by the Appellant to the Central Electricity Authority	198-201
VOLUME-II		
8.	Annexure 'E': A copy of the Declaration of Commercial Operation Date on 23.10.2016	202-204
9.	Annexure 'F': A copy of the Minutes of Meeting held on 15.09.2016	205-208
10.	Annexure 'G': A copy of the Letter dated 26.12.2016 alongwith Minutes of Meeting	209-214
11.	Annexure 'H': A copy of the Letter dated 11.01.2017	215-216
12.	Annexure 'I': A copy of the Petition No. 62/MP/2017 filed by the Appellant before the Central Commission	217-226
13.	Annexure 'J': A copy of the record of proceeding dated 09.05.2017 passed by the Central Commission in Petition No. 62/MP/2017	227-228
14.	Annexure 'K': A copy of the Letter of CEA dated 04/05.09.2017	229-231
15.		
16.	Annexure 'L': A copy of the Minutes of Meeting of 37 th Empowered Committee on Transmission dated 20.09.2017	232-235



17.	Annexure 'M': A copy of the Affidavit dated 01.03.2018 filed by the Appellant before the Central Commission in Petition No. 62/MP/2017	236-243
18.	Annexure 'N': A copy of the Order dated 28.01.2015 passed by the Central Commission in Petition No. 284/ADP/2015	244-264
19.	Annexure 'O': A copy of the Order dated 26.11.2015 passed by the Central Commission in Petition No. 122/MP/2015	265-288
20.	Annexure 'P': A copy of the Review Petition No. 19/RP/2018 filed by Appellant before the Central Commission	289-301
21.	Annexure 'Q': A copy of the Affidavit dated 10.12.2018 along with Letter dated 07.12.2018 of CEA	302-308
22.	Annexure 'R': A copy of the Affidavit dated 14.02.2019 filed by the Appellant before the Central Commission in Review Petition No. 19/RP/2018	309-316
23.	Annexure 'S': A copy of the Order dated 04.04.2019 passed by the Central Commission in Review Petition No. 19/RP/2018	317-324
24.	Annexure 'T': A copy of the Amended Memo of Parties filed by the Appellant before the Central Commission in Review Petition No. 19/RP/2018	325-327
25.	Annexure 'U': A copy of the Counter Affidavit filed by the Respondent No. 6 before the Central Commission in Review Petition No. 19/RP/2018	328-337
26.	Annexure 'V': A copy of the Rejoinder filed by the Appellant before the Central Commission in Review Petition No. 19/RP/2018	338-353
27.	Annexure 'W': A copy of the Order dated 08.01.2020 passed by the Central Commission in Review Petition No. 19/RP/2018	354-388
28.	Annexure 'X': Copy of the CEA letter dated 26.12.2016 and CTU letter for operationalization of LTA of the 2 nd Unit of IL&FS generation project	389-394
29.	Application for condonation of Delay along with affidavit in support	395-399
30.	Application for condonation delay in refiling the appeal along with affidavit	400-403
31.	Authorization Letter/Power of Attorney	404-406
32.	Vakalatnama	407
33.	Reference No. 1902200001274 dt. 19.2.2020 for an amount of Rs. 1,23,000/- paid through Bharatkosh on account of fees for Appeal, Application and processing fees	408

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**VOLUME-I
PAGES: A TO 201**

INDEX OF PAPERS

S. NO.	PARTICULARS	P. NOS.
1.	Synopsis with List of Dates	A-G
2.	Memo of Parties	H-I
3.	Memorandum of Appeal alongwith Affidavit in Support	1-28
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PLACE: NEW DELHI
DATED: 20.02.2020



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**IN THE APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI
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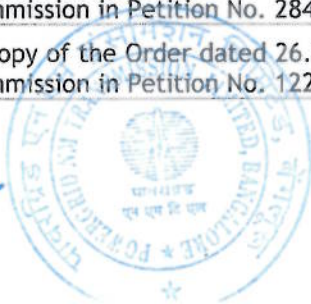
Versus

Central Electricity Regulatory Commission & Ors. - Respondents

**VOLUME-II
PAGES: 202 TO 405**

INDEX OF PAPERS

S. NO.	PARTICULARS	P. NOS.
8.	Annexure 'E': A copy of the Declaration of Commercial Operation Date on 23.10.2016	202-204
9.	Annexure 'F': A copy of the Minutes of Meeting held on 15.09.2016	205-208
10.	Annexure 'G': A copy of the Letter dated 26.12.2016 alongwith Minutes of Meeting	209-214
11.	Annexure 'H': A copy of the Letter dated 11.01.2017	215-216
12.	Annexure 'I': A copy of the Petition No. 62/MP/2017 filed by the Appellant before the Central Commission	217-226
13.	Annexure 'J': A copy of the record of proceeding dated 09.05.2017 passed by the Central Commission in Petition No. 62/MP/2017	227-228
14. 15.	Annexure 'K': A copy of the Letter of CEA dated 04/05.09.2017	229-231
16.	Annexure 'L': A copy of the Minutes of Meeting of 37 th Empowered Committee on Transmission dated 20.09.2017	232-235
17.	Annexure 'M': A copy of the Affidavit dated 01.03.2018 filed by the Appellant before the Central Commission in Petition No. 62/MP/2017	236-243
18.	Annexure 'N': A copy of the Order dated 28.01.2015 passed by the Central Commission in Petition No. 284/ADP/2015	244-264
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23.	Annexure 'S': A copy of the Order dated 04.04.2019 passed by the Central Commission in Review Petition No. 19/RP/2018	317-324
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31.	Authorization Letter/Power of Attorney	404-406
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PLACE: NEW DELHI
 DATED: 20.02.2020



A

Synopsis and List of dates

- A. The present Appeal is being filed under Section 111 of the Electricity Act, 2003 against the order dated 26.03.2018 passed by the Central Electricity Regulatory Commission (hereinafter referred to as the 'Central Commission') in Petition No. 62/MP/2017. The said Petition had been filed by the Appellant for approval of the methodology for apportionment of the transmission charges between the two lines - Nagapattinam-Salem transmission line and Salem - Madhugiri transmission line and payment of transmission charges for the Nagapattinam - Salem line from the date of commercial operation being 23.10.2016.
- B. The Nagapattinam-Salem transmission line had been ready in all aspects and commissioned on 23.10.2016; however the Appellant has been denied transmission charges for the said line only on the basis that Salem - Madhugiri transmission line was not ready. The non readiness of Salem - Madhugiri transmission line was not due to any default on part of the Appellant but due to events beyond the control of the Appellant.
- C. The Appellant has been denied the recovery of tariff despite the fact that the line was in fact utilised for evacuation of power from the generating project of the Respondent No. 2. In effect, the Appellant has been required to provide transmission services for free which cannot be considered as a rationale or reasonable approach. The Central Commission ought to have taken a judicious approach as per the guidelines under the Electricity Act and exercised its regulatory powers to apportion the transmission charges between the two transmission lines and allowed the recovery of transmission charges for the Nagapattinam - Salem transmission line. It is submitted that instant case is an appropriate and fit case for such exercise of regulatory powers.
- D. The Central Commission failed to consider that the Nagapattinam - Salem Line has been continuously used and is duly completed and commissioned transmission system on 23.10.2016 and the benefit of the use of such transmission system has been there to Respondent No. 2/Respondent No. 6 and other beneficiaries / overall interest of power system. Accordingly, the transmission charges pertaining to



B

Nagapattinam - Salem Transmission Line should be allowed and appropriately included in the POC Mechanism for recovery to the Appellant. It cannot be that the line is actually utilized but no transmission charges are paid for the same. This would be extremely detrimental to the financial viability of the Appellant and is as such against the spirit of Competitive Bidding process.

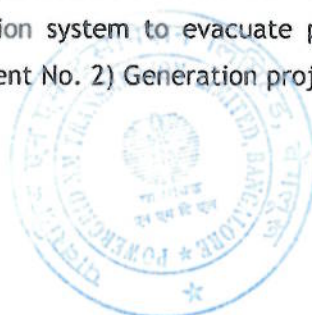
- E. In this regard, the CEA had also given a certificate which had approved the commissioning of the two transmission lines independently and further furnished the method of apportionment of charges between the two lines. There was therefore no technical or other disadvantage for segregated commissioning not was it impossible to apportion the charges between the lines. The fact that the CEA has certified as above itself suggests that the independent commissioning of the Nagapattinam - Salem Transmission Line would be in the interest of the power system and would not affect the safety and security of the grid. Further CEA has also confirmed that the commissioning of Nagapattinam-Salem line was interest of overall power system development of Southern Region. There was no reason for the Central Commission to then deny the relief to the Appellant on such grounds of safety or security or interest of power system and in effect force the Appellant to provide transmission services for free.
- F. The CEA's grant of approval to the independent commissioning of the Nagapattinam-Salem transmission line was in accordance with the spirit of Regulation 6.3A 4(v) of the Central Commission's Grid Code 2016. CEA had vide Letter dated 07.12.2018 had certified that the line is in overall interest of the development of power system. There cannot be any further requirement that certain words were not mentioned by the CEA in giving the certificate. There is in fact no use of the words "safety and security of the grid" in the Grid Code. Further the fact that CEA had permitted the independent commissioning of the lines and further certified that the line is overall interest of the development of power system means that it is within the safety and security of the grid. Such hyper technical objections on the words to be used in the certificate is neither appropriate nor appreciative of the role of CEA.



C

- G. The Central Commission in various occasions involving similar facts and circumstances has granted relief using its inherent and regulatory power. In the instant case, it is only the issue of apportionment of the adopted charges for which all conditions have been fulfilled even as per the Grid Code and wherein CEA has approved such separate commissioning and apportionment, the Central Commission ought to have invoked its inherent and regulatory powers since the line is being utilized and certified by CEA to be in over all interest of power system aligning with the same approach / adjudication done in aforementioned instances.
- H. The Appellant would suffer irreparably if the Nagapattinam - Salem line which has been established and providing services does not get the tariff to enable the Appellant to service the capital cost incurred by the Appellant, particularly, in the context of the said line having been established in terms of the Tariff Based Competitive Bid Process. This cannot be the intention under Section 63 of the Electricity Act, 2003.
- I. The Central Commission failed to appreciate that it would be more appropriate to allow the transmission tariff for the use of the transmission line effective from 23.10.2016 when the Nagapattinam-Salem transmission line was independently commissioned instead of deferring the same for a long period and considering the computation of Financing cost including IDC and IEDC etc. for the delayed commercial operation of any transmission line on account of Force Majeure event/Change in Law in so far as a tariff determination under Section 63 of the Electricity Act, 2003 is concerned.
- J. The relevant dates are as under:

<u>DATE</u>	<u>EVENT</u>
01.02.2011	: Empowered Committee on Transmission in the 25 th Meeting decided that the Transmission System associated with IPPs of Nagapattinam-Cuddalore Area was to be implemented under the Tariff Based Competitive Bidding (TBCB) Route. The Nagapattinam-Salem Transmission line was part of the transmission system to evacuate power from the IL&FS (Respondent No. 2) Generation project.



D

02.02.2012 : Powergrid NM Transmission Limited (hereinafter referred to as the 'Appellant') was incorporated as a Special Purpose Vehicle to undertake the project by the Respondent No. 5, Bid Process Coordinator.

The Appellant entered into Transmission Service Agreement dated 02.02.2012 (hereinafter referred to as 'TSA') with Respondent No. 2.

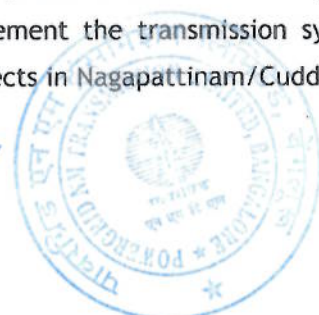
29.03.2012 : Power Grid Corporation of India Limited (POWERGRID) was the successful bidder in the tariff based competitive bidding process carried out by the Respondent No. 5 under Section 63. POWERGRID executed a Share Purchase Agreement on 29.03.2013 with Respondent No. 5 to acquired the Special Purpose Vehicle i.e. the Appellant.

04.04.2012 : The Appellant filed a Petition for adoption of Tariff under Section 63 being Petition No. 122 of 2012 and another petition for grant of transmission licence being Petition No. 121/TL/2012 before the Central Electricity Regulatory Commission (hereinafter referred to as the 'Central Commission').

Power Grid Corporation of India Limited had also filed I.A. 5 of 2013 in Petition No. 121/TL/2012 seeking a direction for execution of the project with time and cost overrun and for extension of period of 36 months from the date of grant of transmission licence.

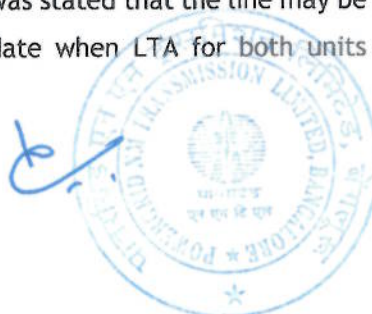
23.05.2012 : The Environment Clearance in respect of the generation project of Respondent No. 2 was suspended by the National Green Tribunal on 23.05.2012.

POWERGRID/ Appellant filed Petition No. 143/MP/2012 raising apprehension regarding the execution of generation project of Respondent No. 2 and seeking issuance of appropriate directions with regard to whether or not to implement the transmission system associated with IPP Projects in Nagapattinam/Cuddalore Area.



E

- 09.05.2013** : Central Commission adopted the transmission charges for the project in Petition No. 122 of 2012.
- 12.06.2013** : Central Commission granted transmission license to the Appellant.
- 16.04.2014** : The Central Commission vide Order dated 16.04.2014 directed that in a competitive bid project, upfront revision of tariff based on cost escalation indices as claimed by the Appellant cannot be permitted but also recognized that the transmission service provider i.e. the Appellant cannot be made to suffer on account of reasons beyond its control.
- 23.03.2016** : Letter from Appellant to Central Electricity Authority (hereinafter referred to as 'CEA') requesting to allow for taking up the work to complete the transmission lines independently in accordance with the directions given by the Central Commission in Order in Petition 284/ADP/2015 dated 28.01.2015.
- 15.09.2016** : CEA meeting related to the transmission system, wherein it was inter alia stated that the Central Commission may examine the method to be adopted for apportionment and the four methods of apportionment were deliberated.
- 23.10.2016** : Nagappatinam- Salem transmission line was completed, charged and the Commercial Operation Date was declared. The COD was declared registering a power flow of more than 500 MW.
- At this stage, in regard to Salem - Madhugiri transmission, land owners enroute the line had made numerous representations seeking land compensation and stopped the work.
- 26.12.2016** : Letter from CEA granting consent for completion of lines after discussions in meeting held on 15.12.2016. Further it was stated that the line may be in regular service from the date when LTA for both units of the IL&FS Tamil Nadu



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F

Power Company Limited (Respondent No. 2) i.e. 1080 MW was operationalized.

- 11.01.2017** : Letter from Appellant requesting the CEA not to link the date of commissioning to the operationalization of LTA and to re-examine the date of independent commissioning and restore the date of COD to actual date of commissioning the element.
- 17.02.2017** : The Appellant filed the Petition No. 62/MP/2017 before the Central Commission for approval of methodology for apportionment of transmission charges between the 765 kV D/C Nagapattinam - Salem transmission line and 765kV S/C Salem-Madhugiri transmission line and payment of transmission charges to the Appellant for the 765 kV Nagapattinam - Salem line with effect from 23.10.2016.
- 09.05.2017** : Central Commission vide record of proceedings while admitting the petition No. 62/MP/2017 requested Central Electricity Authority to assist the Commission on the methodology of apportionment of transmission charges between 765 kV D/C Nagapattinam-Salem transmission line and Salem-Madhugiri transmission lines in the next date of hearing.
- 04/05.09.2017** : Letter from CEA submitting the methodology for apportionment and utilization of 765 kV Nagapattinam - Salem Transmission line.
- 07.09.2017** : The Central Commission vide record of proceedings requested the Empowered Committee on Transmission to consider whether a transmission project which was approved as an integrated system to be executed through Tariff Based Competitive Bidding can be segregated time-wise for execution and the tariff can be proportionately apportioned.
- 20.09.2017** : Meeting of the 37th Empowered Committee on Transmission held and endorsed the views of CEA.



G

- 01.03.2018** : Affidavit filed by the Appellant responding to the queries raised by the Central Commission.
- 26.03.2018** : Impugned order passed by the Central Commission wherein the Commission did not allow the apportionment of transmission charges on the basis that no certificate from the CEA was available to the effect that the commissioning of the Nagapattinam-Salem transmission line is in interest of the power system and safety and security of the grid. Further, it was held that the Appellant shall be entitled to tariff for the entire transmission system after the Madhugiri-Salem Transmission line is put under commercial operation.
- 09.05.2018** : Aggrieved by the Impugned Order dated 26.03.2018, the Appellant filed a Review Petition being 19/RP/2018 before the Central Commission.
- 07.12.2018** : CEA vide letter certified that the commissioning of Nagapattinam - Salem line is in overall interest of the development of power system of the Southern Region.
- 10.12.2018** : In the Review Petition, the Appellant through Affidavit placed on record the Letter dated 07.12.2018 from the CEA.
- 26.01.2019** : The Salem Madhugiri Transmission Line was commissioned.
- 14.02.2019** : In the Review Petition the Appellant vide Affidavit placed on record the commissioning of the Salem - Madhugiri Transmission Line with effect from 26.01.2019.
- 04.04.2019** : The Central Commission directed the impleadment of Respondent No. 6 as a party in the Review Petition.
- 09.04.2019** : The Appellant having complied with the directions of the Central Commission vide order dated 04.04.2019 filed the Amended Memo of Parties.
- 08.01.2020** : Central Commission rejected the Review Petition filed by the Appellant.
- 20.02.2020** : The present Appeal is being filed.



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AND

IN THE MATTER OF:

POWERGRID NM Transmission Limited - Appellant

Versus

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MEMO OF PARTIES

IN THE MATTER OF:

POWERGRID NM Transmission Limited
 (Earlier known as
 Nagapattinam-Madhugiri Transmission Company Limited)
 B-9, Qutab Institutional Area,
 Katawaria Sarai, New Delhi-110016

Address for correspondence:

C/o ED (TBCB),
 Power Grid Corporation of India Limited,
 Saudamini, Plot no.2, Sector -29
 Gurgaon 122001

... Appellant

Versus

1. Central Electricity Regulatory Commission
 Through its Secretary,
 3rd and 4th Floor, Chanderlok Building
 36, Janpath, New Delhi - 110001
 Email: secy@cercind.gov.in
2. IL & FS Tamil Nadu Power Company Limited
 Through its Managing Director
 B Block, Navin's Presidium, 4th Floor
 103, Nelson Manockam Road, Aminikarai
 Chennai - 600 029
 Email: n.ramesh@ilfsindia.com



Amjitha

3. Central Electricity Authority
Through its Chief Engineer (PSPM)
PSPM Division Sewa Bhawan
Rama Krishna Puram
New Delhi - 110 066
Email: vk Singh.cea@cea.nic.in,
4. Central Transmission Utility
Power Grid Corporation of India Limited
Through its Chief Operating Officer
Saudamini, Plot No. 2, Sector 29
Gurgaon
Email: vipinjacob@powergridindia.com
5. PFC Consulting Limited
Through its Managing Director
1st Floor, Urjanidhi
1 Barakhamba Lane, Connaught Place
New Delhi - 110 001
Email: sanjaynayak@pfcindia.com; cspfccl@pfcindia.com
6. Tamil Nadu Generation and Distribution Corporation Limited
Through its Chairman and Managing Director
NPKRR Maaligai
144, Anna Salai
Chennai - 600 002
Email: cemrc@tnebnnet.org

... Respondents



Sanjay + Na

**IN THE APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI
APPELLATE JURISDICTION**

APPEAL NO OF 2020

IN THE MATTER OF:

Appeal against the order dated 26.03.2018 passed by the Central Electricity Regulatory Commission in Petition No. 62/MP/2017

AND

IN THE MATTER OF:

POWERGRID NM Transmission Limited
(Earlier known as
Nagapattinam-Madhugiri Transmission Company Limited)
B-9, Qutab Institutional Area,
Katawaria Sarai, New Delhi-110016

Address for correspondence:

C/o ED (TBCB),
Power Grid Corporation of India Limited,
Saudamini, Plot No.2, Sector -29
Gurgaon 122001

... Appellant

Versus

1. Central Electricity Regulatory Commission
Through its Secretary,
3rd and 4th Floor, Chanderlok Building
36, Janpath, New Delhi - 110001
2. IL & FS Tamil Nadu Power Company Limited
Through its Managing Director
B Block, Navin's Presidium, 4th Floor
103, Nelson Manockam Road, Aminikarai
Chennai - 600 029
3. Central Electricity Authority
Through its Chief Engineer (PSPM)
PSPM Division Sewa Bhawan
Rama Krishna Puram
New Delhi - 110 066
4. Central Transmission Utility
Power Grid Corporation of India Limited
Through its Chief Operating Officer
Saudamini, Plot No. 2, Sector 29
Gurgaon
5. PFC Consulting Limited
Through its Managing Director
1st Floor, Urjanidhi
1 Barakhamba Lane, Connaught Place
New Delhi - 110 001



6. Tamil Nadu Generation and Distribution Corporation Limited
Through its Chairman and Managing Director
NPKRR Maaligai
144, Anna Salai
Chennai - 600 002

... Respondents

APPEAL UNDER SECTION 111(1) OF THE ELECTRICITY ACT, 2003

MOST RESPECTFULLY SHOWETH:

1. DETAILS OF APPEAL

The present Appeal is being filed under Section 111 of the Electricity Act, 2003 against the order dated 26.03.2018 passed by the Central Electricity Regulatory Commission (hereinafter referred to as the 'Central Commission') in Petition No. 62/MP/2017. The said Petition had been filed by the Appellant for approval of the methodology for apportionment of the transmission charges between the two lines - Nagapattinam-Salem transmission line and Salem - Madhugiri transmission line and payment of transmission charges for the Nagapattinam - Salem line from the date of commercial operation being 23.10.2016. The Central Commission refused the approval to such apportionment. A copy of the Order dated 26.03.2018 is attached hereto and marked as Annexure 'A'.

2. The impugned order dated 26.03.2018 was uploaded on the website on 28.03.2018.

3. THE ADDRESS OF THE APPELLANT FOR SERVICE IS SET OUT HEREUNDER:

- i) Name and Address of the Appellant:
POWERGRID NM Transmission Limited
(Earlier known as
Nagapattinam-Madhugiri Transmission Company Limited)
B-9, Qutab Institutional Area,
Katawaria Sarai, New Delhi-110016

Address for correspondence:

C/o ED (TBCB),
Power Grid Corporation of India Limited,
Saudamini, Plot no.2, Sector -29
Gurgaon 122001



- ii) **Name and Address of the Counsel:**
 Ranjitha Ramachandran, Anushree Bardhan, Poorva Saigal,
 Shubham Arya, Tanya Sareen and Arvind Kumar Dubey, Advocates
 C-32A, Ground Floor, Friends Colony (East), New Delhi - 110065
 Phone: 011-26926102, 40074652
 Email: office@rassociates.in

**4. THE ADDRESS OF THE RESPONDENTS FOR SERVICE OF ALL NOTICES
 IN THE APPEAL ARE AS SET OUT HEREUNDER:**

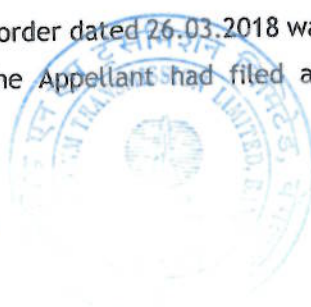
- (i) Central Electricity Regulatory Commission
 Through its Secretary,
 3rd and 4th Floor, Chanderlok Building
 36, Janpath, New Delhi - 110001
- (ii) IL & FS Tamil Nadu Power Company Limited
 Through its Managing Director
 B Block, Navin's Presidium, 4th Floor
 103, Nelson Manockam Road, Aminikarai
 Chennai - 600 029
- (iii) Central Electricity Authority
 Through its Chief Engineer (PSPM)
 PSPM Division Sewa Bhawan
 Rama Krishna Puram
 New Delhi - 110 066
- (iv) Central Transmission Utility
 Power Grid Corporation of India Limited
 Through its Chief Operating Officer
 Saudamini, Plot No. 2, Sector 29
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- (v) PFC Consulting Limited
 Through its Managing Director
 1st Floor, Urjanidhi
 1 Barakhamba Lane, Connaught Place
 New Delhi - 110 001
- (vi) Tamil Nadu Generation and Distribution Corporation Limited
 Through its Chairman and Managing Director
 NPKRR Maaligai
 144, Anna Salai
 Chennai - 600 002

5. JURISDICTION OF THE APPELLATE TRIBUNAL

The Appellant declares that the subject matter of the appeal is within the jurisdiction of this Tribunal.

6. LIMITATION

The impugned order dated 26.03.2018 was uploaded on the website on 28.03.2018. The Appellant had filed a Review Petition which was

dismissed on 08.01.2019. There has been a delay in filing of the appeal against the Order dated 26.03.2018 and an application for condonation of delay has been filed with the Appeal.

7. FACTS OF THE CASE

- A. The Appellant, POWERGRID NM Transmission Limited is a company incorporated under the Companies Act. The Appellant is a wholly owned subsidiary of Power Grid Corporation of India Limited (herein after referred to as 'POWERGRID'). The Appellant was erstwhile known as Nagapattinam - Madhugiri Transmission Limited and was incorporated as a Special Purpose Vehicle by the Respondent No. 5 for the purpose of developing and implementing the transmission project, namely "Transmission System associated with IPPs of Nagapattinam-Cuddalore Area: Package-A" under Tariff Based Competitive Bidding route.
- B. The Respondent No. 2, IL&FS Tamil Nadu Power Company Ltd. is a Special Purpose Vehicle incorporated by IL&FS Group for implementation of thermal power project at Cuddalore in Tamil Nadu. The Respondent No. 2 is the lone Long Term Transmission Customer related to the transmission system in question.
- C. The Respondent No. 3, Central Electricity Authority (hereinafter referred to as "CEA") functions under Section 70 to 73 of the Electricity Act, 2003 and is a technical body and inter alia, provides technical support base to all stakeholders in the power sector and supports and advises Central Government for forming policies as well as advises the Appropriate Government and Appropriate Commissions on technical matters as well as specifies technical standards and regulations etc.
- D. The Respondent No. 4 is Central Transmission Utility under Section 38 of the Electricity Act, 2003. The CTU plays a pivotal role in planning and coordination for development of inter state power transmission network across the country.
- E. The Respondent No. 5, PFC Consulting Limited is 100% subsidiary of Power Finance Corporation Ltd and a bid process coordinator appointed by the Government of India for carrying out the tariff based



competitive bid process for implementation of the subject transmission system.

