

अरुणाचल प्रदेश ARUNACHAL PRADESH

**MEMORANDUM OF AGREEMENT (MOA)
BETWEEN GOVERNMENT OF ARUNACHAL PRADESH
AND
M/s DEVI ENERGIES PVT. LTD.
FOR EXECUTION OF
DIKSHI HYDRO ELECTRIC PROJECT (24 MW)
ON BOOT BASIS**

This Memorandum of Agreement (MoA) (hereinafter referred to as the 'Agreement') is entered on 17 Day of the month of April in the Year 2011 (Two Thousand Eleven) by the between

The Governor of Arunachal Pradesh, represented by **Secretary (Power)** hereinafter referred as "GOAP" which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees) of the **FIRST PART**

AND

For Devi Energies Pvt. Ltd.
[Signature]
Managing Director

Devi Energies Pvt. Ltd., a company incorporated under the companies Act 1956 and having its Corporate office at 6-164, Sudarshan Reddy Nagar, Chintal, Hyderabad-500 054 (hereinafter referred to as '**Company**' which expression shall, unless repugnant to the context or meaning thereof, include its successors, nominees and permitted assignees) including without limitation the Special Purpose Vehicle (SPV) to be created for execution of **Dikshi Hydro Electric Project (24 MW)** of the **SECOND PART**;

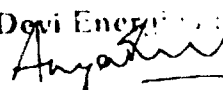
"GOAP" and "Devi Energies Pvt. Ltd." shall be individually referred to as "Party" and collectively as "Parties".

WHEREAS

- I) The Government of India ("GoI") has launched the "50,000 MW Hydro-electric Initiative" with the objective of increasing the hydro power capacity in India (Country) out of which more than half the capacity has been identified in the State of Arunachal Pradesh ("State") itself.
- II) **GoAP** has earmarked certain Projects for allocation to private developers for the development of Hydro Power Projects in the State, which will generate economic activity in the State leading to its growth and will also serve as an engine to achieve the objective of promoting all round development in the State and the Country ; and
- III) **Devi Energies Pvt. Ltd.** has expressed its interest in development of Hydro Power Project with capacity to generate 24 MW power over Phudung river in West Kameng District, Arunachal Pradesh, known as Dikshi Hydro-Electric Power project, hereinafter referred to as "Project", subject to establishment of feasibility at their own cost.
- IV) **GoAP** has approved the engagement of **Devi Energies Pvt. Ltd.** to execute the project on Build, Own, Operate and Transfer (BOOT) basis.

NOW THEREFORE, it is agreed by and between the Parties hereto as under:



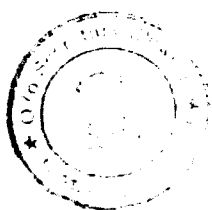
For Devi Energies Pvt. Ltd. Page 2 of 25

 Managing Director

Article I

INTERPRETATIONS AND DEFINITIONS.

1. INTERPRETATIONS

- 1.1.1 The nomenclature of this Agreement, headings and paragraph numbers are only for the convenience of reference and shall be ignored in construing or interpreting this Agreement.
- 1.1.2 Reference to persons and words denoting natural persons shall include bodies, corporate, partnerships, joint ventures, statutory and other authorities and entities ("Persons").
- 1.1.3 Reference to any enactment, ordinance or regulation or any provision thereof shall include any amendment thereof or any replacement in whole or in part.
- 1.1.4 Reference to Recitals, Articles, Clauses or Sub-clauses shall unless the context otherwise requires, be deemed to include the Recitals, Articles, clauses, or Sub-clauses of this Agreement.
- 1.1.5 The words importing singulars shall include plurals and vice-versa, as the case may be.
- 1.1.6 Terms beginning with capital letters and defined as per Clause 1.2 of this Agreement shall have the same meaning ascribed thereto, and any terms not defined in the Agreement would have the same definitions as has been approved in the Electricity Act, 2003 ("The Act").
- 1.1.7 Any reference at any time to any agreement, deed, instrument license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplement, modified or suspended at the time of such reference provided that this Clause shall not operate to increase liability or obligations of any Party hereunder or pursuant hereto in any manner whatsoever.



Secretary,
Govt of Andhra Pradesh
Hyderabad

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For Devi Energy Pvt. Ltd.

A handwritten signature in black ink, likely belonging to the Managing Director of Devi Energy Pvt. Ltd.