- F. The Respondent No. 6, Tamil Nadu Generation and Distribution Corporation Limited is the beneficiary of the power project of Respondent No. 2 located in Southern Region.
- G. It is stated that the Respondents No. 5 and 6 were not parties in the Petition No. 62/MP/2017 but were impleaded as parties in the Review Petition No. 19/RP/2018 filed against the Order dated 26.03.2018 and hence are made parties in the present Appeal against the Order dated 26.03.2018.
- H. The Empowered Committee on Transmission in the 25th Meeting dated 01.02.2011 decided that the Transmission System associated with IPPs of Nagapattinam-Cuddalore Area: Package-A was to be implemented under the Tariff Based Competitive Bidding (TBCB) Route with the following scope of work and cost of elements:

Sl. No.	Transmission Scheme	Estimated line length	Estimated Cost (Rs. Crores)
1	Transmission System Associated with IPPs of Nagapattinam/Cuddalore Area - Package A		
	Nagapattinam Pooling Station - Salem 765kV D/C Line	250 km	650
	Salem - Madhugiri 765kV S/C line	250 km	375

As can be seen from above, the total cost of the project was estimated as Rs. 1025 crores and percentage share of the individual elements out of this total cost was estimated to be 63.41% and 35.59% respectively.

- I. The Nagapattinam-Salem Transmission line was part of the transmission system to evacuate power from the IL&FS (Respondent No. 2) Generation project. From Salem Pooling Station, Salem-Madhugiri transmission line was meant for strengthening of transmission system to transfer power from IL&FS as well as other generation projects coming up in Nagapattinam/Cuddalore area.



- J. The Respondent No. 5, the Bid Process Coordinator, incorporated Nagapattinam - Madhugiri Transmission Limited (i.e. the Appellant) as a Special Purpose Vehicle to undertake the above project. The Appellant (under the Respondent No. 5) entered into the Transmission Service Agreement with Respondent No. 2 on 02.02.2012. A copy of the Transmission Service Agreement dated 02.02.2012 is attached hereto and marked as Annexure 'B'.
- K. Power Grid Corporation of India Limited (POWERGRID) was the successful bidder in the tariff based competitive bidding process carried out by Respondent No. 5 under Section 63 of the Electricity Act, 2003 and accordingly POWERGRID acquired the Special Purpose Vehicle i.e. the Appellant by executing the Share Purchase Agreement with the Respondent No. 5 on 29.03.2012.
- L. On 04.04.2012, the Appellant filed a Petition for adoption of Tariff under Section 63 being Petition No. 122 of 2012 and another petition for grant of transmission licence being Petition No, 121/TL/2012 before the Central Commission. The Central Commission vide Order dated 09.05.2013 adopted the transmission charges for the project and vide Order dated 12.06.2013 granted the transmission licence to the Appellant.
- M. During the pendency of the above Petitions, Power Grid Corporation of India Limited/Appellant filed Petition No. 143/MP/2012 raising apprehension regarding the execution of generation project of Respondent No. 2 (the Environment Clearance in respect of generation project was suspended by the National Green Tribunal on 23.05.2012) and seeking issuance of appropriate directions with regard to whether or not to implement the transmission system associated with IPP Projects in Nagapattinam/Cuddalore Area.
- N. Power Grid Corporation of India Limited had also filed I.A. 5 of 2013 in Petition No. 121/TL/2012 seeking a direction for execution of the project with time and cost overrun and for extension of period of 36 months from the date of grant of transmission licence. However, the Order dated 12.06.2013 did not deal with the said issue.



- O. Based on the record of proceeding published on 21.08.2013 the cost and time overrun was under consideration before the Central Commission, the Appellant had invited bids, completed evaluation and readied the placement of awards for the work to be undertaken in regard to the Project and awaited the time and cost issues to be settled by the Central Commission.
- P. The Central Commission vide Order dated 16.04.2014 directed that in a competitive bid project, upfront revision of tariff based on cost escalation indices as claimed by the Appellant cannot be permitted but also recognized that the transmission service provider i.e. the Appellant cannot be made to suffer on account of reasons beyond its control and that the Central Commission may be approached for the same and further directed that the Appellant to go ahead with the execution of the project. The Central Commission inter alia held as under:

"13..... We direct the petitioner to execute the transmission system as expeditiously as possible and also put in place the interim arrangement for evacuation of power so that power from the generation project of the respondent is not bottled up."

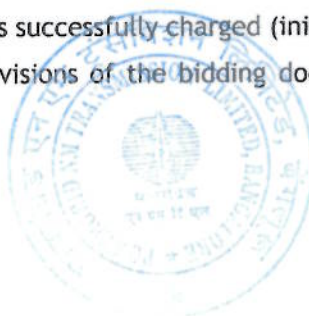
(emphasis supplied)

In line with the above, the Scheduled Commercial Operation Date of the project was revised to 20.12.2015. A copy of the Order dated 16.04.2014 passed by the Central Commission is attached hereto and marked as Annexure 'C'.

- Q. Despite the increased Right of Way (RoW) challenges owing to the two year delay in giving the go ahead for implementation of the project, the Appellant based on the directions as per Order dated 16.04.2014 for expeditious implementation of the project and the views of Central Commission that the developer would not be allowed to suffer on account of reasons which are beyond their control, took up the execution of the project in right earnest. Keeping in view the urgency of the project and notwithstanding the very challenging time schedule in comparison with the prevalent time schedules for execution of 765 kV S/C and D/C systems, the project implementation was taken up and the developments of the project were periodically placed before the Central Commission.



- R. It is submitted that the awards for both the transmission elements i.e. Nagapattinam - Salem line and Salem - Madhugiri Lines have been taken up simultaneously. Nagapattinam- Salem line passes through the state of Tamil Nadu whereas Salem - Madhugiri transmission line passes through States of Tamil Nadu and Karnataka. Owing to severe Right of Way {ROW} issues in both lines during the intervening period, the progress of the lines was substantially impacted. The details of the ROW Issues and the change in law and force majeure conditions were placed through affidavits before the Central Commission with the Respondent No. 2, the Long Term Transmission Customer as the respondent.
- S. Despite all odds faced right from the beginning, Nagapattinam- Salem transmission line was completed, charged and the Commercial Operation Date was declared on 23.10.2016.
- T. As regards the Salem - Madhugiri Transmission Line, land owners en-route the said line had made numerous representations seeking land compensation and stopped the work. The Deputy Commissioner, Tumkur and Deputy Commissioner, Ramanagar awarded land compensation for tower locations and also compensation under the corridor. The long drawn process of identification of land boundaries and listing and identification of land owners was taken up to expedite the construction of the transmission line.
- U. In the meanwhile due to the advancement in the progress of the 765 kV D/C Nagapattinam - Salem Transmission Line, vide Letter dated 23.03.2016, the Central Electricity Authority was approached to allow for taking up the work to complete the transmission line independently in accordance with the directions given by the Central Commission in Order in Petition 284/ADP/2015 dated 28.01.2015. A copy of the Letter dated 23.03.2016 by the Appellant to the Central Electricity Authority is attached hereto and marked as Annexure 'D'. However, despite various rounds of meetings, the issue could not be resolved.
- V. In the meanwhile on 23.10.2016, the 765 kV D/C Nagapattinam - Salem Transmission Line was successfully charged (initially charged as 400 kV Level as per the provisions of the bidding documents) and COD was



declared registering a power flow of more than 500 MW. A copy of the Declaration of Commercial Operation Date on 23.10.2016 is attached hereto and marked as Annexure 'E'.

- W. It is stated that the 765 kV D/C Nagapattinam - Salem Transmission line was commissioned keeping in view requirement of Nagapattinam - Salem line for evacuation of power from the Respondent No. 2's power project. The above transmission line was utilized by the Respondent No. 2 for evacuation of power on long term basis to Respondent No. 6 as well as for selling power under Short Term Open Access since its date of commissioning.
- X. The CEA in the minutes of meeting held on 15.09.2016 related to the transmission system, inter alia stated that the Central Commission may examine the method to be adopted for apportionment and the four methods of apportionment were deliberated:
- (i) Apportionment based on initial cost as recorded in the Empowered Committee meetings; or
 - (ii) Based on the cost of each element as per the cost matrix of Cost Committee of Tariff Based Competitive bid; or
 - (iii) Based on the cost of transmission lines as considered for PoC Calculation; or
 - (iv) Based on utilization of the individual element considering its benefit to the system.

It was also held that the issue of implementation of the line independently would be reviewed at a later date. A copy of the Minutes of Meeting held on 15.09.2016 is attached hereto and marked as Annexure 'F'.

- Y. The issue was thereafter discussed in a meeting held on 15.12.2016 and the CEA vide Letter dated 26.12.2016 gave its consent for completion of both the lines independently. Further, the CEA stated that the line may be in regular service from the date when LTA for both units of the Respondent No. 2 i.e. 1080 MW was operationalized. A copy of the Letter dated 26.12.2016 alongwith Minutes of Meeting is attached hereto and marked as Annexure 'G'.



- Z. The Appellant vide Letter dated 11.01.2017 requested the CEA not to link the date of commissioning to the operationalization of LTA and to re-examine the date of independent commissioning and restore the date of COD to actual date of commissioning the element. However, there was no response from the CEA. A copy of the Letter dated 11.01.2017 is attached hereto and marked as Annexure 'H'.
- AA. Thereafter, the Appellant filed the Petition being Petition No. 62/MP/2017 before the Central Commission for approval of methodology for apportionment of transmission charges between the 765 kV D/C Nagapattinam - Salem transmission line and 765kV S/C Salem-Madhugiri transmission line and payment of transmission charges to the Appellant for the 765 kV Nagapattinam - Salem line with effect from 23.10.2016. A copy of the Petition No. 62/MP/2017 filed by the Appellant before the Central Commission is attached hereto and marked as Annexure 'I'.
- BB. The Central Commission vide record of proceedings dated 09.05.2017 passed in the impugned proceeding while admitting the petition has requested Central Electricity Authority to assist the Commission on the methodology of apportionment of transmission charges between 765 kV D/C Nagapattinam-Salem transmission line and Salem-Madhugiri transmission lines in the next date of hearing. The petition was listed for further proceedings on 16.7.2017. The record of proceeding dated 09.05.2017 is annexed at Annexure 'J'
- CC. The CEA vide Letter dated 04/05.09.2017 has submitted the methodology for apportionment and utilization of 765 kV Nagapattinam - Salem Transmission line. The CEA confirmed that the Nagapattinam - Salem line has been utilized and power is evacuated over the line from the date of its commissioning. Further, CEA had clarified, vide the same letter dated 04/05.09.2017, that the cost break-up between the two transmission lines, based on length of line as computed by actual implementation/survey and cost break-up available in Empowered Committee minutes dated 01.02.2011; could be considered in the ratio of 60:40 respectively. A copy of the Letter dated 04/05.09.2017 is attached hereto and marked as Annexure 'K'. It is stated and submitted that the Central Commission had erroneously overlooked the



fact that the cost break-up of the two transmission lines was provided in the Empowered Committee minutes and was also advised by CEA on the specific request of the Central Commission.

DD. The Central Commission vide Record of Proceedings dated 07.09.2017 requested the Empowered Committee on Transmission to consider whether a transmission project which was approved as an integrated system to be executed through TCB can be segregated time-wise for execution and the tariff can be proportionately apportioned.

EE. With regard to above, the 37th Empowered Committee on Transmission dated 20.09.2017 endorsed the views of CEA. The minutes of meeting were placed before the Central Commission vide Affidavit dated 16.11.2017 by the Appellant. A copy of the Minutes of Meeting of 37th Empowered Committee on Transmission dated 20.09.2017 is attached hereto and marked as Annexure 'L'.

FF. The Appellant vide Affidavit dated 01.03.2018 responded to the queries raised by the Central Commission. A copy of the Affidavit dated 01.03.2018 is attached hereto and marked as Annexure 'M'.

GG. The Appellant submits that the following orders passed by the Central Commission dealing with similar situations in other cases are relevant.

A. Order dated 28.01.2015 in Petition 284/ADP/2015

"In case of an element which can be put to use without the commissioning of the pre-required asset, then same can be commissioned, if the CEA certifies that the commissioning of the asset will be in the interest of safety and security of the grid and the asset can be put to useful service after its commissioning"

A copy of the Order dated 28.01.2015 in Petition No. 284/ADP/2015 is attached hereto and marked as Annexure 'N'.

B. Order dated 26.11.2015 in Petition No. 122/MP/2015:

"Perusal of the above provision of the TSA reveals that an element can be declared to have achieved COD only after all the elements which are prerequisite have achieved their respective CoD. As the execution work was delayed, the petitioner was advised by CEA in its meeting dated 24.09.2013 to work on all the elements independently, since each element under the project was critical for evacuation of power. Accordingly, the petitioner commissioned each element independently."



2.1 All the elements of the scheme awarded to the petitioner have been commissioned. Therefore, the purpose of prescribing the pre-requisite has been achieved. Moreover, the elements have been put into service on the basis of the recommendation of the CEA that the elements can be put into regular service after successful trial operation irrespective of the prerequisites specified in the TSA. Keeping these factors in view, we direct that the petitioner shall be entitled for transmission charges from the date each element was put into regular service without linking to the pre-requisite prescribed in the Schedule 9 of the TSA. It is clarified that in respect of the other aspects including contract year for payment of transmission charges, the provisions of the TSA shall be strictly followed."

A copy of the Order dated 26.11.2015 in Petition No. 122/MP/2015 is attached hereto and marked as Annexure 'O'.

HH. The Central Commission vide the Impugned Order dated 26.03.2018 did not allow the apportionment of transmission charges on the basis that no certificate from the CEA was available to the effect that the commissioning of the Nagapattinam-Salem transmission line is in interest of the power system and safety and security of the grid. The Central Commission held that the Appellant shall be entitled to tariff for the entire transmission system after the Madhugiri-Salem Transmission line is put under commercial operation. The Relevant Findings of the Central Commission are as below:

At para 27 of the Impugned Order, the Central Commission returned a finding that the cost break-up was not part of the TSA. In this regard, relevant observations of this Hon'ble Commission are excerpted below:

"In our view, since there is no provision in the RfQ/RfP and TSA regarding apportionment of transmission charges between different elements of the transmission system being executed through TBCB route..."

At para 24 of the Impugned Order, the Central Commission held as follows:

"24. CEA has given the tentative apportionment of the cost between the two transmission lines based on the estimated cost recorded in the Empowered Committee meeting and has also stated that Nagapattinam-Salem DC transmission line after its COD is being used for evacuation of power. However, CEA has not specifically certified that commercial operation of the said transmission line without the COD of the Salem-Madhugiri SC

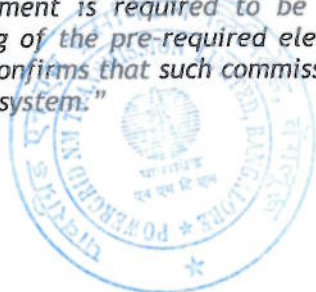


line is in the interest of power system and safety and security of the grid."

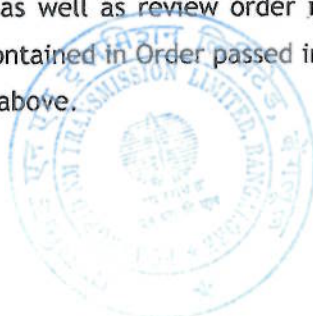
On this basis, this Hon'ble Commission refused to sanction the payment of transmission charges for the Nagapattinam-Salem line.

- II. Despite successful commissioning of Nagapattinam - Salem line and its consequent utilization i.e. power flow, the Appellant has been denied the legitimate tariff for Nagapattinam - Salem line from 23.10.2016 to 25.01.2019 (COD of Madhugiri Salem Transmission line). This has caused great prejudice to the Appellant as it is unable to reap legitimate return on its investments.
- JJ. Aggrieved by the Order dated 26.03.2018, the Appellant on 09.05.2018 filed a Review Petition being 19/RP/2018 before the Central Commission. A copy of the Review Petition No. 19/RP/2018 filed by Appellant before the Central Commission is attached hereto and marked as Annexure 'P'.
- KK. In the Review Petition, the Appellant vide Affidavit dated 10.12.2018 placed on record the Letter dated 07.12.2018 from the Central Electricity Authority certifying that the commissioning of Nagapattinam - Salem line is in overall interest of the development of power system of the Southern Region. A copy of the Affidavit dated 10.12.2018 along with Letter dated 07.12.2018 of CEA is attached hereto and marked as Annexure 'Q'.
- LL. The CEA's letter is consistent with the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations (hereinafter referred to as "Grid Code") notified by Central Commission pursuant to statutory mandate contained in Section 79(1)(h) of Electricity Act, 2003. The Regulation 6.3A (v) of Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016 which came into force w.e.f 06.04.2016 states as under:

"(v) An element shall be achieved to have declared COD only after all the elements which are pre-required to achieve Cod as per the Transmission Service Agreement are commissioned. In case any element is required to be commissioned prior to commissioning of the pre-required element, the same can be done if CEA confirms that such commissioning is in the interest of the power system."



- MM. The Appellant vide Affidavit dated 14.02.2019 placed on record the commissioning of the Salem - Madhugiri Transmission Line with effect from 26.01.2019. A copy of the Affidavit dated 14.02.2019 alongwith the annexures is attached hereto and marked as Annexure 'R'.
- NN. By Order dated 04.04.2019 the Central Commission directed the impleadment of Respondent No. 6 as a party in the Review Petition and the pleadings to be completed in the matter. A copy of the Order dated 04.04.2019 is attached hereto and marked as Annexure 'S'.
- OO. It is pertinent to note that though as per practice only the Long Term Transmission Customers (LTTCS) who signed the TSA with the Transmission Licensees are impleaded as the Respondents in the matters related to Tarff based competitive bid projects, however, to comply with the directions of Central Commission and in the interest of the project, the Appellant impleaded respondent no. 6 in the proceedings of the petition. The Appellant filed the Amended Memo of Parties on 09.04.2019. A copy of the Amended Memo of Parties is attached hereto and marked as Annexure 'T'. It is stated that the Respondents No. 5 and 6 who were not parties in the Petition No. 62/MP/2017 were made as parties in the Review Petition No. 19/RP/2018 as per the directions of Central Commission and hence are made parties in the present Appeal.
- PP. The Respondent No. 6 filed a Counter to the Review Petition. A copy of the Counter Affidavit filed by the Respondent No. 6 is attached hereto and marked as Annexure 'U'. A copy of the Rejoinder filed by the Appellant is attached hereto and marked as Annexure 'V'.
- QQ. The Central Commission vide Order 08.01.2020 rejected the Review sought by the Appellant. A copy of the Order dated 08.01.2020 in Review Petition No. 19/RP/2018 is attached hereto and marked as Annexure 'W'.
- RR. It is respectfully submitted that Central Commission has passed the impugned order as well as review order ignoring the Grid Code and precedence as contained in Order passed in Petition No. 122/MP/2015 as quoted hereinabove.



- SS. It is submitted that as per the decision of the Central Commission, the total tariff of about Rs 151.67 Crore has not been paid for the Nagapattinam-Salem line from the date of its commissioning to Commercial Operation Date of the project (i.e. 23.10.2016 to 25.01.2019) despite rendering full service to the beneficiaries.
- TT. In the circumstances stated above and as aggrieved by the Impugned Order, the Appellant is filing the present appeal before the Hon'ble Tribunal.

8. (i) **FACTS IN ISSUE:**

The factual aspects in issue in the present appeal, broadly stated, are as under:

- A. Consideration of commercial operation date of Nagapattinam - Salem Line as 23.10.2016
- B. Apportionment of the transmission charges between the Nagapattinam - Salem and Salem - Madhugiri Lines.

(ii) **QUESTIONS OF LAW:**

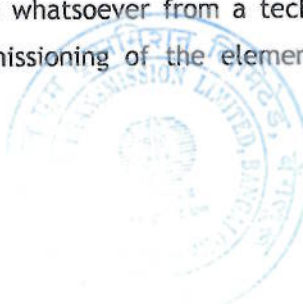
The following questions of law arise in the present appeal:

- A. Whether the Central Commission is right in not giving effect to the fact that the CEA had certified that the two lines can be taken up independently and in fact the Nagapattinam - Madhugiri line was being utilized from 23.10.2016?
- B. Whether the Central Commission is right in law in not approving the Commercial Operation date of the Nagapattinam - Salem line as 23.10.2016?
- C. Whether in the facts and circumstances of the case the Central Commission is right in not deciding the tariff for the Nagapattinam - Salem line from 23.10.2016 disregarding its own Grid Code Regulations and particularly when the said line had been duly put to use and services have been provided to the beneficiaries?



9. **GROUND'S RAISED WITH LEGAL PROVISIONS:**

- A. **BECAUSE** the Central Commission erred in not allowing the recovery of tariff for the Appellant from 23.10.2016 in respect of Nagapattinam - Salem transmission line despite the fact that the line was ready in all respects and commissioned and in fact utilized for evacuation of power from the generating project of Respondent No. 2. In effect, the Appellant has been required to provide transmission services for free which cannot be considered as a rationale or reasonable approach. The Central Commission ought to have taken a judicious approach as per the guidelines under the Electricity Act and exercised its regulatory powers to apportion the transmission charges between the two transmission lines and allowed the recovery of transmission charges for the Nagapattinam - Salem transmission line. It is submitted that instant case is an appropriate and fit case for such exercise of regulatory powers.
- B. **BECAUSE** the Central Commission erred in not allowing the apportionment of transmission charges even though the payment of transmission charges for Nagapattinam - Salem Line is clearly possible and justified as the said line is put to use for the benefit of the transmission users from 23.10.2016 despite the second part of the system, namely, Salem - Madhugiri Line was then not ready and was delayed. CEA had also certified the quantum of power flow on the Nagapattinam - Salem Line from the date of the commissioning. Thus the line was capable of being used and was actually being utilized for evacuation of power. It cannot be the intention that despite the same, the transmission licensee i.e. the Appellant not recover transmission charges in respect of the above Line and in effect provide the services for free.
- C. **BECAUSE** the Central Commission erred in not giving effect to the Certificate of the CEA under which the Commissioning of Nagapattinam - Salem transmission line and utilization of the line for evacuation of power from the generation project of Respondent No. 2 was certified. There is no finding in the Impugned Order of any disadvantage whatsoever from a technical standpoint to the segregated commissioning of the elements of the Project. The

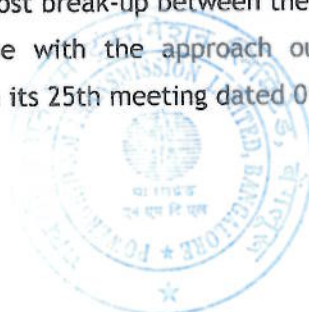


Central Commission failed to appreciate its own findings in the Impugned Order that:

- i) CEA had granted its imprimatur/approval to the commissioning of the two transmission lines independently vide letter dated 26.12.2016.
- ii) CEA has also furnished the method for apportionment of charges between the two lines vide letter dated 04/05.09.2017 - the cost break-up between the two transmission lines, based on length of line as computed by actual implementation/survey, could be considered in the ratio of 60:40 respectively.
- iii) CEA has also confirmed that the commissioning of Nagapattinam-Salem line was interest of overall power system development of Southern Region.
- iv) Cost break-up of the lines was available in the minutes of Empowered Committee meeting dated 01.02.2011 based on which the entire competitive bidding process was undertaken and was also part of the Standard Bidding Documents.

The fact that the CEA has certified as above itself suggests that the independent commissioning of the Nagapattinam - Salem Transmission Line would be in the interest of the power system and would not affect the safety and security of the grid. The fact that the line was in fact permitted to be commissioned and power flow allowed demonstrates that there were no issues with safety and security of the grid or any disadvantage to the interests of power system. There was no reason for the Central Commission to then deny the relief to the Appellant on such grounds of safety or security or interest of power system.

- D. **BECAUSE** the CEA's grant of approval to the independent commissioning of the Nagapattinam-Salem transmission line was in accordance with the spirit of Regulation 6.3A 4(v) of the Central Commission's Grid Code 2016. Further the CEA had also provided the ratio of cost break-up between the two transmissions elements in consonance with the approach outlined by the Empowered Committee in its 25th meeting dated 01.02.2011 and the same was



not arrived at in an adhoc fashion. Further, even if the aforesaid regulation had been strictly complied with, the CEA's decision to approve the independent commissioning of the Nagapattinam-Salem line is all that could have happened. The Central Commission failed to consider that the CEA's power to sanction the independent commissioning of a transmission element flows solely from Regulation 6.3A 4(v) of the Central Commission's Grid Code 2016. In other words, the CEA could not have sanctioned the independent commissioning of the Nagapattinam-Salem line de hors the aforesaid regulation.

- E. **BECAUSE** the Central Commission by the Impugned Order essentially set at naught the CEA's sanction, by proceedings on the premise that there was complete non-observance of Regulation 6.3A 4(v). The Regulation 6.3A 4(v) does not stipulate that the CEA must certify that the independent commissioning of a transmission element is in the safety and security of the grid and therefore the imposition of this requirement by the Central Commission is not supported by the text and structure of the aforesaid Regulation. This being so, the Impugned Order suffers from an error on this count.
- F. **BECAUSE** the Central Commission failed to consider that CEA while granting its approval to the commissioning of the two transmission lines independently vide Letter dated 26.12.2016, suggested that the Nagapattinam-Salem 765kV D/C line may be considered in regular service from the date when Long Term Access (LTA) for both the units of generating station i.e.1080MW is operationalised. It is submitted here that CTU operationalized the balance 540MW of LTA w.e.f. 01.12.2016. Therefore, the conditionality imposed by CEA w.r.t. operationalization of LTA has been met and the Appellant is entitled for payment of transmission charges for the Nagapattinam-Salem line. Copy of the CEA letter dated 26.12.2016 and CTU letter for operationalization of LTA of the 2nd Unit of generation project are attached as Annexure 'X'.
- G. **BECAUSE** the Central Commission failed to appreciate that the CEA had clearly certified that both set of the lines can be commissioned



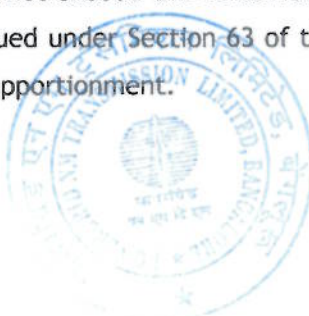
independently and has proceeded to apportion the cost of the two lines in the ratio of 60 : 40. CEA had approved the cost break up of elements as per the requirements of the Central Commission and also the cost break-up between different elements of the Project has been provided in the minutes of the 25th Empowered Committee. CEA had also made a clear determination that Nagapattinam-Salem transmission line can be independently commissioned which was definitely in the interest of the power system, and further confirmation of CEA vide letter dated 04/05.09.2017 regarding usefulness of the line. The CEA had also certified the quantum of power flow on the Nagapattinam - Salem Line from the date of the commissioning. Accordingly, it cannot possibly be said that CEA had not held that the independent commissioning of the Nagapattinam-Salem transmission line would be in the interest of the power system and safety and security of the grid.

- H. **BECAUSE** the entire process of cost break ascertainment was followed by the Bid Process coordinator before transferring the TSA to the successful bidder in the instant Project. However, the percentage share of individual share of individual elements out of the quoted transmission charges for the project which is generally derived based on the cost break-up of elements as per the Empowered Committee cost was not captured in the TSA, (presumably because it was one of the initial projects notified for bidding). The cost break-up between the two transmission lines were arrived at by the Empowered Committee in its meeting as per the established procedure devised for this purpose. CEA had approved the cost break up of elements as per the requirements of the Central Commission and also the cost break-up between different elements of the Project has been provided in the minutes of the 25th Empowered Committee. The Appellant also clearly demonstrated in the Review Petition that the process of arriving at the percentage share of individual elements out of the quoted transmission charges for the project as captured in the TSA for TBCB projects which is generally derived based on the cost break-up of elements as per the Empowered Committee cost. Therefore, there



is no issue on apportionment of transmission charges for the purpose of Nagapattinam - Salem transmission line.

- I. **BECAUSE** even otherwise, the CEA had vide Letter dated 07.12.2018 had certified that the line is in overall interest of the development of power system. This is consistent with the requirement of the Central Commission's Grid Code. There cannot be any further requirement that certain words were not mentioned by the CEA in giving the certificate. Such hyper technical objections on the words to be used in the certificate is neither appropriate nor appreciative of the role of CEA.
- J. **BECAUSE** the Central Commission failed to consider that the Nagapattinam - Salem Line has been continuously used and is duly completed and commissioned transmission system on 23.10.2016 and the benefit of the use of such transmission system has been there to Respondent No. 2/Respondent No. 6 and other beneficiaries / overall interest of power system. Accordingly, the transmission charges pertaining to Nagapattinam - Salem Transmission Line should be allowed and appropriately included in the POC Mechanism for recovery to the Appellant. It cannot be that the line is actually utilized but no transmission charges are paid for the same. This would be extremely detrimental to the financial viability of the Appellant and is as such against the spirit of Competitive Bidding process.
- K. **BECAUSE** the instant case is a case where the two sections of work involved, namely, Nagapattinam - Salem and Salem - Madhugiri were such that can be identified as distinct transmission system/assets for development. The Nagapattinam - Salem Transmission System can be looked independently from Salem - Madhugiri. Though the transmission charges are combined for both the elements, the same can be apportioned between two elements in an appropriate manner, so long the total transmission charges of both the assets do not exceed the combined transmission charges. The Guidelines issued under Section 63 of the Electricity Act does not prohibit such apportionment.



- L. **BECAUSE** the Respondent No. 2 whose power is being evacuated over the 765kV Nagapattinam-Salem transmission line is making payment of LTA charges for quantum of 540 MW since commissioning of the 765kV Nagapattinam-Salem transmission line. In addition, the Respondent No. 2 is also utilizing the instant asset for evacuating power for transactions under Short-Term Open Access. This open access is inclusive of the Nagapattinam - Salem Transmission line and there was actual power flow on this line. The short-term transmission charges so paid by the Respondent No. 2 are also being reimbursed to PoC pool. However, no transmission tariff whatsoever has been paid since 2016 despite commissioning the line and providing transmission services. Such a situation is threatening the viability of the Appellant's continued operations.
- M. **BECAUSE** the Central Commission failed to appreciate that it would be more appropriate to allow the transmission tariff for the use of the transmission line effective from 23.10.2016 when the Nagapattinam-Salem transmission line was independently commissioned instead of deferring the same for a long period and considering the computation of Financing cost including IDC and IEDC etc. for the delayed commercial operation of any transmission line on account of Force Majeure event/Change in Law in so far as a tariff determination under Section 63 of the Electricity Act, 2003 is concerned.
- N. **BECAUSE** the Appellant would suffer irreparably if the Nagapattinam - Salem line which has been established and providing services does not get the tariff to enable the Appellant to service the capital cost incurred by the Appellant, particularly, in the context of the said line having been established in terms of the Tariff Based Competitive Bid Process. This cannot be the intention under Section 63 of the Electricity Act, 2003.
- O. **BECAUSE** the instant transmission system was implemented through Tariff Based Competitive Bid route and as per the TSA, the Appellant is entitled for payment of transmission charges through PoC mechanism from the date of commissioning of element(s). There



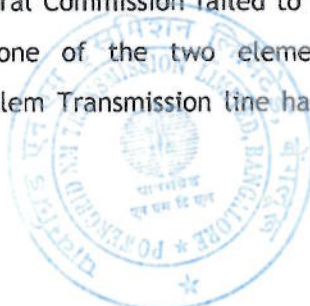
cannot be any parity in treatment of flowing of transmission charges for transmission line or element implemented under Tariff Based Competitive Bid and transmission element executed under "Regulated Tariff Mechanism" regime (RTM Regime). Whenever a transmission system or element implemented under RTM regime is declared under commercial operation the tariff starts flowing to the transmission licensee as per Regulations in vogue. Similarly, Appellant cannot be deprived of its legitimate tariff for its transmission line even more so when declaration of Commercial Operation is in accordance with Regulations and transmission line is being utilised for evacuating power from the generating project. TSA clearly envisages payment of transmission charges from the COD of any transmission element.

- P. **BECAUSE** the Central Commission failed to consider that if the COD of one element is achieved and there is considerable delay in achievement of the other element, which was held up due to force majeure conditions, the element which was ready can be allowed to be declared COD subject to the certification by the CEA that such commissioning is in the interest of the power system. The above is also supported by the fact that there cannot be any utilisation of the services without the payment for the same. In this regard the analogy of section 70 of the Indian Contract Act, 1872 is relevant as provides as under:

"70. Where a person lawfully does anything for another person, or delivers anything to him, not intending to do so gratuitously, and such other person enjoys the benefit thereof, the latter is bound to make compensation to the former in respect of, or to restore, the thing so done or delivered."

In instant case despite CEA's recommendation that line is in the interest of power system, the Central Commission has failed to invoke the regulatory jurisdiction as contained in Section 79 (1)(c) to find a judicious solution to the situation of the Appellant.

- Q. **BECAUSE** the Central Commission failed to appreciate that in the subject matter, one of the two elements viz., 765kV D/C Nagapattinam - Salem Transmission line has been put under CoD



from 23rd October 2016 and the same is being utilized since then. In view of the same, Central Commission had the jurisdiction, function as well as the duty to allow the COD of 765kV Nagapattinam-Salem element and apportion the combined tariff; however the Central Commission has failed to exercise its jurisdiction ignoring its own Grid Code and by introducing new requirement vis-à-vis "safety and security of the grid" which is not in Clause 4 (iv) and (v) of the Grid Code. The clause 4 (iv) and (v) only prescribes inter-alia "interest of the power system" as a requirement. It is pertinent to note that the imposition of the text "safety and security of the grid" was part of the earlier Orders of the Central Commission issued by it before the Amendment dated 06.04.2016 to the CERC (Indian Electricity Grid Code) Regulations, 2016. In the said Amendment there was no mention of such text.

- R. **BECAUSE** the Central Commission in various occasions involving similar facts and circumstances has granted relief using its inherent and regulatory power. One such instance is Petition No. 122/MP/2015 filed by Bhopal Dhule Transmission Company Limited under Section 79 of the Electricity Act, 2003 (the Act) inter alia to allow the transmission charges of the elements with effect from completion of project i.e. from the date of approval for energisation by Electrical Inspector. In another instance (Order dated 08.05.2013 passed in Petition No. 162/MP/2011) Central Commission by 2:1 majority allowed/ determined transmission charges for a transmission licensee which has constructed transmission asset beyond the scope of TSA using its inherent and regulatory powers. In the aforementioned Order the Central Commission had invoked its power and bestowed upon itself the statutory responsibility to balance the interest of the consumers with the need for investment and determined transmission charges for a scope which was not defined in the TSA / bidding documents and the BPC was also in agreement to the same. Whereas, in the instant case, wherein there is no scope change but only apportionment of the adopted charges for which all conditions have been fulfilled even as per the Grid Code and wherein CEA has approved such separate commissioning



and apportionment, the Central Commission ought to have invoked its inherent and regulatory powers since the line is being utilized and certified by CEA to be in over all interest of power system aligning with the same approach / adjudication done in aforementioned instances.

- S. The Appellant crave leave to add to the grounds mentioned above and states that the contentions are in the alternate and without prejudice to one another.

10. MATTERS NOT PREVIOUSLY FILED OR PENDING WITH ANY OTHER COURT.

The Appellant had filed a Review Petition against the Order dated 26.03.2018 which was dismissed by the Central Commission vide Order dated 08.01.2020. Apart from the above, the Appellant has not filed any other suit, appeal or has initiated any other legal proceeding against the impugned order dated 26.03.2018 passed by the Central Commission.

11. GROUNDS FOR SUCH RELIEF (S) AND THE LEGAL PROVISIONS, IF ANY, RELIED UPON

As per Para 9

12. DETAILS OF INTERIM APPLICATION, IF ANY, PREFERRED ALONG WITH APPEAL.

An Application for condonation of delay in filing the appeal

13. DETAILS OF APPEAL/S, IF ANY PREFERRED BEFORE THIS APPELLATE TRIBUNAL AGAINST THE SAME IMPUGNED ORDER/DIRECTION, BY RESPONDENTS WITH NUMBERS, DATES AND INTERIM ORDER, IF ANY PASSED IN THAT APPEAL.

NO

14. DETAILS OF INDEX

An index containing the details of the documents to be relied upon is enclosed.



15. PARTICULARS OF FEE PAYABLE AND DETAILS OF PAYMENT MADE THROUGH BHARATKOSH PORTAL IN FAVOUR OF PAY AND ACCOUNTS OFFICER, MINISTRY OF POWER, NEW DELHI.

In respect of the fee of appeal.

Through Bharatkosh amount of Rs. 1,23,000/- Transaction Reference *Ref No.*
No. 1902200001274 dated 19.02.2020

16. LIST OF ENCLOSURES.

As per Index

17. WHETHER THE ORDER APPEALED AS COMMUNICATED IN ORIGINAL IS FILED.

Yes

18. WHETHER THE APPELLANT IS READY TO FILE WRITTEN SUBMISSIONS/ARGUMENTS BEFORE THE FIRST HEARING AFTER SERVING THE COPY OF THE SAME ON RESPONDENTS.

Yes

19. WHETHER THE COPY OR MEMORANDUM OF APPEAL WITH ALL ENCLOSURES HAS BEEN FORWARDED TO ALL RESPONDENTS AND ALL INTERESTED PARTIES, IF SO, ENCLOSE POSTAL RECEIPT/COURIER RECEIPT IN ADDITION TO PAYMENT OF PRESCRIBED PROCESS FEE.

No

20. ANY OTHER RELEVANT OR MATERIAL PARTICULARS/DETAILS WHICH THE APPELLANT DEEMS NECESSARY TO SET OUT:

NO

21. RELIEFS SOUGHT.

In view of the facts mentioned in para 7 above, points in dispute and questions of law set out in para 8 and the grounds of appeal stated in para 9, the appellant prays for the following reliefs:

- (a) Allow the appeal and set aside the Order dated 26.03.2018 in Petition No 62/MP/2017 passed by the Central Commission to the extent challenged in the present appeal;
- (b) Allow the Appellant to recover transmission tariff for the Nagapattinam - Salem Transmission line from 23.10.2016 on the basis of apportionment recognized by the CEA; and

[Handwritten signature]



(C) Pass such other Order(s) and this Hon'ble Tribunal may deem just and proper.

Dated at Bangalore this 18th day of February, 2020.

Zanjitha

COUNSEL FOR APPELLANT

P.C. Haan

APPELLANT

(P.C. Haan)

सी.ई.ओ. (पी.एच.एम.टी.एल.) / CEO (PHMTL)
पावरग्रिड एन एम ट्रांसमिशन लिमिटेड
POWERGRID NM TRANSMISSION LIMITED
एच.टी.ओ. टुवर्लिंग रोड ट्रेड के पार्स/नगर RTD टुवर्लिंग रोड ट्रेड,
विजयनगर हॉबल, बेंगलूर शहर (Vijayanagara Hobli, Bangalore)
बेंगलूर (कांगडा) / Bangalore-560 084 (Kannada)



SWORN TO BEFORE ME

D. SARALA KUMARI, B.A., LL.B.
ADVOCATE & NOTARY PUBLIC
GOVT. OF INDIA
No. 391, EWS 14th 'B' Cross
Vetahaka New Town,
BANGALORE 560 084

18 FEB 2020

[Signature]



DECLARATION BY APPELLANT

The appellant above named hereby solemnly declare(s) that nothing material has been concealed or suppressed and further declare(s) that the enclosures and typed set of material papers relied upon and filed herewith are true copies of the original.

Verified at ~~Bangalore~~ on this ~~15~~¹⁸ day of February, 2020.

[Signature]

COUNSEL FOR APPELLANT

[Signature]
APPELLANT
(P.C. HARN)

सी.ई.ओ. (पी.एन.एम.टी.एल.) / CEO (PNMTL)
पावरग्रिड एन एम ट्रांसमिशन लिमिटेड
POWERGRID NM TRANSMISSION LIMITED
आर.टी.ओ. ड्राइविंग टेस्ट ट्रैक के पास Near RTD Driving Test Track,
सिंघनाकाहल्ली, येलांका हॉबी, येलांका-560 064 (Karnataka)
Bengaluru-560 064 (Karnataka)

VERIFICATION

I, P.C. Garg S/o Shri Prabhu Dayal, aged about 54 years, resident of C-203 Various Vanivilas, Yethanks CRPF Area, Bangalore - 560064, ~~presently at New Delhi~~, working as Chief Executive Officer, in the Appellant Company, do hereby verify that the contents of paras 1 to 7 and 10 to 20 are based on the records of the Appellant maintained in the ordinary course of business and believed by me to be true and paras 8, 9 and 21 are believed to be true on legal advice and that I have not suppressed any material facts.

DATE: 18/02/2020

PLACE: BANGALORE

[Signature]
APPELLANT/AUTHORIZED OFFICER

(P.C. HARN)

सी.ई.ओ. (पी.एन.एम.टी.एल.) / CEO (PNMTL)
पावरग्रिड एन एम ट्रांसमिशन लिमिटेड
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आर.टी.ओ. ड्राइविंग टेस्ट ट्रैक के पास Near RTD Driving Test Track,
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Bengaluru-560 064 (Karnataka)



SWORN TO BEFORE ME
D. SARALA KUMARI, B.A., LL.B.
ADVOCATE & NOTARY PUBLIC
GOVT. OF INDIA
No. 391, EWS 14th 'B' Cross
Yelahanka New Town,
BANGALORE 560 064



IN THE APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI
APPELLATE JURISDICTION
APPEAL NO OF 2020

IN THE MATTER OF:

Powergrid NM Transmission Limited

... Appellant

VERSUS

Central Electricity Regulatory Commission & Ors.

... Respondents

AFFIDAVIT

I, P.C. Garg, S/o Shri Prabhu Dayal, aged about 54 years, resident of C-203 Varatious Vanivilas, Yelhanka CRPF Area, Bangalore - 560054 ~~presently at~~ ~~New Delhi~~, do hereby solemnly affirm and state as under:

1. I say that I am working as Chief Executive Officer in the Appellant Company and am competent to swear the present affidavit.
2. I say that I have read the contents of the above appeal filed by the Appellant against the Order dated 26.03.2018 passed by the Central Commission and I have understood the contents of the same.
3. I say that the contents of the above appeal filed by the Appellant are based on the information available with the Appellant in the normal course of business and believed by me to be true.
4. I say that the Annexures to the Memorandum of appeal are the true and correct copies of their original.

VERIFICATION

I, the deponent above-named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at ~~Bangalore~~ on this ~~18th~~ day of February, 2020.

DEPONENT (P.C. Garg)

सी.ई.ओ. (पी.एन.एम.टी.एल.) / CEO (PNMTL)
पावरग्रिड एन एम ट्रांसमिशन लिमिटेड
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DEPONENT (P.C. Garg)

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ADVOCATE & NOTARY PUBLIC
GOVT. OF INDIA
No. 391, EWS 14th 'B' Cross
Yelahanka New Town,
BANGALORE 560 064



18 FEB 2020

List Of LOAs for D/C and S/C line of PNMTL

Sl No.:	Description	Package	Agency	Award Date	Contract completion / Time Extn. Date	Line	Ex-works /Erection charges	Type Test Charges	F&I Charges	ED / CST / Customs duty	Total Value	Original Estimated Cost
	1. RM, Tower supply, Erection contracts											343.00
1	Black Angle Supply	3A-3F	JSPL	23-05-2014	30-06-2016	Common	170.10			₹ 25.09	195.19	
2	Tower Supply	FB01	SKIPPER	20-05-2014	31-03-2016	D/C Line	80.61		5.72	₹ 11.86	98.19	
3	Tower Supply	FB02	ICOMM	20-05-2014	31-03-2016	D/C Line	121.82		5.81	₹ 17.97	145.60	
4	Tower Supply	FB03	ICOMM	20-05-2014	30-06-2016	S/C Line	77.34		2.96	₹ 11.41	91.71	
	Sub Total						279.77	0.00	14.49	₹ 41.24	335.50	
5	Erection	ERE01	GAMMON	20-05-2014	19-04-2016	D/C Line	73.94		0.08		74.02	
6	Supply	ERE01	GAMMON	20-05-2014	19-04-2016	D/C Line	1.05	0.004		₹ 0.15	1.21	
7	Erection	ERE02	GAMMON	20-05-2014	19-04-2016	D/C Line	81.02		0.08		81.10	
8	Supply	ERE02	GAMMON	20-05-2014	19-04-2016	D/C Line	1.05	0.004		₹ 0.15	1.21	
9	Erection	ERE03	ICOMM	20-05-2014	19-04-2016	S/C Line	37.34		0.24		37.58	
10	Supply	ERE03	ICOMM	20-05-2014	19-04-2016	S/C Line	3.37	0.005		₹ 0.50	3.87	
	Sub Total						197.77	0.013	0.40	₹ 0.81	198.99	
	2. Hardware, Spacer Damper & Rigid spacer supply contracts											46.00
11	Hardware supply	HF01	EMI	20-01-2015	31-03-2016	D/C Line	15.05		0.91	₹ 2.22	18.18	
12	Hardware supply	HF02	EMI	20-01-2015	19-04-2016	S/C Line	7.70		0.34	1.14	9.18	
15	SD&RS Supply	SD01	GUANGZHOU	30-12-2014	31-03-2016	Common	6.46		0.57	1.58	8.61	
	Sub Total						29.21	0.000	1.82	₹ 4.94	35.97	



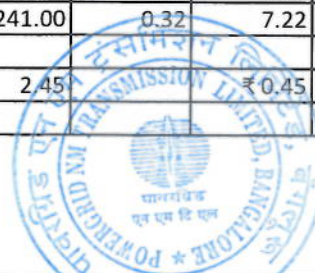
	3. Insulator Supply Contract											37.00
13	Insulator Supply	IS03	PHOENIX	26-12-2014	31-03-2016	D/C Line	14.82		1.31	3.63	19.76	
14	Insulator Supply	IS04	PHOENIX	23-02-2015	22-06-2016	S/C Line	7.67		0.72	₹ 1.88	10.27	
	Sub Total						22.49	0.000	2.03	₹ 5.51	30.03	
	4. Conductor supply contract											242.00
16	Conductor Supply	CD01	GUPTA	02-06-2015	31-03-2016	D/C Line	45.55	0.06	1.18	6.72	53.51	
17	Conductor Supply	CD02	GUPTA	02-06-2015	31-03-2016	D/C Line	39.63	0.06	1.03	5.85	46.57	
18	Conductor Supply	CD03	GUPTA	02-06-2015	01-01-2016	S/C Line	43.89	0.06	1.05	6.47	51.47	
	Conductor Supply	CD04	DIAMOND	11-02-2016	17-04-2016	D/C Line	36.39	0.04	1.36	5.37	43.16	
	Conductor Supply	CD05	APAR	13-01-2016		D/C Line	36.59	0.05	1.29	4.57	42.50	
	Conductor Supply	CD06	DIAMOND	11-02-2016	17-10-2016	S/C Line	38.95	0.045	1.31	5.75	46.05	
	Sub Total						241.00	0.32	7.22	34.72	283.26	
	5. OPGW Supply contract											Included Cost estimated for Towers
19	OPGW Supply	OPGW01	SHENZHEN	27-07-2015	26-07-2016	D/C Line	2.45		₹ 0.45	0.60	3.50	
	Grand Total										887.25	668.00



List Of LOAs for D/C and S/C line of PNMTL

Annexure-B

Sl No.:	Description	Package	Agency	Award Date	Contract completion / Time Extn. Date	Line	Ex-works /Erection charges	Type Test Charges	F&I Charges	ED / CST / Customs duty	Total Value
1. RM, Tower supply, Erection contracts											
1	Black Angle Suppl	3A-3F	JSPL	23-05-2014	30-06-2016	Common	170.10			₹ 25.09	195.19
2	Tower Supply	FB01	SKIPPER	20-05-2014	31-03-2016	D/C Line	80.61		5.72	₹ 11.86	98.19
3	Tower Supply	FB02	ICOMM	20-05-2014	31-03-2016	D/C Line	121.82		5.81	₹ 17.97	145.60
4	Tower Supply	FB03	ICOMM	20-05-2014	30-06-2016	S/C Line	77.34		2.96	₹ 11.41	91.71
	Sub Total						279.77	0.00	14.49	₹ 41.24	335.50
5	Erection	ERE01	GAMMON	20-05-2014	19-04-2016	D/C Line	73.94		0.08		74.02
6	Supply	ERE01	GAMMON	20-05-2014	19-04-2016	D/C Line	1.05	0.004		₹ 0.15	1.21
7	Erection	ERE02	GAMMON	20-05-2014	19-04-2016	D/C Line	81.02		0.08		81.10
8	Supply	ERE02	GAMMON	20-05-2014	19-04-2016	D/C Line	1.05	0.004		₹ 0.15	1.21
9	Erection	ERE03	ICOMM	20-05-2014	19-04-2016	S/C Line	37.34		0.24		37.58
10	Supply	ERE03	ICOMM	20-05-2014	19-04-2016	S/C Line	3.37	0.005		₹ 0.50	3.87
	Sub Total						197.77	0.013	0.40	₹ 0.81	198.99
2. Hardware, Spacer Damper & Rigid spacer supply contracts											
11	Hardware supply	HF01	EMI	20-01-2015	31-03-2016	D/C Line	15.05		0.91	₹ 2.22	18.18
12	Hardware supply	HF02	EMI	20-01-2015	19-04-2016	S/C Line	7.70		0.34	1.14	9.18
15	SD&RS Supply	SD01	GUANGZHO	30-12-2014	31-03-2016	Common	6.46		0.57	1.58	8.61
	Sub Total						29.21	0.000	1.82	₹ 4.94	35.97
3. Insulator Supply Contract											
13	Insulator Supply	IS03	PHOENIX	26-12-2014	31-03-2016	D/C Line	14.82		1.31	3.63	19.76
14	Insulator Supply	IS04	PHOENIX	23-02-2015	22-06-2016	S/C Line	7.67		0.72	₹ 1.88	10.27
	Sub Total						22.49	0.000	2.03	₹ 5.51	30.03
4. Conductor supply contract											
16	Conductor Supply	CD01	GUPTA	02-06-2015	31-03-2016	D/C Line	45.55	0.06	1.18	6.72	53.51
17	Conductor Supply	CD02	GUPTA	02-06-2015	31-03-2016	D/C Line	39.63	0.06	1.03	5.85	46.57
18	Conductor Supply	CD03	GUPTA	02-06-2015	01-01-2016	S/C Line	43.89	0.06	1.05	6.47	51.47
	Conductor Supply	CD04	DIAMOND	11-02-2016	17-04-2016	D/C Line	36.39	0.04	1.36	5.37	43.16
	Conductor Supply	CD05	APAR	13-01-2016		D/C Line	36.59	0.05	1.29	4.57	42.50
	Conductor Supply	CD06	DIAMOND	11-02-2016	17-10-2016	S/C Line	38.95	0.045	1.31	5.75	46.05
	Sub Total						241.00	0.32	7.22	34.72	283.26
5. OPGW Supply contract											
19	OPGW Supply	OPGW01	SHENZHEN	27-07-2015	26-07-2016	D/C Line	2.45		₹ 0.45	0.60	3.50
	Grand Total										887.25



ANNEXURE 'E'

COST COMPONENTS	BASE (% of Total Project Cost)	Changes due to Indices- April'14	\$ IMPACT- April'14	SAFEGUA RD DUTY	EXCIS E DUTY	SERVI CE TAX	TOTAL- April.'14	(% of Total Project Cost)- April.'14	% DIFFERE NCE (April'1 4 Vs. Feb.'12
TOWER PARTS	24.84	7.53%			1.81%		9.48%	27.20	2.35
CONDUCTOR	20.94	5.05%			1.81%		6.95%	22.39	1.46
EARTHWIRE	0.37	6.57%			1.81%		8.50%	0.40	0.03
INSULATORS	3.73	0.00%	23.29%	30.00%			60.28%	5.98	2.25
HARDWARE FITTINGS	2.72	5.46%			1.81%		7.37%	2.92	0.20
CON & EARTH ACCES.	0.98	5.93%			1.81%		7.85%	1.06	0.08
TOWER ERECTION	2.43	20.39%				1.87%	22.64%	2.98	0.55
CIVIL WORKS	9.74	18.06%				1.87%	20.27%	11.71	1.97
STRINGING	1.24	20.39%				1.87%	22.64%	1.52	0.28
F&I ETC.	3.45	37.12%					37.12%	4.72	1.28
Sub Total- Hard cost	70.43							80.88	10.45
CROP COMPENSATION	3.00							3.00	0.00
ADDITIONAL ROW	0.00							0.00	0.00
IEDC	3.52							3.52	0.00
CONTINGENCIES	2.11							2.11	0.00
PRICE VARIATION	12.68							12.68	0.00
MARKET CORRECTION FACTOR	0.00							0.00	0.00
IDC	8.26							8.26	0.00
INTEREST RATE IMPACT	0.00							0.00	0.00
ADDITIONAL EQUITY	0.00							0.00	0.00
INTEREST ON ACQUISITION PRICE	0.00							0.00	0.00
Sub Total- Other Heads	29.57							29.57	0.00
TOTAL PROJECT COST (Subtotal-A+B)	100.00							110.45	10.45



Office of the Principal Chief
Conservator of Forest
No.1, Jenes Road,
Chennai – 600 015.