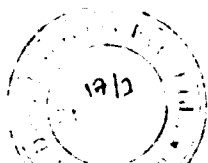
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Managing Director

- 1.1.8 Any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from or by any Party shall be valid and effectual only if it is in writing and under the hands of duly authorized representatives of such Party in this behalf and not otherwise.
- 1.1.9 Any reference to any period commencing 'from' a specified day or date and "till" or "until" a specified day or date shall include both such days or dates.

1.2 DEFINITIONS.

In this Agreement the following words and expressions and unless repugnant to the context or meaning thereof, shall have the meanings hereinafter respectively assigned to them:

- 1.2.1 **"Agent"** means the authorized representative or such other Authority as may be appointed by the State Government for the purpose of this Agreement.
- 1.2.2 **"Agreement"** means this agreement together with any amendments made thereto in accordance with the provisions herein contained;
- 1.2.3 **"Agreement period"** shall have the meaning as specified in Article 3;
- 1.2.4 **"Central Govt."** means the Government of India;
- 1.2.5 **"CEA"** means the Central Electricity Authority constituted under Section 3 of the Electricity (Supply) Act 1948 and which has been defined to be Central Electricity Authority under section 70 (2) of Electricity Act, 2003 or its successors, administrators or assignees ;
- 1.2.6 **"Commercial Operation"** means the state of Unit/Project when Unit/Project is capable of delivering Active power and Reactive Power on a regular basis after having successfully completed the commissioning tests as per Prudent Utility Practices.
- 1.2.7 **"Commercial Operation Date (COD)"** means the date on which the commercial operation of Unit (s)/Project as the case may be, is achieved by the Company.
- 1.2.8 **"Company"** will mean a company incorporated under the companies Act, 1956 and



For Devi Energies Page 4 of 25

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Managing Director

having its corporate office at 6-164, Sudarshan Reddy Nagar, Chintal, Hyderabad-500 054

1.2.9 **"Detailed Project Report (DPR)"** means the Detailed Project Report pertaining to the project under this Agreement to be submitted by the Company and to be approved by the competent authority of the State Government;

1.2.10 **"Dispute"** shall have the meaning as specified in Article 13;

1.2.11 **"Evacuation System"** means the network of power transmission lines and sub-stations for transmitting the electrical output from the Interconnection Point up to main load centre(s);

1.2.12 **"Financial closure"** means the date on which the Financing Agreements have been duly executed and the Company has access to such funding under the Financing Agreements;

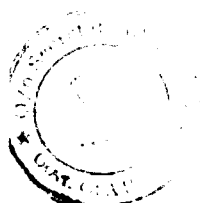
1.2.13 **"Financing Agreement"** means the loan agreements, notes, indentures, security agreements, letters of credit equity arrangements and other documents relating to the financing(including refinancing) of the project and the capital cost or any part thereof, as amended, supplemented or modified from time to time and approved by the competent authority;

1.2.14 **"Force Majeure"** shall have the meaning as ascribed thereto in article 11;

1.2.15 **"GOI"** means the Government of India;

1.2.16 **"Interconnection Facilities"** means all the facilities which shall include without limitation, switching equipment communication, protection, control and metering devices etc. at the Interconnection Point(s) in the switchyard of the generating stations to be installed and maintained at the cost of the Company to enable evacuation of Power output from the Project in accordance with this Agreement;

1.2.17 **"Law"** means any act rule regulation, notification, order or instruction having the force of Law enacted or issued by any competent legislature. Government or statutory authority in India and pronouncement of judicial / Quasi judicial authorities;



For Devi Energies Page 3 of 25

Angela
Managing Director

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1.2.18 **"Month"** means the English Calendar month;

1.2.19 **"Parties"** mean the State Government and the Company collectively;

1.2.20 **"Party"** means the State Government and / or the Company individually;

1.2.21 **"Power Purchase Agreement (PPA)"** means a contractual agreement to be signed by the Company with an electricity consumer, trader or any other parties permitted under the statute to purchase the power generated from the project;

1.2.22 **"Persons"** means and includes natural persons, bodies, corporate, joint ventures, statutory and other authorities and entities;

1.2.23 **"PFR"** means the pre feasibility report pertaining to the project under this Agreement;

1.2.24 **"Project"** means the Dikshi Hydro Electric Project (24 MW) proposed to be established on Phudung river in the West Kameng District of Arunachal Pradesh between elevation EL 1730 m (FRL) and EL 1590 m (TWL) including complete hydroelectric power generating facility covering all components such as dam, intake works, water conductor system, power station, generating units, project roads, bridges, offices, residential facilities, stores, guest houses, security office and other connected facilities including the Interconnection Facilities. The levels are indicative of outer boundary only;

1.2.25 **"Prudent Utility Practices"** means those practices, methods, techniques and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring safe, efficient and economic design, engineering, construction, commissioning, testing, operation and maintenance of various component of the project of the type specified in this agreement and which practices, methods and standards shall be adjusted as necessary to take account of,

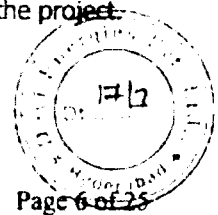
I. Installation, operation and maintenance guidelines recommended by the manufacturers of the plant and equipments to be incorporated in the project.

II. The requirement of Indian Law.

Secretary
Government of India

For Devi Energies Pvt. Ltd.

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Managing Director



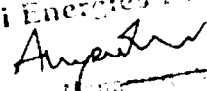
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1.2.38 "LCT" means letter of comfort on transmission.

Article 2

GENERAL TERMS AND CONDITIONS OF THE AGREEMENT.

- 2.1 The State Govt. hereby grants permission to the Company Devi Energies Pvt. Ltd. to undertake preliminary investigation for preparation of the Pre- feasibility Report, detailed investigation for DPR preparation, financing and subsequent development, commissioning, implementation, operation and maintenance of **Dikshi Hydro Electric Project (24 MW)** in **West Kameng District**, Arunachal Pradesh.
- 2.2 The project shall be implemented by **Devi Energies Pvt. Ltd.** on BOOT (Build, Own, Operate and Transfer) basis for a lease period of **50(fifty)** years from the Commercial Operation Date (COD). The project shall be reverted to the State Govt. on expiry of above lease period, free of cost, in good working condition.
- 2.3 The entire cost of investigation, DPR preparation, project implementation and subsequent operation and maintenance of the project will be borne by **Devi Energies Pvt. Ltd.**
- 2.4 The project shall be developed as run-off-the-river (ROR) Scheme in tune with the State Govt. policy to develop the project in the most environment, eco, and people friendly manner.
- 2.5 The DPR of the project shall be submitted by **Devi Energies Pvt. Ltd.** to the State Govt., prior to commencement of implementation of the project for its consent which shall not be unreasonably withheld.
- 2.6 All clearances required from the Central Govt. in connection with the project implementation shall be arranged by the Company itself. The State Govt. shall accord necessary clearances under its purview within a reasonable period. The State Govt. shall extend all need based assistance in obtaining such clearances including licenses, approvals, sanctions, permits etc. as may be required for the

For Devi Energies Pvt. Ltd. Page 8 of 25

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project.

- 2.7 The Company shall make available information regarding water discharge regularly to the State Govt.
- 2.8 The State Govt. or its agents or a person authorized by the State Govt. in that behalf shall be free to investigate survey and implement other projects of any nature either upstream or downstream of the project, provided that it shall not have any adverse impact on implementation, operation and maintenance of the Project.
- 2.9 The company shall allow the State Govt., its officers/staffs of authorized agents to use the roads and facility such as Post Office, School and Dispensary etc. that may be provided by the company as a part of the project. The State Govt. and its authorized agent shall be allowed to inspect the project and its site(s) upon advance notice.
- 2.10 The Company shall not incur any kind of financial liabilities in the name of the State Govt., in the execution and subsequent operation and maintenance of the project.
- 2.11 The Company will not be allowed to sell and transfer the power plant to any other party/parties without the prior permission of the State Govt. However, the Company shall be allowed to mortgage the power plant to the Lenders for availing financial assistance to meet the cost of the project with prior consent of the State Govt. Further, the Company shall not be permitted to transfer the project under this agreement to any third party (other than SPV formed by the Company for development of the project as permitted under this agreement) for development without prior concurrence of the State Govt.
- 2.12 The Company shall make available to the State Government, for its use free of cost, an additional bay of suitable rating or other mutually acceptable arrangement.
- 2.13 The Company shall ensure that the execution, operation and maintenance of the



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project is in conformity with Prudent Utility Practices and the manufacturer's specifications.

2.14 The Company shall ensure proper quality control and safety measures during implementation of the project including any geological study, construction and testing at sites. The State Govt. shall have the right to institute an appropriate mechanism to ensure the compliance by the Company in this regard.