Circular No.41/2000

RC No.015753/2000/T.S.3 dated 27.07.2000

Mr.K.K.Sumasundaram, IFS.,
Principle Chief Conservator of Forest,

Sub : Forest (Conversation) Act 1980-
Compensatory lands obtained from the
beneficiaries and below standard forest area
land to grow forest to compensate –
collection of money from the beneficiaries –
grow of forest to take up items of work and
to maintain continuously – to take up –
regarding.

Under section 2 of Forest (Conversation) Act 1980 for
the permitted forest lands, in compensation receiving lands
from the beneficiaries and also in the below standard lands
as to compensate grow forest and for it very important
conditions, the government of India has fixed. From the
beneficiaries for growing forest in compensatory lands, the
necessary amounts are to be received from the beneficiaries
and created “Tamil Nadu Forest Development Fund”. From



this drawn the amount and forest are grown in the compensatory lands and below standard lands by the forest department.

Under section 2 of Forest (conversation) Act 1980, in order to get the permission of Government of India, the proposal submitted by the Forest Guard/ District Forest officer/wild life warden, when examined, the amount received from the beneficiaries for compensation of forest growth and for the growth of forest works, item war works are differs from Division to Division. Hence for all owner as to suit the compensation forest growth, one uniform method is to the adopted is insisted by the Chief Conservator of Forest of Indian government environmental and forest Ministry functioning with head quarters as Bangalore in the meeting conducted at Bangalore on 01.07.2000 in the State Important Officers (Forest conversation Act) conference.

Hence the compensation land for the lands transferred from forest land to other works, in order to grow forest uniform funds are to be collected and to adopt the method to follow is asked to the District Forest Officer/Wild life.



1. In order to grow forest in the compensatory lands uniform amount is to be collected. That is to be not less than Rs.25,000/- per Hect.
2. In order to grow forest in the compensatory land, the District Forest Officer/Wild life warden / forest Guards submitting scheme proposals, they should submit to maintains this garden for 5 years list. For most of the below standard lands, creating gardens Should be maintained not below 5 years.
3. for compensation forest growth, for one Hect. a minimum of 1000 plants (one thousands) are to be planted.
4. The pit for plantation of plants should be atleast 60 cu. C.m.
5. Around the compensatory forest chain link fencing is to be formed.

The District forest officer/wild life warden/ forest guards are requested to follow the above instructions sruplssly.



The District forest officer/wild life warden/ forest guards are requested send the acknowledgment for the receipt of this circular by return of post.

Sd/- K.K.Somasundaram
Principal Chief Converter of Forest

/True Copy/

Copy to the
File of Principal Chief Converter of Forest

Sd/- Superintendent





Letter No. 23870/FR-10/2009-5 Dated:29. 3.2010

From
Thiru. Debendranath Sarangi, I.A.S.,
Principal Secretary to Government

To
The Director General of Forests and Special Secretary, *- in meeting*
Government of India, *IGF (FC)*
Ministry of Environment and Forests,
Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi - 110 003. (W.e)

Sir,

Sub: Forests – State CAMPA – Meeting of the Steering
Committee of the State CAMPA - minutes
forwarded – Regarding.
Ref: From the Government of India, Ministry of
Environment and Forests, letter No.13-1/2009-
CAMPA dated 30.11.2009.

I am directed to state that a meeting of the Steering Committee of State CAMPA was held under the Chairmanship of Chief Secretary on 3.2.2010. The Annual Plan of Operation with the details of schemes to be undertaken during 2010-11 was discussed. The following ~~subjects~~ were discussed and decisions have been taken on the proposed Annual Plan of Operation.

- Scheme No.1: Raising Compensatory Afforestation
- Scheme No.2: Demarcation of Forest Boundaries by constructing cairns
- Scheme No.3: Procurement of Fire Fighting Equipments
- Scheme No.4: Purchase of 3 New A/C Cars:
- Scheme No.5: Development of web based Management Information System
- Scheme No.6: Extension of Training hall in 3 VVKs
- Scheme No.7: Infrastructure facilities to GIS lab in TNFA, Coimbatore
- Scheme No.8: Developing water holes for wildlife.
- Scheme No.9: Formation of State CAMPA cell.

2. In this connection I am directed to enclose a copy of the minutes.

Yours faithfully,

[Signature]
for Principal Secretary to Government



1567/13F(Pes)/10
13/4/10

23870/23870 OSD (CAMPA)

13/4/10

838/L

12-4-10

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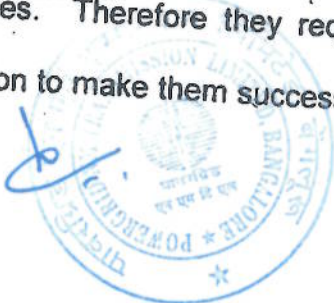
Minutes of the Steering Committee Meeting of State CAMPA held in the Chief Secretary's Conference Hall, Secretariat, Chennai - 09 on 03.02.2010 at 4.15 P.M.

A meeting of the Steering Committee of State CAMPA was held in the Chief Secretary's Conference Hall Secretariat, Chennai 600 009 on 03.02.2010 at 4.15 P.M. The Chief Secretary to Government and the Chairman of the Committee presided over the meeting. The List of participants is appended.

The Chairman welcomed the members and briefly explained the establishment of the State CAMPA and the asked the Chief Conservator of Forests (CAMPA) and Member Secretary of the Steering Committee to present the agenda items. The Member Secretary explained the role of the Steering Committee in approving the Annual Plan of Operation (APO) prepared by the Executive Committee to meet the objectives of the State CAMPA. The Member Secretary presented the Agenda with the details of schemes to be under taken during 2010-11. The Committee held detailed discussion on the proposed APO and arrived at the following decisions.

Scheme No.1: Raising Compensatory Afforestation:

The proposed scheme for raising Compensatory Afforestation over an extent of 241.52 ha. of non forest land taken over from the User Agencies, was agreed to for Rs.60.38 lakhs with pro-rata of Rs.25000/- per ha. for the first year towards the fulfillment of the most important condition of afforesting compensatory land. The compensatory lands handed over to the Forest Department are mostly marginal and difficult sites. Therefore they require application of intensive inputs and sustained protection to make them successful.



It is proposed to plant tall seedlings to achieve good survival and also provide fencing / watch and ward wherever found necessary. Community Organizations / Village Forest Committees nearby may also be involved in protection wherever feasible. The Chairman impressed upon including planting of Ficus Trees and avoiding Monoculture. The Principal Secretary to Government, Environment and Forest Department suggested that the local and native species may be planted. The Chief Conservator of Forests (Central) suggested appropriate size pits may be dug for planting tall seedlings Thiru Pratim Roy wanted local species to be preferred. The Member Secretary indicated that a mixture of native species such as Neem, Pungam, Iluppai, Naval is proposed to be planted. The Principal Chief Conservator of Forests informed that native species of the locality found silviculturally suitable by the local Officers will be planted. Monitoring of these works will be undertaken by the CAMPA cell besides the established Monitoring System followed in the Forest Department.

Scheme No.2: Demarcation of Forest Boundaries by constructing cairns:-

Considering the importance of boundary pillars in protecting the forest areas from encroachment, the Committee decided to agree to the Scheme for construction of 3000 cairns at a total cost of Rs. 36.00 lakhs @ Rs. 1200/- each. The Chairman wanted the areas covered under compensatory afforestation may also be demarcated with boundary pillars as these small areas are prone to encroachment. The Principal Chief Conservator of Forests informed that boundary pillars in such areas will be erected as a part of the plantation work.

Scheme No. 3 : Procurement of Fire Fighting Equipments: Protection from Forest Fires is important to check the Forest degradation. It is in



consonance with the broader objectives of State CAMPA viz. Forest Protection. Therefore, the Committee decided to approve the proposed scheme of procurement of fire fighting equipments for Rs.10.00 lakhs. It is proposed to procure fire fighting equipments at Rs. 2 lakhs per Range for five fire prone Forest Ranges in four Forest Divisions viz., Theni, Kodaikanal, Nilgiris North, Sathyamangalam and one Tiger Reserve viz., Kalakadu, Mundandurai Tiger Reserve at Tirunelveli. The Chairman suggested fire resistant apron developed by CSIR/DRDO may also be tried in Forest Areas. The Chief Conservator of Forests (Central) wanted choice to be given to the local Officers to purchase necessary fire fighting equipments from the list provided. This was agreed to by the committee.

Scheme No.4: Purchase of 3 New A/C Cars:

After deliberations the Committee decided to defer purchase of three cars under State CAMPA. Instead, the Chairman indicated that the Principal Chief Conservator of Forests may seek funds from Government of Tamil Nadu for purchase of cars.

Scheme No.5: Development of web based Management Information System

Considering the importance of the proposed web based (MIS) in Forest Department for faster communication and better management, the committee decided to approve the scheme of Development of Web based MIS for Rs.14.00 lakhs. This will be implemented in consultation with ELCOT.

Scheme No. 6: Extension Training hall in 3 VVKs:-The proposed scheme for Rs.12.00 lakhs to add a training hall facility in the existing 3 Forestry Extension



Centre buildings at Cuddalore, Pudukottai and Erode at a cost of Rs. 4 lakhs per each centre was approved by the committee.

Scheme No.7. Infrastructure facilities to GIS lab in T N F A, Coimbatore:-

The Tamil Nadu Forest Academy is involved in Forestry Education and Training activities and is responsible for enhancing the capacity and skills of the officers and staff of the Forest Department. The Committee decided to approve purchase of equipments and furniture under the scheme of establishing a Geographical Information System (GIS) lab at Tamil Nadu Forest Academy, Coimbatore for capacity building of the staff at Rs.15.00 lakhs.

Scheme no.8: Developing water holes for wildlife:-

The Chief Wild Life Warden explained the need for creating water holes in Tiruvannamalai and Tirupattur Divisions of Vellore Circle, considering the problems faced by elephants in recent times. The Chairman wanted waterholes to be designed carefully to benefit the wildlife. The Committee agreed for creation of four water holes in four Forest / Wildlife Divisions viz. Sathyamangalam, Tiruvannamalai, Tirupattur and Srivilliputtur Divisions each costing Rs. 5 lakhs. The total cost of the proposal is Rs.20.00 lakhs.

Scheme no.9: Formation of State CAMPA Cell:-The Committee took note of the various functions of the State CAMPA and the need for providing minimum personnel and equipment for the CAMPA Cell and decided to agree to the proposal at Rs. 8 lakhs for formation of CAMPA cell. The meeting concluded with the vote of thanks to the chair.

CHIEF SECRETARY TO GOVERNMENT &
CHAIRMAN, STEERING COMMITTEE OF STATE CAMPA



5 45 193

**LIST OF PARTICIPANTS IN THE STEERING COMMITTEE MEETING OF
STATE CAMPA HELD AT THE CHIEF SECRETARY'S CONFERENCE HALL,
SECRETARIAT, CHENNAI ON WEDNESDAY 03.02.2010**

Sl. No.	Name and Designation of the Officer	Designation in the Committee
1.	Thiru K.S.Sripathy, IAS., Chief Secretary to Government	Chairman
2.	Thiru. Debendranath Sarangi, I.A.S., The Principal Secretary to Government, Environment and Forest Department.	Member
3.	Thiru. A. S. Balanathan, I.F.S., Principal Chief Conservator of Forests and Head of Forest Force, Chennai-15.	Member
4.	Thiru. R. Sundararaju, I.F.S., The Principal Chief Conservator of Forests & Chief Wildlife Warden, Chennai-15.	Member
5.	Tmt. Anitha Praveen, I.A.S., Secretary to Government, Planning & Development Department.	Member
6.	Thiru. K.P.M. Perrumahl, I.F.S., Additional Principal Chief Conservator of Forests (FCA), Nodal Officer, Chennai-15	Member
7.	Thiru. K.S. Reddy, I.F.S., The Chief Conservator of Forests (Central), Ministry of Environment and Forests, Government of India, Bangalore.	Member
8.	Thiru. Pratim Roy, Keystone, Kotagiri 643 217.	Member
9.	Dr. R.J. Ranjit Daniels, Care Earth, Chennai.	Member
10.	Dr. S. Balaji I.F.S., Chief Conservator of Forests (CAMPA), Chennai-15.	Member Secretary.



**STEERING COMMITTEE MEETING
OF THE
STATE COMPENSATORY AFFORESTATION FUND
MANAGEMENT AND PLANNING AUTHORITY**

NOTES AND AGENDA PROPOSAL FOR THE YEAR 2010-11.

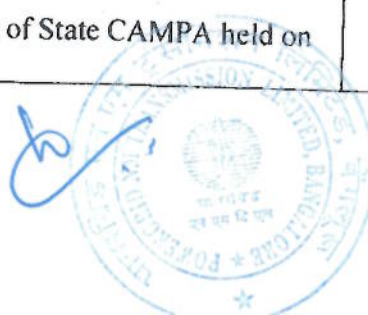
**Date: 03.02.2010
Time: 4.15PM**

**Venue: Chief Secretary's
Conference Hall**



INDEX

Sl. No	Subject	Page No.
I	Preamble	1
II	Annual plan of operation (APO) placed before the Steering Committee for consideration and approval.	3
	1. Compensatory Afforestation	5
	<u>Forest Protection:</u>	
	2. Construction of Cairns	8
	3. Fire Protection	9
	<u>Infrastructure Development</u>	
	4. Purchase of staff cars	11
	5. Web based Management Information System for Forest Department.	12
	6. Construction of Extension Training Hall	13
	<u>Capacity Building</u>	
	7. Improvement to GIS lab in Tamil Nadu Forest Academy, Coimbatore.	14
	<u>Wildlife Conservation</u>	
	8. Developing water holes for wildlife	15
	9. Formation of State CAMPA Cell.	16
III	Availability of funds under State CAMPA	18
IV	Minutes of Executive Committee Meeting of State CAMPA held on 04.01.2010.	19



I.PREAMBLE

Constitution of state CAMPA in Tamil Nadu.

The forests lands are being diverted for non - forestry uses after getting prior approval of Central Government under Forest (Conservation) Act 1980. Compensatory Afforestation in the land handed over by User Agency is one of the important conditions stipulated by the Central Government while approving the proposals for diversion of forest lands for non-forestry purpose. Necessary amount for Compensatory Afforestation is collected from the User Agency. Further, as per the Supreme Court of India orders Dated: 30.10.2002 in I.A No. 566 W.P (Civil) No. 202 /1995 and as per the guidelines of the Government of India, Net Present Value of the forest land is also being collected from the User Agency.

In pursuance of the Hon'ble Supreme Court Orders Dated: 30.10.2002 in I.A. No. 566 in W.P (Civil) No. 202/1995, the Central Government has constituted an authority known as CAMPA (Compensatory Afforestation Fund Management and Planning Authority) from 23.04.2004 for the purpose of management of money towards Compensatory Afforestation, Net Present Value and other money recoverable in compliance of the conditions stipulated by the Central Government while according approval for diversion of forest land for non-forestry uses under the Forest (Conservation) Act 1980.

In pursuance of the Hon'ble Supreme Court of India orders and with reference to the guidelines issued by the Ministry of Environment and Forests, Government of India, New Delhi on State Compensatory Afforestation Fund management Planning Authority on 2nd July 2009 to utilize the money deposited in Adhoc - CAMPA, the Government of Tamil Nadu in G.O. Ms. No. 127 E & F (FR.10) Department dated: 24.09.2009 established the State Compensatory Afforestation Fund Management and Planning Authority (State CAMPA) and constituted the Governing Body, the Steering Committee and the Executive Committee consisting of the following members with effect from the date of 24th September 2009.



(A) GOVERNING BODY:

(i)	Chief Minister	-	Chairperson.
(ii)	Minister of Finance	-	Member
(iii)	Minister of Forests	-	Member
(iv)	Chief Secretary	-	Member
(v)	Principal Secretary (Finance)	-	Member
(vi)	Principal Secretary (Planning)	-	Member
(vii)	Principal Chief Conservator of Forests	-	Member
(viii)	Chief Wildlife Warden	-	Member
(ix)	Principal Secretary (Forests)	-	Member Secretary

(B) THE STEERING COMMITTEE:

I	Chief Secretary	-	Chair person.
II	Principal Chief Conservator of Forests	-	Member
III	Principal Secretary (Finance)	-	Member
IV	Principal Secretary (Planning)	-	Member
V	Principal Secretary (Forests)	-	Member
VI	Chief Wild Life Warden	-	Member
VII	Nodal Officer	-	Member
	Additional Principal Chief Conservator of Forests (Forest Conservation Act)		
VIII	Representative of the Ministry of Environment and forests.	-	Member.
IX.	Thiru. Pratim Roy, Key stone, Kotagiri - 643 217.	-	Member
X.	Dr. R.J. Ranjit Daniels, / Care Earth Chennai 600 061	-	Member
XI	Chief Conservator of Forests (HQ)	-	Member Secretary

The Role of the Steering Committee as defined in the G.O. is as follows:
The Steering Committee shall

1. lay down and / or approve rules and procedures for the functioning of the body and its Executive Committee subject to the over arching objectives and core principles of the State CAMPA.
2. monitor the progress of the utilization of funds released by the State CAMPA.
3. approve the Annual Plan of Operation (APO) prepared by the Executive Committee
4. approve the annual reports and audited accounts of the State CAMPA.
5. ensure inter-departmental coordination.
6. meet at least once in six months.

(C) THE EXECUTIVE COMMITTEE:

(i)	Principal Chief Conservator of Forests	-	Chairperson
(ii)	Chief Wild Life Warden	-	Member.



(iii)	Additional Principal Chief Conservator of Forests (FCA) and Nodal Officer	-	Member
(iv)	Financial Controller / Financial Adviser in the Office of the Principal Chief Conservator of Forests (Head of Forest Force)	-	Member
(v)	Thiru. K. Kalidasan, Osai, Coimbatore 641 029.	-	Member
(vi)	Dr. S. Arul Gnasekar, Thirumangalam - 625 706.	-	Member
(vii)	Chief Conservator of Forests (HQ)	-	Member Secretary

The role of the Executive Committee as defined in the G.O. is as follows:-

The State Level Executive Committee among other things shall

1. Take all steps for giving effect to the State CAMPA and overarching objectives and core principles, in accordance with rules and procedures approved by the Steering Committee and the approved APO.
2. Prepare the APO of the State for various activities, submit it to the Steering Committee before end of December for each financial year, and obtain the Steering Committee's concurrence for release of funds, while giving break-up of the proposed activities and estimated costs:
3. Be responsible for proper auditing of both receipt and expenditure of funds.
4. Develop the code for maintenance of the account at the implementing agency level.
5. Submit reports to the Steering Committee for review / consideration and
6. Prepare Annual Report by end-June for each financial year.

Annual Plan of Operation:

As per the Government Order the Executive Committee has to prepare the Annual Plan of Operation for every year before December every year and submit it to the Steering Committee for approval.

Accordingly the draft Annual Plan of Operation for the year 2010-11 prepared by the Executive Committee is put up for consideration and approval of the Steering Committee.



Abstract of Annual Plan of Operation 2010-11

Sl. No.	Activity Proposed	Physical	Financial	
			Unit Cost	Total
1	Compensatory Afforestation	241.52 ha.	Rs. 25,000/- per ha.	Rs. 60.38 lakhs
2.	Construction of Cairns.	3000 no.	Rs.1200/- each.	Rs. 36.00 lakhs.
3.	Fire Protection Equipments	5 Ranges	Rs. 2 lakhs per Range	Rs.10.00 lakhs.
④	Purchase of new A/C staff cars.	3 nos.	Rs. 7 lakhs each	Rs.21.00 lakhs. <i>Deferred by Stat</i>
5.	Developing Web based Management information system.	1 no.	Rs. 14.00 lakhs each	Rs.14.00 lakhs.
6.	Constructions of Extension training halls	3 nos.	Rs.4.00 lakhs each	Rs.12.00 lakhs
7.	Improvement to GIS lab in Tamil Nadu Forest Academy, Coimbatore.	---	Rs.15.00 lakhs	Rs.15.00 lakhs
8.	Developing water holes for wildlife	4 Divisions	Rs. 5.00 lakhs each Division	Rs. 20.00 lakhs.
9.	Formation of State CAMPA Cell	-----	Rs.8.00 lakhs	Rs.8.00 lakhs.
	Total			Rs.196.38 lakhs.



Name of the Scheme : 1. COMPENSATORY AFFORESTATION.

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Compensatory Afforestation	-	RS. 60.38 lakhs	-	-	-	RS. 60.38 lakhs
		Total	-	60.38 lakhs	-	-	-	60.38 lakhs

Explanatory Note

Compensatory afforestation is one of the most important conditions stipulated by the Central Government while approving proposals for diversion of Forest land for non Forest uses. There is an extent of 241.52 ha. of non-forest land taken over from the user agencies and Compensatory Afforestation has to be raised in this area to fulfill the condition stipulated by the Government of India . Hence it is proposed to raise Compensatory Afforestation in 241.52 ha. ha of Non-Forest Lands at a cost of Rs: 25000 / ha. is required during the year 2010-11.

The amount required is Rs: 60.38 lakhs. Hence an amount of Rs: 60.38 lakhs is proposed for sanction for raising Compensatory Afforestation over an extent of 241.52 ha. of NFL as detailed below:



Sl.No.	Name of Circle.	Name of Division	Extent in Ha.	Name of Project for which the NFL for Compensatory Afforestation received	Government of India, letter and date.
1.	Salem	Salem	9.04	Quarrying black granite in Ellikaradu Bit - I	4-TNC 117/2005. dated: 26.2.09
			4.04	Formation of pond across Sambarpallam Odai	11.2/TN/IP/191 dated: 12.6.07
			8.34	Four laning Salem - Dharmapuri NH.	4-TNB/270/07 dated: 4.2.08
		Attur	21.42		
			13.365	Quarrying black granite in Paithur RF.	16-1/23/TN/MIN/ dated: 9.1.03
			14.200	Execution of Kollimalai HEP	16-1/29/TN/ dated: 14.3.08
			27.565		
2.	Vellore	Vellore	2.574	Formation of pond in Kallapadi Reserved Forest	11-2/TN/38/DWS/30.4.93
			18.94	Formation of reservoir across Malattar river	16-1/128/TN/IP 688 dated: 29.6.01
			21.514		
		Tiruvannamalai	26.72	Formation of reservoir across Cheyyar.	16-2/21/TN/IP/492, dated: 13.6.02
			6.42	Improvement of Arni-Polur chengam road	4-TNB/003/2004, dt: 16.10.06
		Tirupathur	71.68	Formation of Vellakkal - Kanar Reservoir	8-86/2000 FC, dated: 19.6.06.
3.	Chennai	Chengalpattu	1.38	Laying approach road for Police Academy	11-2/105/RC. dated: 28.11.2000
			1.68	Laying access road to Engineering College run by M/s. Sapthagiri Education Trust.	11-2/118/TN/RC dated: 13.12.04
			3.06		
4.	Coimbatore	Coimbatore	2.96	Quarrying lime stone by ACCLtd	8-16-2005-FC. dated: 8.8.05



		Nilgiris South	0.136	Laying transmission line in Adigarettu	11-2/112/TN/TL dated: 26.4.2001
5.	Virudhunagar	Sivaganga	8.745	Mining Bauxite by Malco Ltd.	4-TNB/508/08 & 516/08, dt: 12.5.09
6.	Madurai	Theni	9.60	Access to Wind Farm 10 MW.	11-2/81/TN/TL/367, dt: 31.5.2001
			3.36	Formation of Shanmuganathi Reservoir Project	11-2/120/TN/IP dated: 18.10.04
			8.53	Formation of 18th canal	4-TNB/009/2004 dated: 16.7.07
			21.49		
7.	Villupuram	Villupuram	0.79	Water supply Project by Gingee town Panchayat.	4-TNB-047/2004 dated: 29.3.2005
8.	Dindigul	Kodaikanal	9.14	Formation of Adukkam Kumbakkarai road.	4-TNB/030/2004 dated: 27.2.07.
		Dindigul	3.90	Four laning of NH7 in Karur Dist	4-TNB/336/2007 dated: 14.3.2008.
9.	Project Tiger Tirunelveli		15.98	Construction of Kodumudiyar Reservoir Scheme	8-335/87/FC dated: 13.12.89.
		Total:	241.520 ha.		



Name of the Scheme: 2. Construction of Cairns

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Demarcation of forest boundaries by constructing 3000 cairns in Reserved Forest areas @ Rs.1200/- each	-	Rs. 36.00 lakhs	-	-	-	Rs. 36.00 lakhs
		Total		36.00 lakhs	-	-	-	36.00 lakhs

Explanatory Note

Tamil Nadu is having forest area spread over an extent of 17.59% out of the total geographical area. As per the National Forest Policy of 1988, 33.33% of the land area has to be under forests. Since Tamil Nadu is having less area in comparison to the national goal, bringing more area under forests assumes significance. Hence under forest settlement works, bringing more areas under forests is given due attention.

Further the forest areas become vulnerable for encroachment due to population pressure. The boundaries of Reserved Forests located in and around villages, towns and cities are more vulnerable for encroachment. Hence one of the ways to protect the Reserved Forest areas from encroachment is the demarcation of boundaries by erecting permanent boundary Cairns. The vulnerable forest areas, which are prone for encroachment, have to be identified on priority basis and properly demarcated with Cairns.

Out of the total requirement of 2,09,906 number of Cairns for the State, 1,03,188 number of Cairns have been constructed in the previous years and a balance of 1,06,718 number of Cairns are yet to be constructed. During the year 2009-10, 5333 number of Cairns are proposed to be constructed under part I Integrated Forest Protection Scheme. Hence the remaining 101,385 number of Cairns have to be constructed.

Now, it is proposed to construct 3000 number of permanent Cairns @ Rs.1200/- each for which a sum of Rs.36,00,000 is required. Hence, an amount of Rs.36,00,000 is proposed for approval under CAMPA.



Name of the Scheme: 3. Fire Protection

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Procurement of Fire Fighting equipments	-	Rs. 10.00 lakhs	-	-	-	Rs. 10.00 lakhs
		Total		10.00 lakhs	-	-	-	10.00 lakhs

Explanatory Note

Forest Fire has now become a major problem in all types of forests. Forest Fire is one of the most important causes of forest degradation. It is caused by both natural and man-made factors.

Direct preventive measures like clearing fire lines before the onset of dry seasons and early burning of all inflammable material such as dry grass, fallen leaves and twigs before the onset of summer to prevent the occurrence of fire. But when fire occurs, it is the responsibility of the field staff to put off the fire with the help of villagers around the forests. Effective fire suppression however, requires a greater deal of equipment. Provision of such equipments will enhance the efficiency of fire fighting at ground level. This will also ensure the safety of the personnel involved in fire fighting.