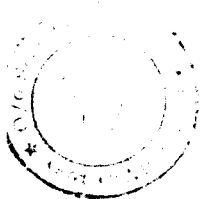
2.15 The Company shall make suitable financial provision in the project cost, if required, for the catchments area treatment plans in consultation with the State Forest & Environment and Wild Life Management Department as approved by the Ministry of Environment & Forests, Govt. of India. The cost involved on this account shall be paid by the Company to the concerned authorities of the Govt.

2.16 The Company shall carry out Environmental Impact Assessment (EIA) in association with the State Environment & Forest Department and Wildlife Department as required under the Environment (Protection) Act, 1986 through consultant(s) drawn from a reputed organization and obtain the consent of State Pollution Control Board.

2.17 The Company shall be responsible for maintaining the ecological balance by preventing deforestation, water pollution and defacement of natural landscape in the vicinity of works. The Company shall take all reasonable measures to prevent any unnecessary destruction, scarring or defacement of the natural surroundings in the vicinity of the works.

2.18 The Company shall ensure such minimum flow of water immediately downstream of the dam/barrage for downstream requirements as shall be specified in the environmental clearance. The Company shall take appropriate steps as may be required for the protection of fish culture as per environmental requirement.

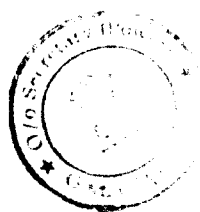
2.19 The Company shall ensure that the water requirement for the construction of the project including potable drinking water shall be generally arranged and harnessed



For Devi Energy Page 10 of 25
Angela
 Managing Director

by them from the river source. The local sources of water supply may be utilized by the Company only to the extent it does not adversely affect the local people.

- 2.20 The Company shall ensure that the materials excavated from the site shall be dumped in the area duly approved by the State Pollution Control Board.
- 2.21 The Company shall ensure that the land is used only for the project and activities ancillary to the project.
- 2.22 The Company shall ensure that the taxes as per law are deducted at source from the payments made to the contractors and deposit the same to State Govt. /other statutory authorities.
- 2.23 The Company shall be permitted to create a Special Purpose Vehicle (SPV) for implementation of this project under this agreement. The State Govt. agrees to transfer / issue all such permission / approvals relating to the project as may be required in the name of such Special Purpose Vehicle.
- 2.24 The Survey & Investigation activities should be started immediately and not later than 6(six) months from the date of signing of the MoA, failing which the MoA signed will be cancelled / withdrawn.
- 2.25 In the event of failure to implement the project for any reason by the Company, no other project will be allotted to the Company in lieu of the projects under consideration.
- 2.26 The DPR of the project submitted for System Co-ordination & Techno-Economic Clearance (SC & TEC) shall be scrutinized by a Standing Committee on Technical & Economic Affairs appointed by the State Govt. before submitting the DPR to the Government. This Committee shall look into all facts of the project viz. (a) Coordinated system planning of the Project, (b) Technical soundness of the Project and (c) Economy of the Project.
- 2.27 Construction of roads to the projects sites and laying infrastructure necessary for execution of the project will be the sole responsibility of the company and the



Chief Engineer
Power and Production

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For Devi Energies Pvt. Ltd.
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Managing Director

Government will not have any bearing on that.

- 2.28 As the capacity as well as the reach of the river mentioned in this agreement is tentative, it will be optimized while preparing Pre Feasibility Report / Detailed Project report. Based on techno-economic consideration, if it is considered to be more economical & more viable to optimize the power potential in the river, for such optimization of the capacity, formal approval of the State Government if required, shall be obtained prior to implementation.

Article 3

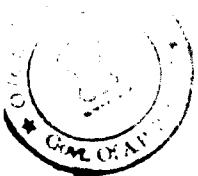
LAND ACQUISITION AND PERIOD OF AGREEMENT / LEASE

- 3.1 The Site required for the construction, operation and maintenance of the project and for the associated works as will be assessed by the Company shall be transferred by the State Govt. to the Company on lease basis against payment of land revenue as per approved rate of State Govt. The period of lease will cease with the project getting reverted to the State Government. The Company shall be entitled to mortgage the land to the lenders/financers of the project with prior consent of the State Govt. subject to the condition that such period of mortgage shall not exceed the lease period. The State Govt. shall acquire for the Company under the land acquisition Act, 1894 as in force and as per Bengal Eastern Frontier Regulation, 1873 (5 of 1873) at the expense of the Company such private lands within the State of Arunachal Pradesh, as may be required from time to time by the Company for the construction, operation and maintenance of the project.
- 3.2 This agreement shall automatically expire on completion of the Lease Period as defined in Clause 2.2

Article 4

ADHERENCE TO REGULATIONS OF THE CENTRAL & STATE GOVT.

- 4.1 The Company shall strictly comply with the statutory regulations of the Central Govt. and the State Govt. while implementing the project.

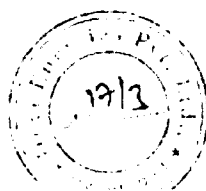


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- 4.1.1 The Company shall strictly comply with the provision of the Forest (Conservation) Act, 1980. The Company shall also pay the cost of raising the Compensatory Afforestation including payment of the Net Present Value (NPV) of the forest land being diverted for non-forest purpose under the Forest (Conservation) Act, 1980. The Company shall also pay the royalty on the forest produces such as timber, ballies, and all river bed materials etc as per prescribed rates of the State Govt. in force from time to time. If any precious and semi-precious minerals/stone etc is found from the river beds and/or from the land acquired for and transferred to or leased out to the Company for the purpose of construction and maintenance of the project or in case any object of archeological importance is found by the Company or any of its employees / contractors / sub-contractors during the course of construction/operation of the project, the Company shall hand over the same to the Govt. of Arunachal Pradesh.
- 4.1.2 The provision relating to labour welfare existing as in force under the labour Laws/Acts shall be strictly adhered to by the Company during the implementation/operation and maintenance of the project.
- 4.1.3 The provisions of the Electricity Act, 2003 will be diligently adhered to during implementation and subsequent operation and maintenance of Hydro-electric station.
- 4.2 The fishing, recreational and navigational rights, tourism prospects in the river, water channel, reservoir, lake, etc. shall remain vested in the Govt. of Arunachal Pradesh subject only to such restrictions as may be necessary for the operational requirements and safety and security of the project and the general guidelines of the Govt. of Arunachal Pradesh.
- 4.3 The Company shall comply with the Hydro Electric Power Policy of the State Govt. as would be in force at the relevant point of time, during the course of implementation and subsequent operation and maintenance of the Hydel station.

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For Devi Energies Page 13 of 25
Amratan
Managing Director.

Article 5**FREE POWER TO THE STATE, EVACUATION & TRADING OF POWER**

- 5.1 The Company shall be allowed a moratorium period of 1 (one) year which shall be counted from the scheduled Commercial Operation Date (COD) as per MOA, after which, the State Govt. shall be given free power @ 10% in lieu of the distress caused as per Small Hydro Power Policy 2007 of the State. The period of moratorium shall get reduced to the extent of the period of delay with respect to the scheduled COD as per MOA. The free power shall be calculated at the bus bar and all taxes, duties, levies and costs in respect of the free power and towards its evacuation shall be borne by the State Government.
- 5.2 The State Govt. will have the first right to purchase the power generated from the project if the State Govt. so desire on mutually agreed terms and conditions. The State Govt. shall exercise its aforesaid right within 90 days of receipt of such offer from the Company after the DPR is approved from all angles. A separate Power Purchase Agreement (PPA) will be entered into for such purchase of the power between the State Govt. and the Company on mutually agreed terms and conditions. In case the Company and the State Govt. do not arrive at a mutually agreed terms and conditions for the said PPA within 90 days of receipt of the offer, the Company shall be entitled to sell the power from the project to any other party at its discretion.
- 5.3 The Company shall be responsible for developing evacuation system for the project and liaise with the appropriate authorities for the evacuation of the power from the generating point. However, in the event of utilizing the infra-structure of the State Govt., necessary charges as mutually agreed shall be paid to the State Govt. The entire cost of grid interfacing, if so required, including cost of maintenance of the evacuation system will be the responsibility of the Company. However, in case the power generated from the project is purchased by the State Govt., the State Govt. shall be responsible for evacuation of power from the bus bar onwards at its own cost.
- 5.4 The Company shall allow the State Govt. to use its evacuation system and other

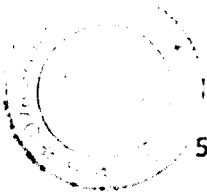
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infrastructures to the extent feasible, after accounting for the Company's requirements for evacuation of power generated from the project, if required by the State Govt. on payment of necessary charges by the State Govt. Such charges shall be mutually decided subsequently and a separate agreement entered into.