On experimental basis, it is proposed to supply fire fighting equipments to one range in each of the four fire prone Forest Divisions and one Tiger Reserve viz., Theni, Kodaikanal, Nilgiris North, Sathyamangalam and Project Tiger @ Tirunelveli. After studying the effectiveness of fire fighting equipments, action will be taken to provide these equipments to more Rangers.



The details of fire fighting equipments and the cost of the equipments are given below.

Sl. No.	Name of equipments	Rate(Rs.)	Quantity	Amount (Rs.)
1	Sleeping Carpet for fire fighting	450	10	4500
2	Recharged Torch light	1800	10	18000
3	Tent	6000	2	12000
4	Forest Fire Camp Costs	3000	10	30000
5	Water Can (20 liters)	150	10	1500
6	Sintex Tank (500 liters)	5000	1	5000
7	Plates	100	10	1000
8	Sprayer to put off spot fire	1750	5	8750
9	Oxygen cylinder for fighter	2000	5	10000
10	First Aid Box	500	5	2500
11	Mammoties	200	10	2000
12	Fire Fighting Mask	100	10	1000
13	Steel Buckets (15 liters)	300	10	3000
14	Megaphone	300	5	1500
15	Stretcher	5500	2	11000
16	Fire Broom	350	20	7000
17	Forest Fire tool sets	1700	10	17000
18	Forest Fire Kit bag	500	10	5000
19	Aluminized Apron Jacket (for Fire Fighter)	1650	10	16500
20	Asbestos Apron Jacket (For Fire Fighter)	5000	2	10000
21	Fire Resistant Gel (500 Gms)	350	10	3500
22	Asbestos Cloth	30	10	300
23	Cotton Gloves (Pair)	100	10	1000
24	Helmet	250	10	2500
25	Eye Wash bottle	2500	5	12500
26	ABC Multipurpose fire Extinguisher	1000	10	10000
27	Bottom Holder Red and Green	200	10	2000
	Total			1,99,050 (or) 2,00,000 per Range

Hence a sum of Rs.10.00 lakhs for supply of firefighting equipments for five Rangers at Rs. 2 lakhs per Range may please be sanctioned under "CAMPA".



Name of Scheme : 4. Purchase of staff cars.

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Purchase of three New A/C staff cars.	-	Rs. 21.00 lakhs	-	-	-	Rs. 21.00 lakhs
		Total		21.00 lakhs	-	-	-	21.00 lakhs

EXPLANATORY NOTE

In I.F.S., cadre strength on revision, 3 new posts of Chief Conservator of Forests are added. Therefore, to facilitate better mobility of the Senior I.F.S., Officers for effective monitoring three new AC Cars are required. Hence an amount of Rs. 21.00 lakhs is proposed for purchase of 3 AC cars @ Rs. 7.00 lakh each under *CAMPA* against condemnation of three old vehicles in the Department.



Name of Scheme : 5. Web Based Management Information System.

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Development of Web Based Management Information system ⁴	-	Rs. 14.00 lakhs	-	-	-	Rs. 14.00 lakhs
		Total		14.00 lakhs	-	-	-	14.00 lakhs

EXPLANATORY NOTE

A full-fledged computer centre has been established at the Forest Headquarters at Chennai. Computers have been provided at State, Circle, Division and Range levels. Radio frequency link (R/F link) has been established between the main server, of Forest Department and the server at National Informatics Center (NIC). All the officers at the Head quarter have been linked through Local Area Network (LAN). E-mail facilities have been provided up to District level. Customized software for the Department has been developed through the Electronics Corporation of Tamil Nadu (ELCOT).

The existing customized software is a static software, which makes the updation and entry of data not user friendly and each time the data base has to be downloaded at the client end and updated at the administrator end for any updation. It is proposed to develop a web enabled customized MIS software which will not only be user friendly but enable updation.

This involves computerization of Departmental activities covering Range of issues related to administration, management, planning and implementation in the Tamilnadu Forest Department. The software package would be developed with features of data computation, retrieval, storage, modification and transmission. It will have different modules such as personal management system, court cases, budget and accounts, protection and miscellaneous modules along with provision for photo hyperlinks.

Hence a sum of Rs.14.00 lakhs may be sanctioned for development of Web Based Management Information System.



Name of the Scheme: 6. Construction of Extension Training Hall

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Construction of extension training hall in 3 Forestry Extension Centers.	-	Rs. 12.00 lakhs	-	-	-	Rs. 12.00 lakhs
		Total		12.00 lakhs	-	-	-	12.00 lakhs

EXPLANATORY NOTE

Tamil Nadu is one of the pioneer states in implementing the community forestry programme in the country. The community forestry was implemented in the form of Farm Forestry scheme, Extension forestry, Mixed plantations, Agro-forestry, practices were continuing in the form of laying demonstration plots in Farmer's lands with various tree species. To improve the agro forestry programme, new innovative tree cultivation practices are being introduced to the tree growers through Forestry Extension programme. The Forestry Extension programmes like training to the tree growers on quality seedling production, tree cultivation techniques, post harvest technology etc., are being carried out through Forestry Extension Centres created in the state. The main mandate of these centers are to transfer the improved technology of tree husbandry to tree growers. These centers are regularly being used for conducting Farmers Meet, Organizing Work Shops and seminars for the benefit of tree growers and Self help group members.

The present infrastructure facility created in the Forestry Extension centres is not adequate to accommodate the participants who come for attending the training programme. Therefore, it is proposed to add a training hall facilities in the existing 3 Forestry Extension Centre buildings at Cudalore, Pudukottai and Erode in the first phase. For this a sum of Rs.12.00 lakhs is required. @ Rs.4.00 lakhs per centre.

Hence an amount of Rs.12.00 lakhs is proposed for approval under CAMPA.



Name of the Scheme: 7. Improvement to GIS Lab in Tamil Nadu Forest Academy Coimbatore.

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Infrastructure facilities to GIS Lab in Tamilnadu Forest Academy, Coimbatore.	-	Rs. 15.00 lakhs	-	-	-	Rs. 15.00 lakhs
		Total		15.00 lakhs	-	-	-	15.00 lakhs

Explanatory Note

In Tamil Nadu Forest Academy(TNFA), Coimbatore various in - service training programmes are conducted for the IFS, SFS Officers, Forest Rangers, Foresters and Ministerial staff on various topics including TAP, NAP, Wildlife Cenus, Elephant Management, weapon training etc., regularly. A GIS Lab has been constructed in TNFA, Coimbatore under TAP Phase II. This lab and class rooms will have to be equipped and furnished. Without these equipments and furnishing the newly constructed GIS lab cannot be put into effective operation. This work requires a sum of Rs.15.00 lakhs.

An amount of Rs.15.00 lakhs may be sanctioned under CAMPA for providing the above infrastructure facilities to GIS Lab at Tamilnadu Forest Academy, Coimbatore.



Name of the Scheme: 8. Developing water holes for Wildlife.

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring	Revenue	Capital	Loan	Total
1.		Developing water holes for Wildlife.	-	Rs. 20.00 lakhs	-	-	-	Rs. 20.00 lakhs
		Total		20.00 lakhs	-	-	-	20.00 lakhs

Explanatory Note

Generally there is scarcity of water in the forest areas. Hence the wild animals stray outside the forest areas in search of water. This often results in loss of human lives and damage to agricultural crops. To mitigate the problem of Man - Animal conflicts arising due to scarcity of water, it is essential to create waterholes inside the forests. Hence four waterholes at the rate of Rs.5.00 lakhs each are proposed to be constructed in the areas located in the following Divisions during 2010 - 11.

Sl. No.	Name of the Division	Construction of water hole	Rs. in lakhs.
1.	Srivilliputhur Wildlife Division	1 no.	5.00
2.	Tiruvannamalai Division	1 no.	5.00
3.	Sathyamangalam Division	1 no.	5.00
4.	Tirupattur Division	1 no.	5.00
	Total	4 nos.	20.00

Hence a sum of Rs.20.00 lakhs may be sanctioned under State CAMPA.



Name of the Scheme : 9. Formation of State CAMPA Cell

Sl. No.	Head of Account	Item of Expenditure	Ultimate cost		Cost for 2010-2011			
			Recurring	Non Recurring Rs.	Revenue	Capital	Loan	Total Rs.
1.		Formation of State CAMPA Cell in the Forest Head Quarters.		8 lakhs				8 lakhs
		Total		8 lakhs				8 lakhs.

Explanatory Notes

In G.O. (Ms). No. 127 E&F (FR.10) Department Dated: 24.09.2009, Government have constituted State CAMPA with the Governing body, Steering Committee and Executive Committee to administer the funds received from Adhoc to CAMPA and to utilize the money. As per CAMPA guidelines the State CAMPA shall prepare its budget for the next financial year shall maintain proper accounts and other relevant records for audit by the Accountant General. The Account certified by the Accountant General shall be forwarded annually to the State Government, the Ministry of Environment and Forest, and Adhoc CAMPA by State CAMPA.

Hence to look into the various aspects of the State CAMPA a CAMPA cell may be created. Two persons may be engaged on contractual basis and purchase of computer and peripherals for the CAMPA cell is absolutely necessary to look after Monitoring and Accounts respectively.

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The financial implication is Rs. 8,00,000/- lakhs as detailed below:-

Sl.No.	Description	Unit Price	Quantity	Total amount
1.	31980- Computer and Access G-A 204A, Desktop system - Intel core 2 Duo with 19 TFT Monitor with pre loaded windows OS Intel core 2 Duo processor E7300. 500GB hard disk drive. 2GB memory. 19 inch monitor, DVD writer. USB ports -4, Serial port -1. Parallel port -1 PS2 port -2, 10/100/1000 mbps Ethernet, Modem (int) speaker, Membrane keyboard, optical mouse with preloaded windows.OS.	30,000	2 nos.	60,000.00
2.	31980 - Printers 453 Laser printer A1 - 28 PPM with Duplex	10,400.00	2 nos.	20,800.00
3.	31980- UPS 1107. 1 KVA on line UPS with 60 minutes SMF(Panasonic / Exide / Base or any reputed) battery back up.	21,750.00	2 nos.	43,500.00
4.	31891- Computer Furniture (603) Computer Table - II Size : 1200 X 600 m.m	3,300.00	2 nos.	6,600.00
5.	31891- Computer Furniture (606) Computer Chair - Low back chair size: 650L X 650 W X 950 H. mm.	2,400.00	2 nos.	4,800.00
6.	31887 - Copier (1401 - 15) A3 Digital Copier 15 CPM (mono) with one toner and drum kit	35,000.00	2 nos.	70,000.00
7.	31637- Software 1062. Office 2007 Single	15,000.00	1 no.	15,000.00
8.	32054 - LT- Anti virus 1006 NORTON anti virus license with media with 1 year Support (Validity) - Single User for Desktop / Laptop (Basic value Rs. 1050 + Service Tax Rs. 108 (10.3%) = Rs. 1158/-	1,158.00	2 nos.	2,316.00
9.	32054 - LT - Anti Virus 1021 Kaspersky / Norton / MCA fee Anti virus Installation only per desktop/ Laptop system.	250.00	2 nos.	500.00
10.	31971 - FAX machine , Fax machine - Model brother 2820 or Equat. Monochrome Laser, Paper capacity - 250 sheet, paper size - A4 letter, Legal B5, A5, B6 and A6. copy speed 14 CPM.	11,300.00	1 no.	11,300.00
	Service Tax etc.			65,184.00
	Appointment of two retired persons for 1 year on contract basis to look after Monitoring and Accounts.	35,000.00	2 nos.	4,20,000.00
	Other contingencies.			80,000.00
	Grand Total			8,00,000.00

Hence an amount of Rs. 8,00,000/- may be sanctioned under State CAMPA for this items for establishing CAMPA cell in the Forest Head Quarters.



III. AVAILABILITY OF FUNDS UNDER STATE CAMPA

3. It has been ordered in G.O. (Ms.) No. 127 Environment and Forest Department (Fr.10) Dated: 24.09.2009 that the monies received in the State CAMPA shall be kept in interest bearing account in a Nationalized Bank and periodically with drawn for the works as per the Annual Plan of Operation (APOs) approved by the Steering Committee. Accordingly an interest bearing account has been opened in Union Bank of India, Guindy Branch and the money received from Government of India has been credited to this account.

- | | | |
|----|---|---|
| 1. | Fund Available as on 0812.2009 | = Rs. 1,97,13,000/- |
| 2. | Amount now proposed for incurring Expenditure <i>during 2010-11</i> | (= Rs. 1,96,38,000/-) \rightarrow 1,75,38,000/- |
| 3. | Balance | = Rs. 75,000/- |

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IV. Minutes of the Executive Committee Meeting of State CAMPA held in the Chambers of the Principal Chief Conservator of Forests, Chennai on

04.01.2010 at 10.30 A.M.

A meeting of the Executive Committee of State CAMPA was convened by the Principal Chief Conservator of Forests and the Chairman of the Committee at 10.30 A.M. on 04.01.2010.

The List of participants is appended.

The Chairman Welcomed the members and briefly explained the establishment of the State CAMPA and the role of the Executive Committee in preparing an Annual Plan of Operation (APO) to meet the objectives of State CAMPA and send it to the Steering Committee for approval.

The details of schemes to be under taken during 2010-11 as per the Agenda were presented by the Chief Conservator of Forest (CAMPA). The Committee held detailed discussion on the proposals in the Annual Plan of Operation and arrived at the following decisions.

Scheme No.1: Raising Compensatory Afforestation:

The proposed scheme for raising compensatory Afforestation over an extent of 241.52 ha. of non forest land taken over from the User Agencies, was agreed to for Rs.60.38 lakhs with pro-rata of Rs.25000/- per ha. for the first year for the fulfillment of the most important condition of raising plantation in compensatory land as stipulated in the Forest Conservation Act. The compensatory lands handed over to the Forest Department is mostly marginal and difficult sites. Therefore they require application of intensive inputs and sustained protection and even watering during peak summer to make them successful. It is preferable to plant about 2 M tall seedlings and about 400 per ha. to achieve good survival. Fencing / watch and ward may be provided wherever needed. Community Organizations / Village Forest Committees nearby may be involved in protection wherever feasible. The Committee indicated that specific estimate will have to be prepared by the District Forest Officer concerned according to the site condition within the pro-rata of Rs.25000/- ha. for the first year.



Scheme No.7. Infrastructure facilities to GIS lab in Tamilnadu Forest Academy,**Coimbatore:-**

The Tamil Nadu Forest Academy is involved in Forestry Education and Training activities and is responsible for enhancing the capacity and skills of the officers and staff of the Forest Department. The Committee decided to approve the scheme of establishing a Geographical Information System (GIS) lab at Tamil Nadu Forest Academy, Coimbatore for capacity building of the staff at Rs.15.00 lakhs.

Scheme no.8: Developing water holes for wildlife:-

The Chief Wild Life Warden explained the need for creating water holes in Tiruvannamalai and Tirupattur Divisions of Vellore Circle, considering the problems faced by elephants in recent times. Therefore water holes may be formed in Tirupattur and Tiruvannamalai Divisions instead of Tirunelveli and Erode Divisions. Hence Committee agreed for creation of four water holes each costing Rs. 5 lakhs in 4 Forest / Wildlife Divisions viz. Sathyamangalam, Thiruvannamalai, Thirupattur and Srivilliputhur Divisions. The total cost of the proposal is Rs.20.00 lakhs.

Scheme no.9: Formation of State CAMPA Cell:-

The Committee took note of the various functions of the State CAMPA and the need for providing minimum personnel and equipment for the CAMPA Cell and decided to agree to the proposal at Rs. 8 lakhs for formation of CAMPA cell.

The meeting ended with the vote of thanks to the chair.



LIST OF OFFICERS ATTENDED THE EXECUTIVE COMMITTEE MEETING OF
STATE CAMPA HELD ON 04.01.2010 AT THE PRINCIPAL CHIEF
CONSERVATOR OF FORESTS OFFICE CHENNAI.

Sl. No.	Name and Designation of the Officer	Designation in the Committee
1	Thiru. A. S. Balanathan, I.F.S., Principal Chief Conservator of Forests, Panagal Maaligai, Chennai 600 015.	Chair person
2.	Thiru. R. Sundararaju I.F.S., Chief Wildlife Warden, Panagal Maaligai, Chennai 600 015.	Member
3.	Thiru. K.P.M. Perrumahl, I.F.S., Nodal Officer Additional Principal Chief Conservator of Forests (Forest Conservation Act)	Member
4.	Thiru. R. Veerakumar, Financial Adviser, Office of the Principal Chief Conservator of Forests, Chennai -15.	Member
5.	Thiru. V. Kalidasan, OSAI. (Eminent NGO nominated by the State Government)	Member
6.	Dr. S. Arul Gnaniasekar, Good Hope Foundation. (Eminent NGO nominated by the State Government)	Member
7.	Dr. S. Balaji I.F.S., Chief Conservator of Forests (CAMPA) Who is dealing with the subject	Member Secretary.
8.	Thiru. Yogesh Diwedi, I.F.S., Conservator of Forests (Forest Consolidation)	Special Invitee.



Minutes of the 2nd meeting of Regional Empowered Committee (REC) of Regional Office (South Eastern Zone), Ministry of Environment, Forests & Climate Change, Chennai held on 13.02.2015

The 2nd meeting of the Regional Empowered Committee (REC) of Regional Office (South Eastern Zone), Ministry of Environment, Forests & Climate Change, Chennai was held on 13.02.2015 in the office of the Addl.PCCF (Central) HEPC building, 34, Cathedral Garden Road, Nungambakkam, Chennai. The following members / special invitee were present during the meeting.

1. Shri.K.S.Reddy,
Addl.PCCF (Central),
Ministry of Environment, Forests & Climate Change
Regional Office (SEZ), Chennai ... **Chairperson**
2. Shri. K.JudeSekar
Flat No. R-33, Arihant Heirloom Apartments,
P.O. Thalambur, Off. OMR
Chennai ... **Non-official Member**
3. Dr.C.N. Rao,
9-10-3 Giddi Lane
Gandhi Nagar, Kakinada,
East Godavari District, Andhra Pradesh ... **Non-official Member**
4. Shri B.S.S.Reddy
107, White House Apartments,Road No.13,
Banjara Hills, Hyderabad ... **Non-official Member**
5. Shri. AsutoshSamant Singhar
Addl.PCCF/Nodal Officer,
Government of Tamil Nadu
Chennai. ... **Special Invitee**

At the outset, Chairperson extended a warm welcome to the members of REC and special invitee representing the State Government of Tamil Nadu. The proposals in the agenda were examined by the Committee. The representatives of the project proponents present were also heard. Recommendations / decisions of the Committee, based on the deliberations, are as under: -



Agenda No.1: Diversion of 4.05 Ha of forest land in Sy No. 300/1/P Compartment No. 594/P, 593/P of Julakalva Village, Singanamala Mandal, Ananthapur District, for mining lease for Dolomite, Steatite & White Shale, in favour of M/s AVSR Minerals.

Information sought by the Regional Office, MOEF & CC, Chennai yet to be received. Committee deferred subject proposal for next REC meeting.

Agenda No.2: Diversion of 3.69 Ha of forest land in Compartment No. 216 & 205 of Paradarami R.F & Ragimanupenta R.F. of Yadamarri Village, Bangarupalem Mandal, Chittoor District, for quarrying of black granite, in favour of M/s Sri Jyotheeswaram Granites, Prop: Sri B. Bajalingam.

Information sought by the Regional Office, MOEF & CC, Chennai, yet to be received. Committee deferred subject proposal for next REC meeting.

Agenda No.3: Diversion of 4.90 Ha. of forest land in Compartment No. 233 & 234 of Santhapeta Reserve Forest for quarry lease of Black Granite, in favour of M/s Sri Jayashree Industries, Prop; A.M. Vinod, Chittoor Town.

Information sought by the Regional Office, MOEF & CC, Chennai, yet to be received. Committee deferred subject proposal for next REC meeting.

Agenda No.4: Diversion of 6.42 ha. of forest land in Papparapatti RF (Palakkode Range) in Dharmapuri Forest Division of Dharmapuri District for laying of 765 KV S/C Transmission line between Dharmapuri (Salem)-Madhugiri in favour of Chief Manager, Nagapattinam - Madhugiri Transmission Company Ltd., subsidiary of Power Grid Corporation of India Ltd., Bangalore.

The proposal is part of Salem (Dharmapuri) – Madhugiri 765 KV S/C line. The line falls in Hosur Forest Division also. The project authority has stated that the line has to necessarily pass through the forest area in the Hosur Division.

The proposal pertaining to 6.42 ha is inter-linked with the proposal pertaining to 9.1904 ha falling in Hosur Division. The 9.1904 ha area forms a part of "Nilgiri-Eastern Ghat Elephant Reserve". Comments of the Chief Wildlife Warden have not been furnished pertaining to the same. Hence, proposal is deferred for the next meeting.

Agenda No.5: Diversion of 11.00 ha. of forest land in Pallipatty Reserved Forest Harur Forest Division in Dharmapuri District for laying of 765 KV S/C Transmission line between Nagapattinam- Dharmapuri in favour of



Chief Manager, Nagapattinam - Madhugiri Transmission Company Ltd., subsidiary of Power Grid Corporation of India Ltd., Bangalore

The Committee noted the following in the proposal: -

1. Legal status of the forest area proposed for diversion is Reserve Forest.
2. Density of the vegetation is less than 0.4
3. The area proposed for diversion does not form part of National Park, Wildlife Sanctuary, Biosphere Reserve, Tiger Reserve, Elephant Corridor etc.
4. No protected archaeological/ heritage site/ defence establishment or any other important monument is located in the area.
5. For raising Compensatory Afforestation, 22.00 ha of degraded forest land have been identified in Pattukonampatti RF, Pappireddipatti Taluk, Dharmapuri District. CA scheme includes 10 years of maintenance has been furnished.
6. Certificates related to ensuring compliance of the Schedule Tribe & Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 have been furnished.
7. Alternatives examined on map of each alignment have been furnished.
8. Permission from Hon'ble Supreme Court has been obtained for felling of 175 trees of spontaneous origin.
9. The subject proposal has been recommended at all levels.

For compensatory afforestation of the degraded forest, it is proposed to spend Rs.30000/- per ha. The Committee is of the opinion that the amount proposed to be spent on CA is grossly inadequate and feels that the investment has to be substantially increased to make pits of larger size, filling the pits with suitable borrowed soil, to plant bigger ~~tail~~ seedlings, etc. The Committee feels that a minimum of Rs.5 lakh per ha will be required to do any meaningful rehabilitation of degraded forest.

The proposal is part of Nagapattinam – Salem (Dharmapuri) 765 KV D/C line. The line falls in Attur, Harur and Dharmapuri Forest Divisions. The project authority has stated that the line has to necessarily pass through the forest area in the Attur and Dharmapuri Divisions also. The Committee after deliberations has decided to grant permission for the proposals in Attur and Dharmapuri Forest Division also.

The project is expected to carry bulk power and help utilize surplus power in deficit regions. The felling of trees is proposed only in the area where the towers are proposed to be constructed. The height of the line is proposed to be raised by additional 6 meters compared to normal level. Due to this, no felling of trees is proposed in the remaining area proposed for diversion. The Committee approves the proposal for diversion with the following conditions in addition to the usual conditions for transmission line projects:-

- (i) Forest Block map indicating the degraded area selected for Compensatory Afforestation shall be furnished with DGPS readings.



- (ii) Cost of raising compensatory afforestation over degraded forest and its maintenance for 10 years shall be paid @ Rs.5 lakh per ha. Revised detailed CA scheme duly signed by the DFO along with soil suitability certificate and approved by the Conservator of Forests shall be furnished.

Agenda No.6: Diversion of 12.40 ha. of forest land in Nathahalli RF of Dharmapuri Range and Noolhalli and Reddihalli RF (Dharmapuri) of Dharmapuri Forest Division in Dharmapuri District for laying of 765 KV S/C Transmission line between Nagapattinam- Dharmapuri in favour of Chief Manager, Nagapattinam - Madhugiri Transmission Company Ltd., subsidiary of Power Grid Corporation of India Ltd., Bangalore.

The Committee noted the following in the proposal: -

1. Legal status of the forest area proposed for diversion is Reserve Forest.
2. Density of the vegetation is 0.25
3. The area proposed for diversion does not form part of National Park, Wildlife Sanctuary, Biosphere Reserve, Tiger Reserve, Elephant Corridor etc.
4. No protected archaeological/ heritage site/ defence establishment or any other important monument is located in the area.
5. DFO reported that the area proposed by the user agency is minimum requirement and there is no alternate for the 765KV D/C transmission line.
6. For Compensatory Afforestation 24.8 ha for Compensatory land have been identified in Thoppur RF. CA scheme with 10 years of maintenance have been furnished.
7. Certificates related to ensuring compliance of the Schedule Tribe & Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 have been furnished.
8. Alternatives examined on map of each alignment have been furnished.
9. Permission from Hon'ble Supreme Court has been obtained for felling of 217 trees, of ~~spontaneous origin~~.
10. The subject proposal has been recommended at all levels.

For compensatory afforestation of the degraded forest, it is proposed to spend Rs.30000/- per ha. The Committee is of the opinion that the amount proposed to be spent on CA is grossly inadequate and feels that the investment has to be substantially increased to make pits of larger size, filling the pits with suitable borrowed soil, to plant bigger tall seedlings, etc. The Committee feels that a minimum of Rs.5 lakh per ha will be required to do any meaningful rehabilitation of degraded forest.

The proposal is part of Nagapattinam – Salem (Dharmapuri) 765 KV D/C line. The line falls in Dharmapuri Forest Division. The project authority has stated that the line has to necessarily pass through the forest area in the Attur and Harur Divisions also. The Committee after deliberations has decided to grant permission for the proposals in Attur and Harur Forest Division also.



The project is expected to carry bulk power and help utilize surplus power in deficit regions. The felling of trees is proposed only in the area where the towers are proposed to be constructed. The height of the line is proposed to be raised by additional 6 meters compared to normal level. Due to this, no felling of trees is proposed in the remaining area proposed for diversion. The Committee approves the proposal for diversion with the following conditions in addition to the usual conditions for transmission line projects:-

- (i) Forest Block map indicating the degraded area selected for Compensatory Afforestation shall be furnished with DGPS readings.
- (ii) Cost of raising compensatory afforestation over degraded forest and its maintenance for 10 years shall be paid @ Rs.5 lakh per ha. Revised detailed CA scheme duly signed by the DFO along with soil suitability certificate and approved by the Conservator of Forests shall be furnished.