- 5.5 It shall be the responsibility of the Company for the trading and sale of the power generated from the project. The State Govt. will not be in any manner responsible for the sale and trading of the power on behalf of the Company.
- 5.6 The Company shall not be allowed to sale and transfer the power plant to any other party / parties without the prior permission of the State Government.
- 5.7 The State Transmission Utility (STU) and the Company shall enter into a proper understanding / Agreement about Power Evacuation System and open excess facility / availability before the Company takes final investment decision. In this connection, a Letter of Comfort on Transmission (LCT) has to be obtained from the STU within one month from the date of signing the MOA. The extent of Transmission System which may be necessarily a part of the project shall be specified in the LCT, the cost of which shall be borne by the company. In other words, the company shall take the responsibility of constructing / extending the required transmission network from the project up to the point of sale specified in the LCT.
- 5.8 The existing transmission system or the systems built for the purpose and other allied facilities shall be made available to the Company for Open Access and wheeling of power. The Company shall have to enter into an agreement with the STU on payment at a wheeling rate as may be determined by the SERC/State.
- 5.9 The State Government shall open Letter of Credit in favour of the Company in the state Bank of India, Itanagar for an amount which would be specified in the PPA for regular transactions of power purchased from the Company as the case may be.
- 5.10 Banking of power shall not be allowed without prior permission of the State



For Devi Energy Page 15 of 26

Angathur
Managing Director

Government.

Article 6
SELF IDENTIFICATION OF PROJECT

- 6.1 The project is a self-identified by the Company on its own. As such, the State Govt. shall not be responsible in any manner if the power potential gets reduced after the DPR is done.

Article 7
RECRUITMENT OF PROJECT PERSONNEL / AWARD OF WORK

- 7.1 The Company shall engage at least the following technical personnel, either as permanent employees or partners in the organization.

Civil Engineer (Degree holder) - 1 No.
With minimum 5 years experience in power project

Electrical Engineer (Degree holder) - 1 No.
With minimum 5 years experience in power project

Civil Engineer (Diploma holder) - 1 No.
With minimum 5 years experience in power project

- 7.2 The Company shall reserve the following categories of posts against the project to be filled up by the local tribal people, subject to the incumbents fulfilling the job requirements and considered suitable by the Company as per the criteria given below.

(a) Managerial/Professional post	...	25%
(b) Ministerial/Clerical post.	...	50%
(c) Skilled jobs.	...	25%
(d) Unskilled jobs.	...	75%

- 7.3 The Company shall give preference to the local contractors fulfilling the eligibility



For Devj Energies Page 16 of 25
Amrinder
Managing Director

criteria in the award of the work except for the specialized jobs.

- 7.4 The project affected eligible candidates shall be given preference over others against the above mentioned reservation in various categories of posts/jobs.
- 7.5 Subject to the job requirements and fulfillment of job criteria, willing technical and non-technical personnel of the State Government shall be taken on deputation by the developer on recommendations of the State Government.

Article 8

REHABILITATION & RESETTLEMENT OF PROJECT AFFECTED FAMILIES

- 8.1 The Company shall earmark a reasonable amount for the social works in accordance with the National Policy on Rehabilitation & Resettlement - 2003 (NPRR - 003). The company shall also adhere/conform to the local laws of the State.
- 8.2 Rehabilitation & Resettlement plan if any, of the oustees from the project/project affected families shall be executed by the State Government as per the approved rehabilitation and re-settlement plan at the cost of the Company, keeping in view the latest guidelines issued by Govt. of India on the subject. The R&R plan shall in any case be not inferior to the National Policy on Rehabilitation & Resettlement-2003 of the Central Govt.
- 8.3 It will also be mandatory for the Company to follow the provisions of the Rehabilitation and Resettlement Policy, 2008 of Government of Arunachal Pradesh scrupulously.

Article 9

LAW & ORDER

- 9.1 The State Government would make arrangement to maintain general law and order in and around project area for security and safety of properties of the project, protection of life of the workers and experts/ Engineers/Officers during execution, commissioning and subsequent operation and maintenance. However, if any special security arrangement is required by the Company within the project premises, such arrangements shall be made by the State Govt. at the cost of the Company.



Secretary, P.W.D.
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For Devi Energy Ltd. Page 17 of 25
Amrinder
Managing Director

Article 10

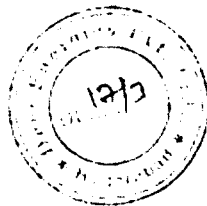
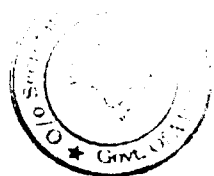
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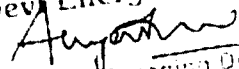
- 10.1 The Company shall be fully responsible for any damage or loss arising out of the construction, operation or maintenance of the project to any property or person and the Company also undertakes to indemnify the Govt. of Arunachal Pradesh on such account.
- 10.2 The widening, strengthening and construction of the National Highways, State Highways and Bridges and other roads, if required by the Company, shall be executed by the appropriate State Govt. or Central Govt. agency on payment of cost and departmental charges in advance by the Company as per the estimate to be prepared by the executing State / Central Govt. agency. However, if the Company so desires to do the above activities at its own cost and if permissible under rule, the Company shall be permitted to do so. If any damage to the road and other Govt. and/or public property is done for which only the Company is responsible, it shall be got repaired by the Company at its own cost.
- 10.3 The Company shall be liable and responsible for all its acts, neglects, omissions and commissions and for the neglects, omissions and commissions of its contractors and employees.

Article 11

FORCE MAJEURE

- 11.1 The Force Majeure situation such as earth quake, flood, fire, explosion, epidemic, cyclone, external invasion, civil commotion, riots, landslide etc., which are beyond the reasonable control of the Company shall excuse the Company from performance of its obligations to the extent prevented, delayed or interfered with for the period of Force Majeure conditions persist. The Company shall make its best efforts to remove such cause of Force Majeure as expeditiously as possible and shall continue performance hereunder with due diligence whenever such causes are removed.



For Devi Energies Pvt. Ltd.,

 Managing Director

Article 12

TERMINATION OF AGREEMENT AND TAKING OVER OF THE PROJECT

- 12.1 The Company shall achieve the financial closure within a period of 12 (twelve) months from the date of receipt of the Techno-economic Clearance (TEC), if required, from the Central Electricity Authority (CEA), approvals from Ministry of Environment and Forest (MoEF) and other statutory clearances. In the event that it is confirmed as impossible or impractical to achieve Financial Closure or if the Financial Closure is not achieved on or before the expiry of twelve months from the aforesaid date, for the reasons other than those attributable to the Government of Arunachal Pradesh, the Govt. of Arunachal Pradesh reserves the right to terminate the agreement.
- 12.2 In the event of stoppage of the construction works of the project by the Company, within 12 (Twelve) months for reasons not covered under Force Majeure and for reasons attributable to the Company and/or abandonment of the project by the Company, the State Govt. shall, after giving due opportunity to the Company to resume the work, have the right to terminate the agreement. In the event of termination of the agreement under this clause, the Govt. of Arunachal Pradesh shall have the right to take over the project on "As is where is" basis and no claim of the Company shall be entertained. The Govt. of Arunachal Pradesh shall also have the exclusive right to re-allot such project to any other developer.
- 12.3 In case the Company does not commence implementation of the project within a period of 18 (Eighteen) months from the date of signing of this agreement or within a period of 1 (One) year from the date of receipt of all the statutory clearances, such as Forest & Environment, Techno-economic clearance etc, whichever is earlier, the project shall be reverted to the State Govt. on "As is where is" basis along with all the reports, other documents etc, free of cost. However, the above time period shall be automatically extended by the aggregate of the period during which the Company could not take steps to commence

implementation by reason of Force Majeure conditions. Thereafter, the State Govt.



Secretary (Power)
Govt. of Arunachal Pradesh

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For Devi Energies Page 19 of 25
Angar
Managing Director

shall have the exclusive right to re-allot the project to any third party for further development of the project. The Company, if interested, on its own may take necessary steps for reimbursement of its expenditures from such third party without any involvement of the State Govt.

- 12.4 Since the project is self identified project and if the project does not come up due to any reason including failure to obtain MoEF clearance, the State Govt. shall not be bound to refund the processing fee/upfront premium to the Company.

Article 13

RESOLUTION OF DISPUTES & ARBITRATION THEREOF

- 13.1 In the event of any difference / dispute arising between the Parties, the same shall be resolved in accordance with the provisions of the Arbitration and Conciliation Act, 1996, unless the same has been resolved amicably by mutual consultations within 90(Ninety) days of the reference of dispute by either Party. The venue of the arbitration shall be Itanagar. The language of arbitration shall be English. The cost of arbitration shall be shared equally. In case of any litigation, the Gauhati High Court, Itanagar Permanent Bench shall have the sole jurisdiction.