Agenda No.7: Diversion of 6.70 ha of Forest Land in Mathikuttai Reserve Forest of Vazhappadi Range for laying of 765 KV D/C transmission line Nagapattinam-Dharmapuri (Salem) by Power Grid Corporation of India Ltd., Chittoor, Andhra Pradesh

The Committee noted the following in the proposal: -

1. Legal status of the forest area proposed for diversion is Reserve Forest.
2. Density of the vegetation is 0.25
3. The area proposed for diversion does not form part of National Park, Wildlife Sanctuary, Biosphere Reserve, Tiger Reserve, Elephant Corridor etc.
4. It is reported that, proposal does not affect any monuments of historical religious, archaeological or recreational importance.
5. It is reported that, the area proposed for diversion is minimum requirement and there is no alternate alignment for the 765 KV S/C transmission line.
6. For Compensatory Afforestation, 12.84 ha of compensatory land have been identified in Thoppur RF. CA scheme includes 10 years of maintenance have been furnished.
7. Certificates related to ensuring compliance of the Schedule Tribe & Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 have been furnished.
8. Alternatives examined on map of each alignment have been furnished.
9. Permission from Hon'ble Supreme Court has been obtained for felling of 234 trees of spontaneous origin.
10. The subject proposal has been recommended at all levels.

For compensatory afforestation of the degraded forest, it is proposed to spend Rs.30000/- per ha. The Committee is of the opinion that the amount proposed to be spent on CA is grossly inadequate and feels that the investment has to be substantially increased to make pits of larger size, filling the pits with suitable borrowed soil, to plant bigger tall seedlings, etc. The Committee feels that a minimum of Rs.5 lakh per ha will be required to do any meaningful rehabilitation of degraded forest.



The proposal is part of Nagapattinam – Salem (Dharmapuri) 765 KV D/C line. The line falls in Attur Forest Division. The project authority has stated that the line has to necessarily pass through the forest area in the Harur and Dharmapuri Divisions also. The Committee after deliberations has decided to grant permission for the proposals in Harur and Dharmapuri Forest Divisions also.

The project is expected to carry bulk power and help utilize surplus power in deficit regions. The felling of trees is proposed only in the area where the towers are proposed to be constructed. The height of the line is proposed to be raised by additional 6 meters compared to normal level. Due to this, no felling of trees is proposed in the remaining area proposed for diversion. The Committee approves the proposal for diversion with the following conditions in addition to the usual conditions for transmission line projects:-

- (i) Forest Block map indicating the degraded area selected for Compensatory Afforestation shall be furnished with DGPS readings.
- (ii) Cost of raising compensatory afforestation over degraded forest and its maintenance for 10 years shall be paid @ Rs.5 lakh per ha. Revised detailed CA scheme duly signed by the DFO along with soil suitability certificate and approved by the Conservator of Forests shall be furnished.

Agenda No.8: Diversion of 9.1904 ha. of forest land in Tally Reserve Forest of Jawalagiri Range Hosur Division for laying of 765 KV S/C Transmission line between Dharmapuri (Salem)-Madhugiri in favour of Chief Manager, Nagapattinam - Madhugiri Transmission Company Ltd., subsidiary of Power Grid Corporation of India Ltd., Bangalore

The area proposed for diversion forms a part of "Nilgiri-Eastern Ghat Elephant Reserve". Comments of the Chief Wildlife Warden have not been furnished. Hence, proposal is deferred for the next meeting. In the mean time the Comments of the Chief Wildlife Warden, Tamil Nadu may be obtained.



(Shri.K.Jude Sekar)
Non-official Member



(Dr.C.N. Rao)
Non-official Member



(Shri B.S.S.Reddy)
Non-official Member



(Shri.Asutosh Samant Singh)
Addl.PCCF /Nodal Officer, T.N.&
Special Invitee



(K.S.Reddy)
Addl. PCCF (Central) &Chairperson



TAMILNADU FOREST DEPARTMENT

From
Thiru.S.Ramasubramanian, I.F.S.,
District Forest Officer,
Harur Forest Division,
Harur.

To
The Chief Manager,
Nagapattinam-Madhugiri
Transmission Company Ltd.,
"Pragathi Mahalakshmi",
South Block (2nd and 3rd Floor),
No.62, 3rd cross,
Industrial Suburb,
Yeshwatpur,
Bengaluru, 560022.

C.No.2824/2014/D Dated : 18.03.2015
(Sri Jaya, Panguni – 4, Thiruvalluvar Aandu 2045)

Sir,

Sub : Diversion of 11.00 ha of Forest land in Pallipatty reserved Forest, Harur Forest Division in Dharmapuri District for laying of 765 KV D/C Transmission line between Nagapattinam – Dharmapuri in favour of Chief Manager, Nagapattinam – Madhugiri Transmission company limited – subsidiary of Power Grid corporation of India limited Bangalore – Reg.

- Ref : 1) Government of India , Ministry of Environment , Forests & Climate Change Lr.No.F.No.4-TNB 997-2014-BAN-47 Dated:03.03.2015.
- 2) Principal Chief Conservator of Forests (Head of Forests Force) Chennai Endt.No.TS3/33949/2013 dated.9.03.2015.

I invite your kind attention to the reference 1st cited, where in the Government of India has conveyed stage 1 approval with conditions and instructed to send compliance report for issuing final approval. Therefore I request that the following documents / details may be furnished to this office urgently for submitting compliance report to the Principal Chief Conservator of Forests.

- 1) The Forest area proposed for diversion shall be carried out by erection of 4 feet high cement concrete pillars duly numbered at an interval of 20 metres and the fact may be informed to this office.



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- 2) An Amount of Rs.100.10 Lakhs may be deposited in the account of SB A/c No.344902010105433- Tamilnadu Campa, Union Bank of India sundar Nagar, New Delhi- 110003(RTGS-IFSC No.UBINO534498) being the cost of Compensatory Afforestation (CA) over an area of 22.00 ha. in the degraded Forest area and the fact may be reported to this office.
- 3) Forest Block map indicating the degraded area selected for Compensatory Afforestation shall be furnished with DGPS readings.
- 4) An amount of Rs.68.86Lakhs may be deposited in the account of SB A/c No.344902010105433- Tamilnadu Campa, Union Bank of India sundar Nagar, New Delhi- 110003(RTGS-IFSC No.UBINO534498) being the Net Present Value (NPV) of 11.00 ha and the fact may be reported to this office.
- 5) An undertaking for the payment of Additional amount of Net Present Value (NPV) of the diverted forest land if any, becoming due after revision of the same by the Hon'ble Supreme Court of India in future.
- 6) An amount of Rs.18,15000 may be deposited in the account of SB A/c No.344902010105433- Tamilnadu Campa, Union Bank of India sundar Nagar, New Delhi- 110003(RTGS-IFSC No.UBINO534498) being the cost of raising Plantation of Medicinal Plant in the Right of way under the Transmission line.
- 7) The height of the line shall be raised by additional 6 meters compared to normal level in the Forest area proposed for diversion. An undertaking shall be furnished for this effect.
- 8) An undertaking shall be furnished to bear the cost of special protection of the forest blocks every year through which the line is passing, as per the assessment of DFO, Harur Division.

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- 9) Felling of trees other than 175 trees of spontaneous origin for which permission has been obtained for felling from the Hon'ble Supreme Court of India shall not be carried out. User Agency shall furnish an undertaking to this effect.
- 10) The user Agency shall ensure compliance to Ministry's guidelines F.No 7-25-2012-FC dated: 5.5.2014 and provisions of the all Acts, Rules, Regulation and Guidelines of the Ministry, for the time being in force, as applicable to the transmission line projects. User Agency shall furnish an undertaking to this effect.

Yours Sincerely,

Sd/-S.Ramasubramanian,
District Forest Officer,
Harur Forest Division, Harur

Copy to the Conservator of Forests, Dharmapuri Circle, Dharmapuri.

//t.c.b.o//

hshes

Draughting Officer
18/3/15



TAMIL NADU FOREST DEPARTMENT

From

Thiru.K.Dhanapal, M.Sc.,
District Forest Officer,
Attur Forest Division,
Kattukottai Pudur,
Vadachennimalai (Po).
Attur 636121.

To

The Deputy General Manager,
Powergrid NM Transmission Ltd.,
Pragathi Mahalakshmi,
South Block (2nd of 3rd floor)
No.62,3rd Cross MEI Road,
Industrial Suburb,
Yeshwantpur,
Bangalore -590022.

C. No. 4623 / 2011 D2 Dated 26.05.2015

Sri Manmatha Varudam - Vaigasi -12 - Thiruvalluvar Aandu -2046

Sir,

Sub : Forests- Forest (C) Act-1980 - Salem Circle- Attur Division-
Valappady Range - Mathikuttai RF Diversion of 6.70 Ha. of Forest
land for laying 765 KV(D/c) Transmission line by Powergrid
Corporation - Approval Stage-I - received - regarding.

Ref : 1. Govt. of India , Lr.No. F.No.4 - TNB 968/2013-BAN/48 dt. 3.3.2015
2. Principal Chief Conservator of Forests, Endt. No. TS3/20753/2013
dt. 9.3.2015
3. This Office ref.same No. dt. 17.03.2015

I wish to inform that, continuation of the ref.3rd cited, payable amount by user
agency has been furnished here under as per the Principal Chief Conservator of Forests
letter

1. An amount of Rs. 2,40,000/- for construction of 4 ft high Cement concrete
Pillars (96 Nos. @ 2500 / each) in the diversion area.
2. An amount of Rs. 67 lakhs for raising compensatory afforestation over
13.4 ha. of degraded forest area (Rs. 5 lakhs/ Ha.)
3. An amount of Rs. 41,94,200/- for Net present value (NPV) of 6.70 ha. of
diversion area.
4. An amount of Rs.3,01,150/- for raising plantation of Dwarf trees in the
Right of way under the transmission line.



The above funds should be deposited in the State Bank Account No. 344902010105433 - Tamilnadu Campa, Union Bank of India, Sundar Nagar, New Delhi - 110003 (RTGS - IFSC No. UBINO534498) and a request to inform the fact.

I request you to send the compliance report (as per stage I) early.

Encl: As above

Yours faithfully,
Sd.K.Dhanapal,
District Forest Officer,
Attur Forest Division.

Copy submitted to the Principal Chief Conservator of Forests, Chennai.

Copy submitted to the Conservator of Forests, Salem Circle, Salem.

re: b.o.

true copy

Lheer

[Signature]
Superintendent

1/6/15

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1/6/15



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TAMILNADU FOREST DEPARTMENT

From

Thiru. S. Ramasubramanian, I.F.S.,
District Forest Officer (i/c),
Dharmapuri Forest Division,
Dharmapuri.

To

The Chief Manager,
Nagapattinam-Madhugiri Transmission
Company Ltd.,
"PragathiMahalakshmi", South Block
(2nd and 3rd Floor), No 62, 3rd cross, Industrial
Suburb, Yeshwatpur, Bengaluru, 560022.

C. No. 7319 / 2012 / D. Dated 14.07.2015

[Manmadha, Aani- 29, Thiruvalluvar Aandu 2046]

Sir,

Sub : Diversion of 12.42 ha of Forest land in Noolahalli-Reddihalli, Nathathahalli
RF - Dharmapuri Forest Division in Dharmapuri District for laying of 765 KV
D/C Transmission line between Nagapattinam - Dharmapuri in favour of
Chief Manager, Nagapattinam - Madhugiri Transmission company limited -
subsidiary of Power Grid corporation of India limited Bangalore - Reg.

Ref: 1) Government of India, Ministry of Environment, Forests & Climate
Change Lr.No.F.No.4-TNB 996-2014-BAN-49 Dated:03.03.2015.

2) Principal Chief Conservator of Forests (Head of Forests Force)
Chennai Endt.No.TS3/33950/2013 dated: 09.03.2015 and 12.06.2015

I invite kind attention to the reference 1st and 2nd cited where in the Government of India has conveyed stage 1 approval with conditions and instructed to send compliance report for issuing final approval. Therefore I request that the following documents / details may be furnished to this office urgently for submitting compliance report to the Principal Chief Conservator of Forests.

- 1) An amount of Rs. 5,00,000/- For construction of 4 feet high. cement concrete pillars 200 Nos @ 2500/- each at an interval of 20 meters in the diversion area.
- 2) An Amount of Rs.121.52 Lakhs may be deposited in the account of SB A/c. No.344902010105433 - Tamilnadu Campa, Union Bank of India sundar Nagar, New Delhi-110003(RTGS-IFSC No.UBIN0534498) being the cost of Compensatory Afforestation (CA) over an area of 24.80 ha. in the degraded Forest area.

(P.T.O)

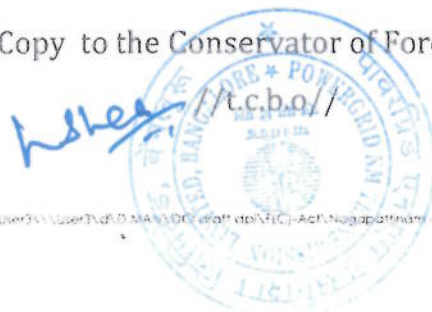
-2-

- 3) Forest Block map indicating the degraded area selected for Compensatory Afforestation shall be furnished with DGPS readings.
- 4) An amount of Rs.77.624 Lakhs may be deposited in the account of SB A/c No.344902010105433- Tamilnadu Campa, Union Bank of India sundar Nagar, New Delhi- 110003(RTGS-IFSC No.UBIN0534498) being the Net Present Value (NPV) of 12.40 ha.
- 5) An Undertaking for the payment of Additional amount of Net Present Value (NPV) of the diverted forest land if any, becoming due after revision of the same by the Hon'ble Supreme Court of India in future.
- 6) An amount of Rs.20.40 Lakhs may be deposited in the account of SB A/c No.344902010105433- Tamilnadu Campa, Union Bank of India sundar Nagar, New Delhi- 110003(RTGS-IFSC No.UBIN0534498) being the cost of raising Plantation of Medicinal Plants in the Right of way Under the Transmission line.
- 7) The height of the line shall be raised by additional 6 meters compared to normal level in the Forest area proposed for diversion. An Undertaking shall be furnished for this effect.
- 8) An undertaking shall be furnished to bear the cost of special protection of the forest blocks every year through which the line is passing, as per the assessment of DFO, Dharmapuri Division.
- 9) Felling of trees other than 217 trees of spontaneous origin for which permission has been obtained for felling from the Hon'ble Supreme Court of India shall not be carried out. User Agency shall furnish an undertaking to this effect.
- 10) The user Agency shall ensure compliance to Ministry's guidelines F.No 7-25-2012-FC dated 5.5.2014 and provisions of the all Acts, Rules, Regulation and Guidelines of the Ministry, for the time being in force, as applicable to the transmission line projects. User Agency shall furnish an undertaking to this effect.

Yours Sincerely,

Sd/- S. Ramasubramanian,
District Forest Officer (i/c)
Dharmapuri Division.

Copy to the Conservator of Forests, Dharmapuri Circle, Dharmapuri.



[Handwritten Signature]
Superintendent.
14/7/15

TAMIL NADU FOREST DEPARTMENT**From**

Thiru. Deepak S. Bilgi, IFS.,
Wildlife Warden,
Hosur Forest Division,
Hosur Cattle Farm Post,
Hosur – -635110
Ph: 04344-262259
Email : dfohosur@gmail.com

To

The Deputy General Manager,
Power Grid NM Transmission Ltd,
Nr. RTO Test Driving Track,
Singanayakanahalli, Yelahanka,
Bangalore – 5600 64

C.No.6296/2012-D1, dated: 20.06.2018

(விளம்பி வருடம், ஆனி 06, திருவள்ளூர் ஆண்டு 2049)

Sir,

Sub : Diversion of 9.1904 ha of forest land in Thally Reserved Forest under Cauvery North Wildlife Sanctuary, Hosur Forest Division in Krishnagiri District for laying of 765 kV S/C Transmission line from Dharmapuri (Salem) to Madhugiri (Karnataka) – Revised Demand letter for Stage 1 Forest Clearance compliance – Regarding.

- Ref : 1. Government of India, Ministry of Environment, Forest and Climate Change Lr. No.F.No.4-TNC995/2014-BAN dated 23.08.2017
2. Principal Chief Conservator of Forests (Head of Department), Chennai, Endt.No. C.No.37867/2014/TS3 dated 20.09.2017
3. The District Forest Officer, Hosur C.No.6296/2012-D1, dated: 10.04.2018
4. Principal Chief Conservator of Forests (Head of Department), Chennai, Endt.No. C.No.TS3/37867/2013 dated 15.05.2018
5. The District Forest Officer, Hosur C.No.6296/2012-D1, dated: 08.06.2018
6. Principal Chief Conservator of Forests (Head of Department), Chennai, Endt.No. C.No.TS3/37867/2013 dated 20.06.2018

I invite kind attention to the reference 1st cited where in the Government of India has conveyed Stage 1 approval with conditions and instructed to send compliance report for issuing final approval. In the reference 3rd cited, I have requested to submit the documents / details for submitting compliance report to the Principal Chief Conservator of Forests.

Based on the instructions issued by the Principal Chief Conservator of Forests vide reference 6th cited, the demand for Stage 1 forest clearance compliance is herewith revised, the earlier demand raised vide reference 5th may be ignored.



Accordingly, I request that the following documents / details may be furnished to this office immediately for submitting compliance report to the Principal Chief Conservator of Forests.

1. The forest area proposed for diversion shall be carried out by erecting 4 feet high cement concrete pillars duly numbered at an interval of 20 meters by the user agency. User agency may deposit the amount as demanded by this office vide C.No. 6296/2012-D2 dated 01.06.2018.
2. An amount of Rs.1,08,05,000/- may be deposited in the account of State Bank Account No.344902010105433 – Tamil Nadu CAMPA, Union Bank of India, Sundar Nagar, New Delhi – 110003 (RTGS / IFSC No UBI N0534498) or SB Account No SB01025227 – CAF Tamil Nadu, Corporation Bank, CGO Complex, Lodhi Road, New Delhi - 110003 (RTGS / IFSC No: CORP0000371) being the Compensatory Afforestation (CA) for diverting 9.1904 Ha of forest land.
3. An amount of Rs.4,79,27,936/- may be deposited towards Net Present Value (NPV) of the diverted forest land measuring 9.1904ha in the account of State Bank Account No.344902010105433 – Tamil Nadu CAMPA, Union Bank of India, Sundar Nagar, New Delhi – 110003 (RTGS / IFSC No.UBI No.534498) or SB Account No SB01025227 – CAF Tamil Nadu, Corporation Bank, CGO Complex, Lodhi Road, New Delhi - 110003 (RTGS / IFSC No: CORP0000371) being the Net present value (NPV)for diverting 9.1904 Ha of forest land.
4. Additional amount of Net Present Value (NPV) of the diverted forest land if any, becoming due after revision of the same by the Hon'ble Supreme Court of India in future, shall be charged from the user Agency. An undertaking to this effect shall be furnished by the user agency.
5. An amount of Rs.40,38,318/- may be deposited being the cost of raising plantation of dwarf species preferably medicinal plants in the Right of Way under the transmission line in the account of State Bank Account No.344902010105433 – Tamil Nadu CAMPA, Union Bank of India, Sundar Nagar, New Delhi – 110003 (RTGS / IFSC No.UBI No.534498) or SB Account No SB01025227 – CAF Tamil Nadu, Corporation Bank, CGO Complex, Lodhi Road, New Delhi - 110003 (RTGS / IFSC No: CORP0000371).
6. An amount of Rs.2,00,000/- may be deposited towards wildlife mitigation measures in the account of State Bank Account No.344902010105433 – Tamil Nadu CAMPA, Union Bank of India, Sundar Nagar, New Delhi – 110003 (RTGS / IFSC No.UBI

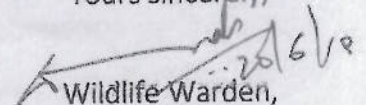


- No.534498) or SB Account No SB01025227 – CAF Tamil Nadu, Corporation Bank, CGO Complex, Lodhi Road, New Delhi - 110003 (RTGS / IFSC No: CORP0000371).
7. The funds towards Compensatory Afforestation, Net Present Value and Mitigation measures etc., under the project shall be deposited either in SB A/C SB01025227CAF Tamil Nadu, Corporation Bank, CGO complex, Lodhi Road, New Delhi 110003 (RTGS/IFSC No. CORP0000371) or in SB A/c No. 344902010105433 TAMIL NADU CAMPA, Union Bank of India, Sundar Nagar, New Delhi 110 003 (RTGS / IFSC No. UBIN0534498). The User Agency shall generate challan from the Ministry's online web portal to deposit the amount towards compensatory levies.
 8. The height of the line shall be raised by additional 6 meters compared to normal level, an undertaking shall be furnished for this effect.
 9. User Agency shall bear the cost every year for special protection of the forest blocks through which the line is passing, as per the assessment of District Forest Officer, Hosur Division. User Agency shall furnish an undertaking to this effect.
 10. Felling of trees other than the 196 Nos. of spontaneous origin for which permission has been obtained for felling from the Hon'ble Supreme Court of India shall not be carried out. User Agency shall furnish an undertaking to this effect.
 11. User agency has to provide ELCB (Earth Leakage Circuit Breaker) arrangement all along the transmission line so as to prevent electrocution death of wild animals. User Agency shall furnish an undertaking to this effect.
 12. The total forest area utilized for the project shall not exceed 9.1904ha and the forest area diverted shall not be used for any purpose other than those shown in the diversion proposal. User Agency shall furnish an undertaking to this effect.
 13. Any other condition that the Central Government or Additional Principal Chief Conservator of Forests (Central), Regional Office, Chennai may impose from time to time in the interest of afforestation, conservation and management of flora and fauna in the area shall be complied by the user agency, an undertaking to this effect shall be furnished.
 14. The User Agency shall ensure compliance to Ministry's guidelines F.No. 7-25/2012-FC dated 5th May, 2014 and provisions of the all Acts, Rules, Regulation and Guidelines of the Ministry, for the time being in force, as applicable to the transmission line projects. User Agency shall furnish an undertaking to this effect.
 15. In the event of failure to comply with any of the above conditions the user agency is liable to penalty as decided by the Additional Principal Chief Conservator of Forests (Central), Regional Office, Chennai an undertaking to this effect shall be furnished.



16. Based on the Minutes of the 43rd Meeting of the Standing Committee of NBWL, vide ref. MoEF& CC (Wildlife Division), F.No.6-119/2017 WL dated: 21.07.2017, the User Agency shall contribute under corporate social responsibilities (CSR) fund as demanded by DFO, Hosur towards conservation and management of Cauvery North Wildlife Sanctuary. User Agency shall furnish an undertaking to this effect.
17. Lease rent for the diversion area shall be paid annually based on market rate. User Agency shall furnish an undertaking to this effect.

Yours sincerely,


Wildlife Warden,
Hosur Forest Division.

Copy submitted to the Principal Chief Conservator of Forests (Head of Forest Force), PanagalMaligai, Saidapet, Chennai- 15 along with the break up details of funds demanded.

Copy submitted to the Additional Principal Chief Conservator of Forests, State CAMPA, O/o the Principal Chief Conservator of Forests, PanagalMaligai, Saidapet, Chennai - 15.

Copy submitted to the Chief Conservator of Forests, Dharmapuri Circle, Dharmapuri



Deputy Conservator of Forests,
Ramanagara Territorial Division,
Ramanagara - 562159

Govt. of Karnataka



Forest Department

☎ : Office: 080-29710004

E-mail: dcfrmngr@gmail.com

No.A5/LND/CR-163/2016-17

Date: 01-08-2018
29

To,

The Deputy General Manager,
Power Grid NM Transmission Ltd,
Nr. RTO Test Driving Track,
Singanayakanahalli, Yelahanka,
Bangalore - 5600 64

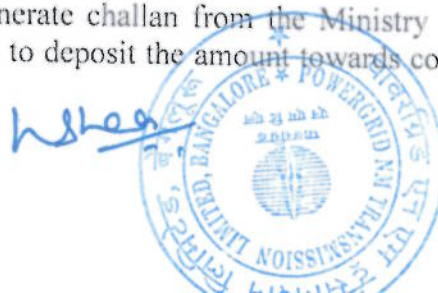
Sir,

Subject :- Diversion of 1.75Ha of forest land in Karuvinahatti Reserved Forest, Ramanagara Forest Division in Ramanagara District for laying of 765kV S/C Transmission line from Dharmapuri (Salem) to Madhugiri (Karnataka) - Demand letter for Stage 1 Forest Clearance compliance - Regarding.

- Reference:-
1. Letter no: F.No.4-KRB1157/2018-BAN/700 dated 29.08.18 of Ministry of Environment, Forests and Climate Change, Govt of India.
 2. The Principal Chief Conservator of Forests (HoFF), Bangalore letter no A5(4).GFL.CR.28/2017-18 dated ~~31.08.18~~ 1.9.18
 3. Your office letter no PNMTL/DM/FC/2018 dated 30.08.18
*****@**

In accordance with the Govt of India Stage 1 (In-principal) clearance referred above at (1) and as per the instruction of Principal Chief Conservator of Forests (HoFF), Bangalore and your office request letter at reference (2) and (3) above, it is hereby brought to your notice that the forest clearance is accorded subject to the following conditions

1. The forest area proposed for diversion shall be demarcated by erecting cement concrete pillars duly numbered at an interval of 20 meters at the cost of user agency. An amount of Rs.2,00,000/- may be deposited towards this to the account of DCF, Ramanagara Division.
2. An amount of Rs.10,50,000/- (@ Rs.3,00,000 lakhs / hectare) may be deposited in the account of Karnataka CAMPA, towards Compensatory Afforestation (CA) on 3.5Ha degraded forest land in Bairashettihalli Village, Chennapatna Range, Ramnagara District.
3. An amount of Rs.7,66,500/- may be deposited towards Net Present Value (NPV) of the diverted forest land to the account of Karnataka CAMPA.
4. Additional amount of Net Present Value (NPV) of the diverted forest land if any, becoming due after revision of the same by the Hon'ble Supreme Court of India in future, shall be charged from the user Agency. An undertaking to this effect shall be furnished by the user agency.
5. The User Agency shall generate challan from the Ministry of Environment, Forests and Climate Change web portal to deposit the amount towards compensatory levies (CA, NPV and Medicinal plants cost).



6. The certificate under the scheduled tribes and traditional forest dwellers (Recognition of Forest Rights) Act 2006 as per the guidelines issued by Ministry of Environment, Forests and Climate Change vide letter No.11-9/1998-FC (Pt) dated 05.07.13 shall be furnished.
7. An amount of Rs.2,00,000/- may be deposited towards the cost of raising plantation of dwarf species (preferably medicinal plants) in the Right of Way under the transmission line in the account of Karnataka CAMPA.
8. Guidelines issued by Ministry vide letter No.7-25/2012-FC dated 05/05/14 for transmission lines through forest areas shall be strictly followed by user agency. An undertaking to this effect shall be furnished by the user agency.
9. The forest area shall be used for the purpose of which its granted. The total area utilized for the project shall not exceed 1.75Ha. An undertaking to this effect shall be furnished by the user agency.
10. Any other condition that the Central Government or Additional Principal Chief Conservator of Forests (Central), Regional Office, Bangalore may impose from time to time for protection, improvement of flora and fauna in the forest area and public convenience shall also be applicable. An undertaking to this effect shall be furnished by the user agency.
11. The lease rent for the diversion area shall be paid annually based on market rate, as demanded by the Karnataka Forest Dept. User Agency shall furnish an undertaking to this effect.

Hence, you are hereby requested to comply with the above conditions and submit the compliance report for taking further necessary action in this regard.

Your's faithfully,

Sd/-

Deputy Conservator of Forests,
Ramanagara Territorial Division,
Ramanagara.

Copy submitted to:-

1. The Addl Principal Chief Conservator of Forests (FCA), Bangalore for kind information
2. The Chief Conservator of Forests, Bangalore Circle, for kind information
3. Asst Conservator of Forests, Chennapatna Range, Ramanagara District for information / instruction to inspect the degraded forest area for compensatory plantation



Deputy Conservator of Forests,
Ramanagara Territorial Division,
Ramanagara.



पावरग्रिड एनएम ट्रांसमिशन लिमिटेड

(पावरग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड, भारत सरकार का उद्यम के पूर्ण स्वामित्व वाली सहायक कंपनी)

POWERGRID NM TRANSMISSION LTD

(A Fully Owned Subsidiary of Powergrid Corporation of India Ltd., A Government of India Enterprise)

पावरग्रिड
एन एम् टी एलदक्षिणी क्षेत्र परिवहन प्रणाली - II क्षेत्रीय मुख्यालय, आर.टी.डी. ब्रह्मविंग टेस्ट ट्रैक के पास,
सिंगनायकाहल्ली, येलाहर्का होब्लि, बेंगलूर - 560 064.Southern Region Transmission System - II RHQ., Near RTO Driving Test Track, Singanayakanahalli
Yelaharka Hobli, Bangalore - 560 064.

Ref.: PNMTL/IL&FS/2015

20th April 2015

To
M/s. IL & FS Tamil Nadu Power Company Ltd
B-Block, Navin's Presidium, 4th Floor,
103, Nelson Manickam Road,
Aminjikarai, Chennai-600 029

Kind Attention : Mr. Haziq Beg, Director

Dear Sir,

Sub: Notice issued for change in law under clause 12.1 of Transmission Service
Agreement(TSA)

Ref: TSA dated 02.02.2012

With reference to above, please find attached a copy of the letter issued by Govt. of
Tamilnadu on 02.03.2015, requesting to get clearance from wild life side for the diversion of
Reserve Forest(RF) in Thally RF, Hosur Forest Division, Tamilnadu for the construction of
Salem(Dharmapuri)-Madhugiri 765kV S/C transmission line.

Following are the events /developments under the article 12.1 of TSA.

1. Declaration of Thally RF as wild life area by Government of Tamilnadu.

Encl.: As above.

Yours faithfully,

RN Singh, CEO

(Powergrid NM Transmission Limited)



पंजीकृत कार्यालय : बी-9, कुतब इन्स्टीट्यूशनल एरिया, कटवाला सर्कल, नई दिल्ली - 110 016. दूरभाष : 011-26560112, फैक्स : 011-26601081
कारपोरेट कार्यालय : प्लॉट सं: 02, सेक्टर-29, इफ्फो चौक के पास, गुडगांव (हरियाणा)-122001. फैक्स : 0124-2571760
Registered Office : B-9, Qutab Institutional Area, Katwala Sarai, New Delhi- 110 016. Phone : 011-26560112. Fax : 011-26601081. Grams : NATGRID
Corporate Office : PLOT No. : 02, Sector-29. Near IFFCO CHOWK, GURGAON (HARYANA) - 122001 Fax: 0124-2571760 EPABX: 0124-2571700-719
CIN : L40101DL1989GOI038121

553-554

SOUTH WESTERN RAILWAY.

No.Y/E. 53/472

Divisional Office,
Electrical Branch,
Mysore, Dt. 11/20/0.

To
The Chief Manager, Power Grid Corporation ✓
of India Limited, Southern Region (Transmission System-II)
(100/200 KV Sub-Station) M.H. 4R, B.M. Road
Doddaperigere (Post) SHANTHIGRAM - 573220 (HASSAN)

Sir,

Sub: Proposal 400KV D.C. O.H. Power Line Crossing
Across the Rly Track at km. 155/800-900
between Shanthigram and Hassan station

Ref: Your ltr. No. SR-2/HAN/F-845/10-11/2039
dt. 4/5/2010 and 30-13 dt. 09/10/2010.

2) This office ltr. of even No. dt. 01/06/2010.

With reference to the letter cited above, you are hereby advised to remit the following charges in respect of the Proposal of 400KV, D.C. O.H. Power Line Crossing across the Rly Track at km. 155/800-900 between Shanthigram and Hassan station.

a) Way Leave charges	..Rs.12800.00
b) Provision of protective arrangements for Rly. Signal Construction Circuits	.. " <u>18,151=00</u> ✓
c) Departmental charges @ 12.5%	.. " <u>-</u>
d) Engineering charges	.. " <u>9633=00</u> ✓
e) (Supervision charges of Electrical at 12.5%) <u>Cost of Estimate</u> <u>Rs. 62,68,619=00</u>	.. <u>7,83,577=00</u> ✓
Total Rs.	<u>8,24,161=00</u> ✓

(Rs. Eight Lakhs Twenty four thousand one hundred) and Sixty one only

The payment shall be made within 30 days from the date of receipt of this letter through Demand Draft in favour of Sr. Divisional Finance Manager/South Western Rly./Mysore, Payable at Mysore.

You are also required to execute an agreement for string and maintaining of O.H. Power Line Crossing at the proposed location of Rly. Track as per Annexure-II of Power Line Crossing Regulations Act-1987- on document paper of valued of Rs.100/- copy of specimen of Agreement is sent herewith for ready reference.

The agreement shall be sent in 5 copies (1 original + 4 Xerox copies) duly signed in all the pages by the competent authority.

Thanking you,

Encl: Agreement copy.

Yours faithfully,

Divisional Rly. Manager (Electrical)
South Western Rly. Mysore-21.

Divisional Railway Manager (Elect.)
South Western Railway, MYSORE



SOUTH WESTERN RAILWAY.

No.Y/E. 53/471

Divisional Office,
Electrical Branch,
Mysore, Dt. 19/11/2010To
The

Chief Manager, Power Grid Corporation
of India Limited, Southern Region Transmission System
(400/200KV, Sub-stn) N.H. 48, B.M. Road
Doddapenigere (Post) Shanthi Grama - 573220 (HASSAN)

Sir,

Sub: Proposal 400KV, D.C.O.H. Power Line Crossing
Across Rly Track at KM 80/500-600
between Mandagere and Holenarasipura Station.

Ref: Your ltr. No. SR/HSN/F-846/2010-11/1038 dt. 14/5/10,
5001 dt. 28/5/10 and 3613 dt. 9/10/10

2) This office ltr. of even No. dt. 01/06/2010.

With reference to the letter cited above, you are hereby
advised to remit the following charges in respect of the Proposal of
400KV, D.C.O.H. Power Line Crossing Across The Railway Track
at KM 80/500-600 between Mandagere and Holenarasipura
Stations

a) Way Leave charges	..Rs. 12800.00
b) Provision of protective arrangements for Rly. Signal Construction Circuits	.. " 18,151=00
c) Departmental charges @ 12.5%	.. " -
d) Engineering charges	.. 32,443=00
e) (Supervision charges of Electrical at 12.5%) Cost of Estimate	.. 7,50,917=00
Rs. 60,07,339=00	
Total Rs.	8,14,311=00

(Rs. Eight Lakhs, Fourteen Thousand Three hundred
and eleven only.)

The payment shall be made within 30 days from the date of
receipt of this letter through Demand Draft in favour of Sr. Divisional
Finance Manager/South Western Rly./Mysore, Payable at Mysore.

You are also required to execute an agreement for string
and maintaining of O.H. Power Line Crossing at the proposed location
of Rly. Track as per Annexure-II of Power Line Crossing Regulations
Act-1987- on document paper of valued of Rs.100/- copy of specimen of
Agreement is sent herewith for ready reference.

The agreement shall be sent in 5 copies (1 original + 4 Xerox
copies) duly signed in all the pages by the competent authority.

Thanking you,

Encl: Agreement copy.

Yours faithfully,

Divisional Rly. Manager (Electrical)
South Western Rly. Mysore-21.

मण्डल रेल प्रमुख (विद्युत)

Divisional Railway Manager (Elect)

दक्षिण क्षेत्र २१, मद्रास

South Western Railway, MYSORE





पावरग्रिड एनएम ट्रांसमिशन लिमिटेड

(पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड, भारत सरकार का उद्यम के पूर्ण स्वामित्व वाली सहायक कंपनी)

POWERGRID NM TRANSMISSION LTD

(A Fully Owned Subsidiary of Powergrid Corporation of India Ltd., A Government of India Enterprise)



दक्षिणी क्षेत्र परीक्षण प्रणाली - II क्षेत्रीय मुख्यालय, आर.टी.ओ. ड्राइविंग टेस्ट ट्रैक के पास, सिंगनायकनहल्ली
येलहंका होब्ली, बेंगलूरु - 560 064.

Southern Region Transmission System - II RHQ., Near RTO Driving Test Track, Singanayakanahalli
Yelahanka Hobli, Bangalore - 560 064.

Ref.no: PNMTL/IL&FS/2015

Date: 04/10/2015

To,

M/s IL&FS Tamil Nadu Power Company Ltd.,
Regd. Office: B Block, Navin's Presidium,
4th Floor, 103, Nelson Manickam Road,
Aminjikarai,
Chennai: 600029.

Sub.: Transmission System associated with the IPPs of Nagapattinam/Cuddalore Area - Package - A/Notice Issued under "change in law" under Clause 12.1 of Transmission Service Agreement.

Ref.: Transmission Service Agreement (TSA) dated 2nd Feb'2012.

Dear Sir,

The subject Transmission System is being executed by POWERGRID NM Transmission Ltd (PNMTL) and is governed by Transmission Service Agreement (TSA) signed between PNMTL and IL&FS.

In line with TSA, notice is hereby given under clause 12.1 of TSA consequent upon change in law condition due to increase in cost towards the clearance for Railway crossing of 765 kV D/C Nagapattinam - Salem Transmission Line and 765kV S/C Salem - Madhugiri transmission line, leading to increase in cost.

Affected line: 765kV D/C Nagapattinam - Salem Transmission Line & 765kV S/C Salem - Madhugiri Transmission Line.

The cause of action of this notice is the demand note raised by Southern Railway for the crossing of 765kV Nagapattinam-Salem D/C line over Railway track between Attur & Chinna Salem vide letter dated 29.09.2015. A copy of the earlier demand notes for similar railway crossing and demand note with revised charges is enclosed herewith. All such demand notes with revised charges being furnished in future for the railway crossings involved in the subject project is hereby notified to be treated as Change in Law events.

The time and cost impact on account of the above shall be furnished in due course.

Thanking you,

Yours faithfully,

(R. N. Singh)

Chief Executive Officer

Encl:a/a

पंजीकृत कार्यालय : बी-9, कुतब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली - 110 016. दूरभाष : 011-26560112. फैक्स : 011-26601081
कारपोरेट कार्यालय : प्लॉट सं. 02, सेक्टर-29, इफको चौक के पास, गुडगांव (हरियाणा)-122001. फैक्स : 0124-251760

Registered Office: B-9, Kutub Institution Area, Katwaria Sarai, New Delhi - 110 016. Telephone: 011-26560112. Fax: 011-26601081



SOUTHERN RAILWAY

No:SA/E.31/II/14-15/64

Divisional Office,
Electrical Branch,
Salem - 636 005,
Date: 29/09/2015.

The Asst. General Manager, ✓
PGCIL,
400 kV SS, Konakapadi Post,
K.R.Thoppur, Salem - 636 502.

Dear Sir,

Sub:- Proposal for Construction of 765 kV, E.H.T, DC, Over Head transmission line crossing over the B.G Rly. track at km.121/300-400 in between Attur (ATU) and ChinnaSalem (CHSM) Railway stations.

- Ref:1. AGM/SA CAO/PGCIL's Lr.No.PNMTL/SLM/P1/RLY-XING/35-36
Dt:21.01.2015
2. DRM/Works/SA's Lr.No. SA/W.384/Power line crossing
Dt: 17/04/2015
3. CBE/MAS's Lr.No.W.384/SA/IVol.III Dt:28/05/2015
4. Sr.DSTE/SA's Lr.No.SA/SG.2104V/Vol.5 Dt:29/06/2015
5. Sr.DFM/SA's Lr.No.193/SA/XF/Elec./Wayleave/355/15-16 Dt:04.09.15

Your proposal for construction of 765 kV overhead line over the B.G. Rly. Track at the above location has been provisionally approved by DRM/SA on 29.09.2015.

You are hereby advised to remit an amount of ₹ 39,38,311/- (₹.Thirty nine lakh thirty eight thousand three hundred and eleven only) towards the cost of "Departmental Supervision, Inspection charges, Wayleave charges and other charges" for the said work.

The amount shall only be remitted through Demand Draft (D.D) drawn in favor of "Senior Divisional Finance Manager, Southern Railway, Divisional Office, Salem" payable at SBI, Salem and the same shall be submitted to this office for further action.

It may kindly be noted that this is only a provisional approval for your proposal and final sanction to commence the work shall be issued after remittance of D.D. and encashment of the same.

Thanking You.

(S.RENGARAJAN)
Sr.Divisional Electrical Engineer/G,
Southern Railway, Salem.

C/- Sr.DFM/SA -For kind information.

certified for payment
A. Venkatesh
05/10/15



दक्षिण रेलवे/Southern Railway
सं.टी/डब्ल्यू No.T/W 384/94/66NM/PPs

Provisional bill

मंडलकार्यालय/Divisional Office,
संकर्म शाखा/Works Branch,
तिरुच्चिरापल्ली/Tiruchchirappalli.
दि:/Dt 27.3.2008.

68/10, KARUR
28.3.08

The Power grid Corporation of India Limited,
Plot NO. 489 & 50, Kodhai Nagar,
Near K.V.B.O.A. Matriculation school,
Karur - 693 002.
Sir,

विषय:Sub:1.400 KV /OH power line crossing the Railway track between
Mandarakuppam - Vriddachallam station at Telepost No.
9/0- 10/0 for Power grid/Perambalur.
2. 400 KV /OH power line crossing the Railway track between
Talanallur - Vriddachallam station at Telepost No. 31/0-32/0
for Power grid/Perambalur.

With reference to the above proposals, please arrange to remit a
sum of Rs.46,821/- (Rupees Forty six thousand eight hundred and twenty one
only) towards various charges as shown below through DD to be drawn in favour of
Senior Divisional Finance Manager/Tiruchchirappalli. The variation of cost if any
occurred during the execution of work the same will be advised later, and no amount has to be
Paid Please.

1.	Centage charges towards preparation of Plan & Demarcation charges for 2 locations	Rs. 10,000/-
2.	Estimate cost Item 1 & 2	Rs. 36,821/-
	Total	Rs. 46,821/-

Yours faithfully.

(ए.अल्फोन्स/A.Aphonse),

मंडली/उत्तर/तिरुच्चि/DEN/North/TPJ.

कृते मंडल रेल प्रबंधक/तिरुच्चि/For Divl. Rly. Manager/TPJ

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DM/TPJ for work
T.P. Prabhakaran
- 28/3/08

657
253.04

SOUTHERN RAILWAY

Form 'A'

No.U/E.31/40

✓ The Chief Manager/TL
Power Grid corporation of India Ltd,
Karnur

Divisional Office
Electrical Branch
Madurai.
Date : 24.03.08.

Sir,

Subj: Granting way leave facilities to proposed H.T.400 KV Over
Head (D.C.) power line crossing the Railway track at Km. 9/2-3
Between Dindigul Jn and Akkarapottai Railway station.

Ref: No. 14/11/07 FR (P/L) LRR/PTL/RLY/4015/2007 dt.27.10.07

6. Permission is hereby granted only for the way leave facilities for the power Grid corporation of India Ltd, proposed subject power line crossing as per the method of construction indicated and described in the drawing submitted along with your letter dated above subject to, execution of way leave agreement for 35 years, renewable for another 35 years and remitting the prescribed way leave charges for the crossing, and supervision, inspection charges during the period of execution as given below:

- | | |
|--|-----------------|
| a) Way leave facilities charges on Railway land
(One time recovery) | Rs. 12500.00 |
| b) General administration charges | Rs. 9,11,255.00 |

Rs. 9,24,655.00

(Rupees Nine lakh twenty four thousand and fifty five only)

7. The way leave and other charges shall be remitted to the Senior Divisional Cashier (pay) Southern Railway, Madurai-625001 by cash / cheque / Demand draft and cash receipt issued thereof to be sent to this office for taking further action. Cheque / D.D to be drawn in favour of the Divisional Cashier (pay) Southern Railway, Madurai.

[Handwritten signature]
for *T. Prabhakar*



SOUTH WESTERN RAILWAY

No.Y/E.53/638

Divisional Office
Electrical Branch
Mysore-570 021,
Dt:09.08.2018

REVISED INVOICE

Chief Manager,
Power Grid Corporation of India
Tumkur

Invoice No:- SWR-MYS-2903201800007
GST IN - 29AAAGM0289C1ZF
Service A/C Code:- 997212

Ref:- a)Sr.DFM/MYS ltr no. W.90/XF/MYS/45 dt 07.08.2018
b)Your Ltr no. PNMTL/TMK/2018/686 dt 23.07.2018
c) Your Ltr no.PNMTL/TMK/765KV/F-333(B)/Railway/AP117-AP-118/2016dt 11.08.16

With reference to above, You were hereby directed to deposit the way leave charges of Rs. 18,25,468/- (Rupees Eighteen Lakh Twenty Five Thousand Four Hundred & Sixty Eight) through DD in favour of **Sr Divisional Finance Manager/South Western Railway/Mysore** to process the work of Stringing of 765 KV OH Power Line crossing @ KM 80/900-81/000 b/w MLSA-GBB Railway Station.

Details of Way Leave Charges:-

		Old	Revised
a.	Way Leave charges	Rs. 12800.00	Rs. 12800.00
b.	Registration charges	Rs. 2000.00	Rs. 2000.00
c.	Demarking charges	Rs.1180.00	Rs.1180.00
d.	Engineering Labour charges.	Rs.21162.00	Rs.21162.00
e.	S&T branch Labour charges	Rs.17257.00	Rs.17257.00
d.	Supervision charges of Electrical @ 6.25%	Rs.645150.00	Rs.645150.00
	Sub Total	699549	699549.00
e.	GST 18 %	Rs.125919	Rs.125919.00
g.	Line Block Charges	Rs.1000000.00	Rs.1000000.00
h.	GST 18 %	Nil	Rs.180000.00
	Total	Rs.18,25,468.00	Rs.20,05,468.00
	Balance to be paid		Rs.180000.00

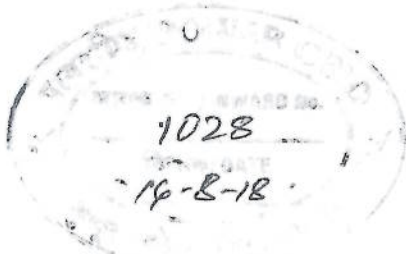
Since the GST 18 % for Line block charges were advertantly left out, you are hereby advised to **pay balance Rs.180000/- (One Lakh Eighteen Thousand Only)** through DD in favour of **Sr Divisional Finance Manager/South Western Railway/Mysore** for processing your proposal further.

Yours faithfully

C/-

Sr.DFM/MYS for Kind Information & N.A. Pls

वरिष्ठ मण्डल बिजली इंजीनियर
Senior Divisional Electrical Engineer
दक्षिण पश्चिम रेलवे, मैसूर
South Western Railway, MYSORE



Divisional Office
Electrical Branch
Bangalore - 23
Dated: 30.11.2015

No: B/E.31/384
Asst General Manager
PowerGrid NM Transmission Ltd,
400 KV Substation, K R Thoppur
T Konakapadi Post, Salem-636502
Tamil Nadu
Sir

Sub - Proposed 765 KV (D/C) OverHead power line crossing at km.
56/400-500 between Sivadi and Dharmapuri Railway stations.

Ref: PNMTL letter No PNMTL/SLM/ND-2/F-239 dt 26.11.2015

In regard to your above proposal, the approval for taking up the work for above OverHead power line crossing power line crossing will be processed on compliance of the following.

1 Payment of the following charges

1a)	Way leave charges	12800
1b)	Supervision charges at 6.25%	800
1c)	Plan & Estimate preparation charges at 2%	256
2)	Current year way leave charges	1536
3)	Supervision charges including Electrical and civil Engineering (incl. Material cost) (14184512.10X12.5%)	1773064
4)	S & T departmental charges	200000
	Total	1988456

(Rupees Nineteen lakhs eighty eight thousand four hundred and fifty six only)

Note: The above charges are advised subject to the condition that any difference of amount if due will have to be paid by you on receipt of advice from this office later.

2 Submission of five copies of 'Certificate of compliance' and agreement on stamp paper of value Rs.100/- as per format in Power line crossing regulations - 1987 duly incorporating the following clauses -

- (i) "I/We agree to pay Way leave charges revised by Railways from time to time"
- (ii) "I/We agree to self inspect the crossing once in a year to confirm the maintenance of the crossing as laid down by Railways and Indian Electricity Act and furnish the inspection report to Railways".

3 The address of the officials to whom the correspondence to be addressed in future subsequent to energisation of the crossing shall be furnished.

The amount may be paid through Crossed DD drawn in favour of Sr.Divisional Finance Manager, South Western Railway, Bangalore-23 and submitted to this office.

Yours faithfully,

Sr.Divisional Electrical Engineer,
Electrical Inspector/South Western Railway

Copy to: Sr DFM/SBC for information. The above amount may be credited to the following allocations.
Rs 12856 Engg (Allocn-09324/-), Rs 50000 ((S&T supervision charges), Rs 150000 (S&T refundable caution deposit) and Rs 100000 (S&T ...)



SOUTH WESTERN RAILWAY

Divisional Office
Electrical Branch
Bangalore - 23
Dated: 21.11.2018

No: B/E.31/738 (CN)

Deputy General Manager
Power grid NM transmission Limited (PNMTL)
765kV S/C Dharmapuri-Madhugiri line,
Construction area office, Power Grid 400/220kV substation,
26th km kanakapura road, Somanahalli P.O, Bengaluru-560082,
Karnataka.

Sub: Proposed 765 kV Single circuit Salem-Madhugiri Over Head Transmission line crossing
at 45/427 between Tippasandra-Solur Railway stations of SBC-HAS new BG line project.
Ref: 1) Dy.CEE/CN/BNC letter No.E/CN/PGCIL/765 KV dt.11.01.18
2) PNMTL/R.-XING/2018/554 DT 03.05.2018.

Payment of the charges proposed to be claimed from Chief Engineer, PNMTL, Somanahalli PO, Bangalore
in respect of the above power line crossing is worked out as under.

Proposed 765 kV Single circuit Salem-Madhugiri Over Head Transmission line crossing at
45/427 between Tippasandra-Solur Railway stations of SBC-HAS new BG line project.

31/738	ESTIMATE COST	Rs	Rs
			8650000
	As per charges by FA&CAO/CN/BNC and as advised by Dy/CEE/CN/BNC estimate calculated(copy enclosed)		
1a	Way leave charges collected twice by construction		25600
1b	Supervision charges		800
1c	plan preperation charge		256
2	Departmental supervision charges including (Electrical supervision charges@12.5%)		1182297
3	Registration Charges		2000
4	Service tax 14.5%(on SI.No1 a,b,c)		2009
5	Charges advised for Gst by construction		485
6	Engg Charges as per Engg Br Letter No .B/W -384/Power line C-xing in favour of/powergrid/NMTL/205 dt31.10.2018		
6a	Way leave charges difference = (197989 (new charges) - 25600(old charges paid))		172389
7	S & TSupervision charges at 6.25% on Est Cost		540625
8	Current year way leave charges(12% of way leave(Rs197989))		23759
9	Charges for Traffic Block for two hour (for OH crossing only)		1000000
10	Total amount to be paid exclusive of taxes		2947726
	Total amount paid by party exclusive of taxes(1210953+1425564)		2636517
	Total service tax paid by party on Rs.1210953 (on SI No.1-3 as concurred by FA&CAO/CN/BNC and as advised by Dy/CEE/CN/BNC)		2009
	Total gst paid by party =(Rs485+18% GST of Rs1425564 on RCM)=485+256601.52		257086.52
11	Balance amount to be paid by party exclusive of GST		Rs 3,11,209

1. The amount towards GST shall be calculated and separately paid by PGCIL to Government under RCM (as per notification no.3/2018 central tax (rate) dated 25th January 2018, services supplied by the Central government, State government, union territory or local authority by way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017, is brought under RCM services)

2. The amount advised above may be paid through Crossed DD drawn in favour of Sr.Divisional Finance Manager, South Western Railway, Bangalore-23 and submitted to this office.

3. An additional agreement should be submitted with the following clause added

"I/We hereby agree that the way leave agreement will be renewed by the owner of the crossing every 10 years as long as this crossing exists, duly paying the necessary charges advised by Railway as per the rules prevailing at the time."

Yours faithfully,

[Signature]
Sr. Divisional Electrical Engineer,
for Electrical Inspector/South Western Railway

Copy to: Sr. DFM/SBC letter No W.2017-18/SBC/IB(K)/way leave/elect dated dt 13.11.2016 for information and n.a.

Copy to: SrDEN/Co-ord/SBC for information and n.a.

Copy to: Sr DC(P)/SBC for information and n.a.





SOUTH WESTERN RAILWAY

247

Divisional Office
Electrical Branch
Bangalore - 23
Dated: 09.11.2018

No: B/E.31/724

Manager/TLC

Power grid NM transmission Limited(PNMTL)

765kV S/C Dharmapuri-Madhugiri line,

Construction area office, Power Grid 400/220kV substation,

26th km kanakapura road, Somanahalli P.O, Bengaluru-560082,
Karnataka

Sub: Proposed 765 kV OH power line crossing at km 35/800-900 between Bidadi & Ramanagaram Railway Stations.
Ref: PNMTL/TMK/765KV/F-74/Railway/AP74-75/2018/1463 DT 10.05.2018.

In regard to your above proposal, the approval for taking up the work for above OH power line crossing will be processed on compliance of the following.

Proposed 765 kV OH power line crossing at km 35/800-900 between Bidadi & Ramanagaram Railway Stations.

31/724	ESTIMATE COST	Rs	8120770
			Rs

	Charges already paid by party As per Engg br ltr No.B/W -384/Power line C-xing by M/s Manager/TLC, Powergrid/ NMTL/Tumkur/138 dt 05.10.2016.	
1	Way leave charges	12800
2	Current year way leave charges	1536
3	Super vision charges including Electrical and civil Engineering (incl. Material cost) (8120770X12.5%)	10,15,096
4	Registration Charges	2000
5	Service tax 15%	154415
	Total already paid by party	1185847
1	Engg Charges as per Engg Br (Sr.Den/Co ltr No.B/W- 384/Powerline crossing /NMTL/138 dt 12.10.2018 and ltr No.B/W- 384/Powerline C-xing in favour of/powergrid/NMTL/138 dt 22.10.2018)	
1a	Way leave charges difference (Rs7,19,066(new charges) - Rs12,800(old charges))	7,06,266
1b	Supervision charges	800
1c	plan preperation charge	256
2	S & TSupervision charges at 6.25% on Est Cost	507548
3	Charges for Traffic Block for three hour (for OH crossing only)	1500000
	Total additional amount to be paid exclusive of GST	27,14,870

1. The amount towards GST shall be calculated and separately paid by PGCIL to Government under RCM (as per notification no.3/2018 central tax (rate) dated 25th January 2018, services supplied by the Central government, State government, union territory or local authority by way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017, is brought under RCM services).

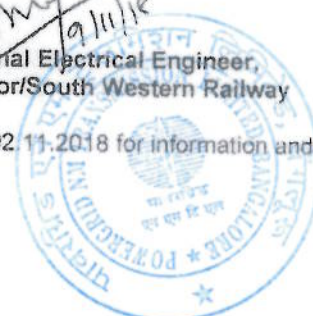
2. The address of the officials to whom the correspondence to be addressed in future subsequent to energisation of the crossing shall be furnished.

3. The amount advised above may be paid through Crossed DD drawn in favour of Sr.Divisional Finance Manager, South Western Railway, Bangalore-23 and submitted to this office.

Yours faithfully,

(Sr.Divisional Electrical Engineer,
for Electrical Inspector/South Western Railway

Copy to: Sr. DFM/SBC letter No W.2017-18/SBC/FB(X)/way leave/elect dated dt 02.11.2018 for information and n.a.
Copy to: SrDEN/Co-ord/SBC for information and n.a.
Copy to: Sr DC(P)/SBC for information and n.a.



SOUTHERN RAILWAY

No:SA/E.31/II/14-15/66

Divisional Office,
Electrical Branch,
Salem - 636 005,
Date: 29/09/2015.

The Asst. General Manager, 1
PGCIL,
400 kV SS, Konakapadi Post,
K.R.Thoppur, Salem - 636 502.

Dear Sir,

Sub:- Proposal for Construction of 765 kV, E.H.T, DC, Over Head transmission line crossing over the B.G Rly. track at km.287/21-23 in between **Bommidi (BQI) and Buddireddippatti (BDY)** Railway stations.

Ref:- 1 AGM/SA CAO/PGCIL Lr.No.PNMTL/SLM/P2/RLY-XING/91-92
Dt:21.01.2015

2. DRM/Works/SA Lr.No: SA/W.384/PLX Dt:05/05/2015
3. Sr.DEE/TRD/SA Lr.No.SA/TRD/PLX/409/14-15 Dt:15/06/2015
4. CBE/MAS Lr.No.W.384/SA/I/Vol.III Dt:28/05/2015
5. Sr.DSTE/SA Lr.No.SA/SG.210/IV/Vol.5 Dt:29/06/2015
6. Sr.DFM/SA's Lr.No.193/SA/XF/Elec./Wayleave/354/15-16 Dt:04.09.15

Your proposal for construction of 765 kV overhead line over the B.G. Rly. Track at the above location has been provisionally approved by DRM/SA on 29.09.2015.

You are hereby advised to remit an amount of ₹ 45,42,548/- (₹.Forty five lakh forty two thousand five hundred and forty eight only) towards the cost of 'Departmental Supervision, Inspection charges, Way leave charges and other charges' for the said work.

The amount shall only be remitted through Demand Draft(D.D) drawn in favor of "Senior Divisional Finance Manager, Southern Railway, Divisional Office, Salem" payable at SBI,Salem and the same shall be submitted to this office for further action.

It may kindly be noted that this is only a provisional approval for your proposal and final sanction to commence the work shall be issued after remittance of D.D and encashment of the same.

Thanking You.

(Signature)
(S.RENGARAJAN)

Sr.Divisional Electrical Engineer/G,
Southern Railway, Salem.

C/- Sr.DFM/SA -For kind information.

(Signature)



SOUTHERN RAILWAY

No:SA/E.31/II/14-15/64

Divisional Office,
Electrical Branch,
Salem - 636 005,
Date: 29/09/2015.

The Asst. General Manager, ✓
PGCIL,
400 kV SS, Konakapadi Post,
K.R.Thoppur, Salem - 636 502.

Dear Sir,

Sub:- Proposal for Construction of 765 kV, E.H.T, DC, Over Head transmission line crossing over the B.G Rly. track at km.121/300-400 in between Attur (ATU) and ChinnaSalem (CHSM) Railway stations.

- Ref:1. AGM/SA CAO/PGCIL's Lr.No.PNMTL/SLM/P1/RLY-XING/35-36
Dt:21.01.2015
2. DRM/Works/SA's Lr.No: SA/W.384/Power line crossing
Dt: 17/04/2015
3. CBE/MAS's Lr.No.W.384/SA/II/Vol.III Dt:28/05/2015
4. Sr.DSTE/SA's Lr.No.SA/SG.210/IV/Vol.5 Dt:29/06/2015
5. Sr.DFM/SA's Lr.No.193/SA/XF/Elec./Wayleave/355/15-16 Dt:04.09.15

Your proposal for construction of 765 kV overhead line over the B.G. Rly. Track at the above location has been provisionally approved by DRM/SA on 29.09.2015.

You are hereby advised to remit an amount of ₹ 39,38,311/- (₹.Thirty nine lakh thirty eight thousand three hundred and eleven only) towards the cost of 'Departmental Supervision, Inspection charges, Wayleave charges and other charges' for the said work.

The amount shall only be remitted through Demand Draft(D.D) drawn in favor of "Senior Divisional Finance Manager, Southern Railway, Divisional Office, Salem" payable at SBI,Salem and the same shall be submitted to this office for further action.

It may kindly be noted that this is only a provisional approval for your proposal and final sanction to commence the work shall be issued after remittance of D.D and encashment of the same.

Thanking You.

(Signature)
(S.RENGARAJAN)

Sr.Divisional Electrical Engineer/G,
Southern Railway, Salem.

C/- Sr.DFM/SA -For kind information.

certified for payment
A. Venkatesh
05/10/15





T/E 31/1/188

 Divisional Office,
 Electrical branch,
 TPJ Dt: 01.02.2016 / 227

✓ Power Grid NM Transmission Ltd,
 400 KV Substations, Konakapadi,
 K.R. Thoppur,
 Salem Tamil Nadu -636 502

Sir,

Sub: VM-TPJ sec. Proposed laying of OH 765 KV D/C power line to cross the track
 at km 232/400-500 bet. TLNR-PNDM stations for Power Grid NM
 Transmission Ltd, Salem - Reg.

Ref : Power Grid NM Transmission Ltd, Salem Letter No. PNMTL/
 SLM/P1//RLY Xing /12-13 DT 09.03.2015

Please arrange to remit a sum of Rs. 2, 13,543/- (Two Lakhs Thirteen Thousand Five Hundred and Forty Three only) towards the various charges for Electrical and Engineering cost for the execution of the above proposal. The details are as follows. The variation of cost if any occurred during the execution of work will be advised later.

SLNo.	Details	Amount in Rs
1	Way leave charges	25,600.00
2	Supervision charges	1,58,463.00
3	Security Deposit	2,560.00
4	Electrical supervision charges	26,920.00
	Total	2,13,543.00

The amount may be remitted through DD drawn in favour of Sr .Divisional Finance Manager/Southern Railway/ Tiruchchirappalli and sent to this office for further action.

Yours sincerely,

Divisional Electrical Engineer,(G)
 Tiruchchirappalli

Copy to: Sr DEN/North /TPJ: For information and ref to his letter dt 22.12.2015




G.P.Saini
Divisional Railway Manager
Traction Distribution
email : deetrd@tpj.railnet.gov.in

SOUTHERN RAILWAY



Divisional Railway Manager's Office,
Traction Distribution Branch,
Tiruchchirappalli-620001,
Tel/Fax : 0431-2414233

No.T/TRD.220/II/PB

Dt : 21.04.2016

Power Grid NM Transmission Ltd,
400KV Substations,
Konakapadi, K.R.Thoppur,
Salem,
Tamilnadu-636 002.

Kind Attn: Shri.Saravananp., Chief Manager/Electrical.

Sub: VM-TPJ Sec proposed laying of OH 765KV/DC power line to cross the track at KM232/400-500 bet.TLNR-PNDM stations for Power Grid NM Transmission Ltd, Salem.
-reg.

Ref: DEE/G/TPJ Letter No.T/E/31/I/88 dated 05.04.2016.


With reference to the above referred letter, it is advised to make payment towards power block charges and supervision charges for erection of 765 KV/DC power line crossing over the track at locations 232/400-500 between TLNR-PNDM as detailed below.

Kindly arrange to remit the amount of Rs.1,12,000/- for issue of power block for two spells at the rate of Rs.56,000/- per spell and Supervision charges of Rs.1,65,000/- on Traction Distribution (TRD) side. The total Amount to be remitted is Rs.2,77,000/- (Rupees Two lakhs Seventy Seven Thousand Only) in form of Demand draft in favour of Sr.Divisional Finance Manager, Southern Railways, Tiruchchirappalli payable at Trichy (or) cash payment can be made at Divisional Cashier office, DRM Complex, Tiruchchirappalli Junction. The rate specified is provisional and subjected for revision and it is advised to remit the difference of rate if applicable after advise of the rate difference by this office.

The power block will be arranged subjected to.

- i) Availability of traffic block.
- ii) Submission of railway receipt for the payment of the above amount.

It is informed that, if more spells of power block are required then the same will be arranged only after necessary payments are made.


(G.P.Saini)
Divisional Railway Manager,
Traction Distribution

Copy to Sr.Divisional Cashier /TPJ to accept the payment.
SSE/TRD/VRI for information and submit the details of power block issued to this office.
CTPC/TPJ for necessary action.

ANNEXURE 'L'

1

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.04.2019

CORAM:

THE HON'BLE MR. JUSTICE T.RAJA

W.P.No.16460 of 2018

K.Natarajan

.. Petitioner

Vs

1.The District Collector,
Dharmapuri District,
Dharmapuri.

2.Powergrid NM Transmission Limited,
Rep. By General Manager,
No.62, 3rd cross,
MEI Road, Industrial Suburb,
Yeshwantpur, Bengalur – 560 022.

.. Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India seeking a writ of certiorarified mandamus to call for the records of the first respondent District Collector, Dharmapuri, relating to the letters in Ref.Na.Ka.15461/2015/P2, dated 05.12.2017 and 10.04.2018, quash the same, direct the first respondent District Collector, Dharmapuri, to determine the compensation for the land and building of the petitioner pursuant to the claim statement dated 06.06.2016 as per Paragraphs 2(i) and (ii) of the guidelines of the Government of India, Ministry of Power, dated 15.10.2015, direct the second respondent to pay the compensation amount to the petitioner.



For Petitioner : Mr.V.Sanjeevi
For R2 : Mr.R.Thiagarajan, SC
for M/s.Aiyar & Dolia
For R1 : Mr.N.Srinivas, AGP

ORDER

The petitioner, claiming to be the owner of the land bearing S.F.No.8/3B, admeasuring 0.20.0 hectare (50 cents) in Pappireddipatti Village, Dharmapuri District, has filed this writ petition challenging the impugned order passed by the first respondent/ the District Collector, Dharmapuri, dated 05.12.2017, in and by which, the request of the petitioner to apply G.O.Ms.No.63, Energy (A) Department, dated 22.11.2017, was refused.

2. Learned counsel for the petitioner submitted that the petitioner is the owner of the subject land on the basis of the sale deed dated 11.06.2004 purchased by Mrs.Jaya, wife of Late Ponnusamy and two others. Likewise, the petitioner's son, namely, Mr.N.Sezhiyan, had purchased 80 cents of land in S.F.No.8/3 (present Sruvey No.8/3A) in the same survey field from the above said persons by way of a registered sale deed dated 10.11.2005. It is further submitted that in order to put up construction, the petitioner had applied for building permission to the Executive Officer of Pappireddipatti Town Panchayat



(Selection Grade) and thereafter, considering his application, the said Authority, vide proceedings dated 03.03.2015, granted building permission. It is also stated that spending Rs.15,00,000/-, the petitioner had also constructed the building in the subject land.

3. Whiles, the second respondent / the General Manager, Power Grid NM Transmission Limited, Yeshwantpur, Bengalur, issued a notice dated 18.03.2015 informing the petitioner that they were entrusted with the construction of Nagapattinam-New Salem (Dharmapuri), by the Transmission Line of India, vide its letter No.11/2/2011-PG (PFC), dated 22.09.2011; that the said Transmission Line will pass through his property bearing Survey No.8/3B in Pappireddipatti Village; and that the petitioner would be given a reasonable compensation for the damages. But, the petitioner, vide his representation dated 10.08.2015, objected to the same and requested the first respondent for change of transmission line and tower to some other suitable place. However, even after his repeated request, the same was overruled and the construction put up by the petitioner spending a sum of Rs.15,00,000/- was demolished, for which also, they have paid a mere compensation of Rs.7,17,907/-, however, with regard to right of way and tower base, the compensation was not paid to the petitioner.



4. Aggrieved against the same, when the petitioner has filed a writ petition No.7685 of 2016, this Court, vide order dated 29.03.2016, by referring to the Guidelines notified by the Government of India dated 15.10.2015, which deals with the payment of compensation towards damages with regard to Right of Way for Transmission Lines, directed the petitioner to submit his claim statement before the District Collector, Dharmapuri, in accordance Guidelines framed by the Government of India dated 15.10.2015 along with a copy of the order setting out as to what is the basis of his claim.

5. Learned counsel for the petitioner further submitted that in paragraph Nos.6 to 8 of the order, the crux of the issue has been dealt with stating that the second respondent therein / Powergrid NM Transmission Limited, Bengalur, having taken a stand with regard to the fact of Guidelines issued by the Government of India dated 15.10.2015 that they would pay the compensation in terms of the Guidelines on determination of the same by the District Magistrate/District Collector, cannot restrict their claim and by holding so, a direction was issued to consider the claim of the petitioner for payment of compensation towards Right of Way for transmission line and Tower Base.



Therefore, it is contended, in view of such stand taken by the second respondent in the earlier writ petition, they cannot now go back and equally they cannot now refuse to pay the compensation, for, even before the District Collector, Dharmapuri, the second respondent has accepted the case of the petitioner that the Guidelines issued on 15.10.2015 would be applicable to the case of the petitioner for determining the compensation for Right of Way and Tower Base.

6. It is, at this juncture, Mr.R.Thiagarajan, learned Senior counsel for the second respondent submitted that G.O.(Ms.).No.63, Energy (A1) Department, dated 22.11.2017, issued by the State Government specifically says that the said G.O. will be applicable only to the new projects with prospective effect, therefore, the compensation at 85% of land value, as determined by the District Magistrate or any other authority based on Circle rate/Guidelines value/Stamp Act for Tower Base area, cannot be extended to the petitioner. I do not agree with this submission for the following reasons.

7. Given the context of the case, it is relevant to see what was argued by the second respondent herein/Powergrid NM Transaction Limited, Yeshwantpur, Bengaluru, before this court in the earlier writ petition No.7685 of



2016. Paragraph Nos.6 to 9 of the order dated 29.03.2016 passed in the above said writ petition are extracted below:

"6. Thus, in terms of the above guidelines, compensation at 85% of land value, has to be determined by the District Collector or District Magistrate, based on Circle rate/Guideline Value/Stamp Act rates for tower base area (between four legs) impacted severely due to installation of tower/pylone structure. Further, the compensation towards diminution of land value in the width of right of way (ROW) corridor due to laying of transmission lines and imposing certain restriction, would be decided by the States, as per categorization/type of land in different places of States, subject to a maximum of 15% of land value, as determined based on circle rate/guidelines value/stamp Act rates.

7. Therefore, the submission of the learned counsel appearing for the petitioner is that, compensation ought to have been determined in terms of the aforesaid guidelines notified by the Government of India, dated 15.10.2015.

8. The second respondent has filed a counter affidavit, justifying their action, which need not be gone into at this stage, since already the work towards the erection of transmission tower is in progress. All that



has to be seen is as to the stand taken by the second respondent is with regard to the effect of the guidelines issued by the Government of India, dated 15.10.2015. To find this aspect, it would be suffice to refer to para Nos.14 and 15 of the counter affidavit wherein, the second respondent has accepted that they would pay the compensation in terms of the guidelines on determination of the same by the District Magistrate/District Collector, however, they seek to restrict only to para 2 (i) of the said guidelines. While the second respondent accepts that they are bound by the abovesaid guidelines, they cannot restrict it by stating that the claim should be made by the petitioner only in terms of para 2 (i) of the guidelines. The petitioner, being the land owner, it is well open to him to invoke all provisions, which according to him, are applicable to the land in question and make a claim for compensation before the District Collector/first respondent.

9. Further, it has to be pointed out that, so far as the award of compensation mentioned in the impugned order, the District Collector in the penultimate para, has made vague observation, stating that the petitioner is entitled to proper compensation. Therefore, to that extent, the order passed by the District Collector is



held to be not tenable, as it is inconsistent with regard to the manner in which the compensation has to be determined as per the guidelines framed by the Government of India. Accordingly, while upholding the order passed by the District Collector to the aforesaid extent, there will be a direction to the petitioner to submit his claim statement before the first respondent/District Collector, in accordance with the guidelines framed by the Government of India, dated 15.10.2015, along with a copy of this order, clearly setting out as to what is the basis of his claim, and the petitioner is entitled to invoke all the clauses under the guidelines. On receipt of such claim statement, the first respondent shall issue notice to the second respondent, and after affording an opportunity to file their reply/counter, and thereafter, shall issue notice to the petitioner and the second respondent, fixing a date for hearing the parties in person, direct the second respondent to produce all documents, including the building valuation report, and after perusing all the documents, hear the parties in full, and pass a reasoned order, by strictly adhering to the guidelines prescribed by the Government of India. The first respondent is directed to give the second respondent, three weeks' time to file reply/counter, and after receipt of the claim statement from the petitioner and



after reply/counter affidavit is received from the second respondent, after serving a copy of the same to the petitioner in advance, the first respondent shall fix a date of hearing within a period of 10 days thereafter, and after hearing all the parties in full, shall pass appropriate orders within two months from the date on which hearing is concluded."

A perusal of paragraph No.8 of the order clearly says that the second respondent/Powergrid NM Transmission Limited, Yeshwantpur, Bengalur, has already accepted that they would pay the compensation to the petitioner for the Right of Way and Tower Base in terms of the Guidelines notified by the Government of India dated 15.10.2015. At this stage, learned Senior Counsel for the second respondent requested this Court to restrict the benefit only to the petitioner and not to be treated as a precedent for all other cases.

8. Learned counsel for the petitioner submitted that along with the petitioner, his son's representation is also pending with the first respondent, therefore, a direction may be given to the first respondent to consider the same as well in terms of the Guidelines notified by the Government of India dated 15.10.2015.



9. In view of the aforesaid facts and circumstances of the case, this Court, without going into the applicability of G.O.(Ms.).No.63, Energy (A1) Department, dated 22.11.2017, directs first respondent to consider the claim of the petitioner on the basis of the Guidelines notified by the Government of India dated 15.10.2015 and pay the compensation with regard to Right of Way for Transmission Lines and Tower Base area, within a period of eight weeks from the date of receipt of a copy of this order.

10. With the above directions, the writ petition is disposed of. No Costs. WMP.No.19670 of 2018 is closed.

12.04.2019

rkm

सत्यमेव जयते

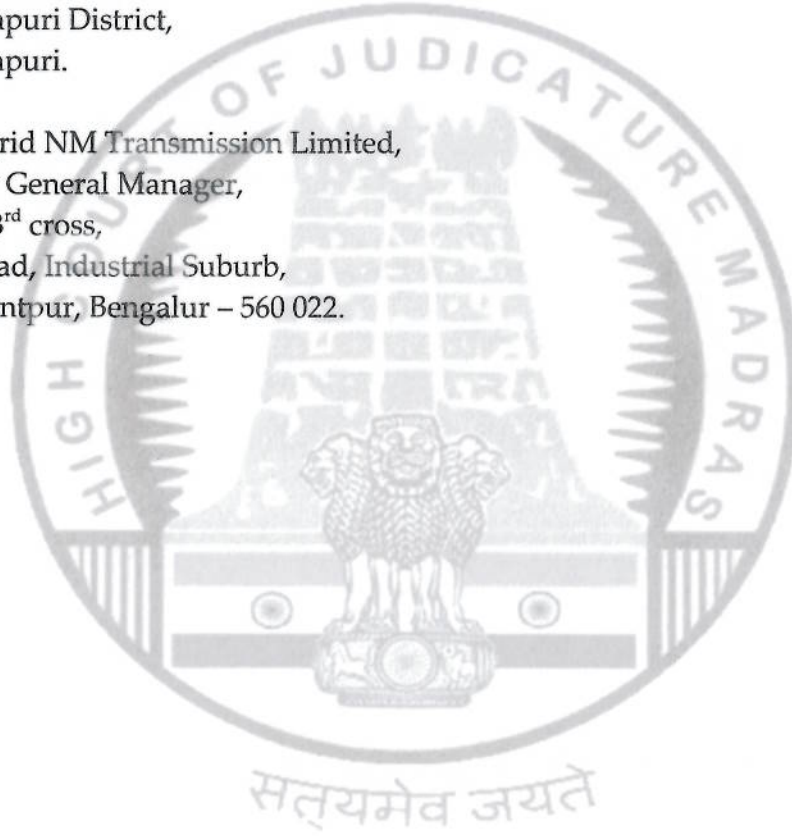
WEB COPY



To

1.The District Collector,
Dharmapuri District,
Dharmapuri.

2.Powergrid NM Transmission Limited,
Rep. By General Manager,
No.62, 3rd cross,
MEI Road, Industrial Suburb,
Yeshwantpur, Bengalur – 560 022.



WEB COPY

[Handwritten signature]



Form-I

Particulars	
1. Name of the Petitioner/Applicant	POWERGRID NM Transmission Company Limited
2. Address of the Petitioner/Applicant	C/o ED (TBCB), Power Grid Corporation of India Limited, Saudamini, Plot no.2, Sector -29 Gurgaon 122001
3. Subject Matter	Petition under Section 63 and Sections 79 (1) (c) and (d) of the Electricity Act, 2003 read with Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 for allowing cost overrun and the approval of increase in tariff adopted for Nagapattinam-Salem-Madhugiri Transmission System on account of Force Majeure and Change in Law events in terms of the liberty granted vide Order dated 11.03.2023 passed by this Hon'ble Commission in Petition No. 333/MP/2019.
4. Petition No., if any	
5. Details of generation assets (a) generation station/units (b) Capacity in MW (c) Date of commercial operation (d) Period for which fee paid (e) Amount of fee paid (f) Surcharge, if any	N.A.
6. Details of transmission assets (a) Transmission line and sub-stations (b) Date of commercial operation (c) Period for which fee paid (d) Amount of fee paid (e) Surcharge, if any	765 kV D/C Nagapattinam Pooling Station - Salem 765 kV S/C Salem - Madhugiri
7. Fee paid for Adoption of tariff for (a) Generation asset (b) Transmission asset	N.A.
8. Application fee for licence (a) Trading licence (b) Transmission licence (c) Period for which paid (d) Amount of fee paid	N.A.
9. Fee paid for Miscellaneous Application	Yes
10. Fees paid for Interlocutory Application	N.A.
11. Fee paid for Regulatory Compliance petition	N.A.
12. Fee paid for Review Petition	N.A.
13. Licence fee for inter-State Trading (a) Category	

hshah



(b) Period (c) Amount of fee paid (d) Surcharge, if any	N.A.
14. Licence fee for inter-State Transmission (a) Expected/Actual transmission charge (b) Period (c) Amount of fee paid (d) Surcharge, if any	N.A.
15. Annual Registration Charge for Power Exchange (a) Period (b) Amount (c) Fee paid (d) Surcharge, if any	N.A.
16. Details of fee remitted (a) UTR No. (b) Date of remittance (c) Amount of remitted	SBIN424131569438 10.05.2024 3,00,024/-

POWERGRID NM Transmission Company Limited



BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

3rd AND 4th FLOOR, CHANDRALOK BUILDING

36, JANPATH, NEW DELHI – 110 001

PETITION NO. /MP/2024

IN THE MATTER OF:

POWERGRID NM Transmission Company Limited,
(Previously known as Nagapattinam – Madhugiri
Transmission Company Limited)

- Petitioner

Versus

IL & FS Tamil Nadu Power Company Limited & Ors.

- Respondents

VAKALATNAMA

I, K Nagraj Bhat, working as Chief General Manager, in POWERGRID NM Transmission Company Limited, the Petitioner in the above petition do hereby appoint and retain R Associates, namely, Ms. Poorva Saigal, Mr. Shubham Arya, Ms. Pallavi Saigal, Mr. Ravi Nair, Ms. Reeha Singh, Ms. Anumeha Smiti and Mr. Devyanshu Sharma Advocate/s to appear, plead and act for me/us in the above petition/application and to conduct and prosecute all proceedings that may be taken in respect thereof and applications for return of documents, enter into compromise and to draw any moneys payable to me/us in the said proceeding also to appear in all applications for review and for leave to the Supreme Court of India in all applications for review of judgment.

Place: Bengaluru

Date: 13.05.2024

Executed in my presence.



(Address for service on the Counsel for
Appellant/Respondent. Furnish
C-61, LGF Jangpura Extension
New Delhi - 110014
Phone No. 011-40743543
Email: office@rassociates.in)

Shubham Arya
D/1441/2015

D/3053/2013
Poorva Saigal

Ravi Nair
D/2338/2020

Pallavi Saigal
D/3658/2019

Anumeha Smiti
D/10674/2022

Devyanshu Sharma
D/3544/2023

Reeha Singh
D/10671/2022