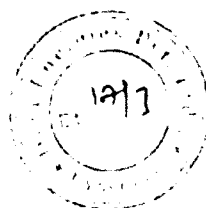
Article 14

CONFIDENTIALITY

- 14.1 Each party hereto agrees that it shall not divulge any trade, commercial or technical secrets or confidential matters of one another to any third party, save and except for the purpose of implementation, operation and maintenance of the Project.



Secretary
Govt of Assam

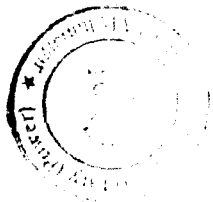


For Devi Energy Pvt. Ltd.
Angur
Managing Director

Article 15

PROCESSING AND UPFRONT FEES

- 15.1 The Company has deposited the prescribed sum of ₹ 1,00,000/- (Rupees One Lakh) only per project as the processing fee and ₹ 9,60,000/- (Rupees Nine Lakhs and Sixty Thousand) only @ ₹ 40,000 /- (Rupees Forty Thousand) per MW as non-refundable upfront payment of the proposed installed capacity of 24 MW vide Demand Draft No. 156071 dtd 03-03-2011 (State Bank of India) for ₹ 9,60,000/- (Rupees Nine Lakhs & Sixty Thousand) only and Demand Draft No. 156072 dtd. 03-03-2011 (State Bank of India) for ₹ 1,00,000/- (Rupees One Lakh) only, Payable at Itanagar towards non-refundable upfront premium including processing fee in favour of Secretary (Power), Govt. of Arunachal Pradesh at the time of the signing of Memorandum of Agreement the receipt of which sum of the State Govt. hereby acknowledges.
- 15.2 In the event of reduction in the capacity of the project, the State Govt. shall not be liable to refund the proportionate reduction in the amount of the upfront premium including the processing fee. However, in the event of capacity addition in the installed capacity of the project, the Company shall obtain approval of the State Govt. for the increased capacity and upon approval of State Govt. shall pay the upfront premium for the increased capacity of the project as prescribed by the State Government as per the relevant Hydro Power Policy in force.
- 15.3 The upfront premium paid shall not form part of the project cost as the loading of the project will have a direct bearing on the cost of generation.
- 15.4 The company shall pay an amount worked out at the rate of 1(one) paise per unit of power sold during every financial year to the State Govt. for raising local area development fund affected by the project.
- 15.5 The Company shall deposit 0.1% subject to ceiling limit of Rs.10.00 crores of the Project Cost as Project Monitoring, Evaluation and Coordination (both technical and financial) fee by Demand Draft in favour of the Secretary (Power), Govt. of Arunachal Pradesh, Itanagar within one month of the finalization of the Detailed Project Report by the CEA/State Govt. as the case may be.



SECRETARY
GOVT. OF ARUNACHAL PRADESH
ITANAGAR

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For Devi Energies Pvt. Ltd.,
Page 21 of 25
Angathu
Managing Director

Article 16.

PENALTY.

- 16.1 The Company shall commission the project within a period of 4 (four) years from the date of receipt of all statutory clearances from State/Central Govt. agencies/authorities, achieving of Financial Closure and availability of land required for the project. In the event of failure on the part of the Company to commission the project within the targeted period, the Company shall be liable to pay penalty @ **Rs. 10,000/- (Rupees Ten Thousand) per MW** per month to the Govt. of Arunachal Pradesh for the extended period of commissioning, except when such delay is caused by Force Majeure events.

Article 17

PROJECT MONITORING COMMITTEE

- 17.1 The State Govt. shall constitute a Project Monitoring Committee with the Secretary (Power), Govt. of Arunachal Pradesh or any other appropriate State Govt. authority as the Chairperson for the purpose of overseeing the progress of the project and sort out the difficulties and issues that could arise with respect to implementation of the project. The Company shall be represented by a senior executive of the Company or its associate companies.

Article 18

GENERAL CONDITIONS

- 18.1 The Company shall be generally liable to pay all the statutory levies viz. royalty on forest products, river bed materials, duties and taxes unless specifically exempted under the incentives provided in this agreement.
- 18.2 Allotment of a project to a Company shall not automatically confer him any territorial rights on both upstream and downstream sides of the project area.
- 18.3 The developers shall facilitate using of tail race water for agriculture / horticulture purpose wherever it is found feasible and necessary.



GOVERNMENT OF ARUNACHAL PRADESH
DEPARTMENT OF POWER



Amayathu

Ranjit
Sharma

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- 18.4 The state Government shall have the right to use the tail race water for any other purpose including the development of hydro projects on its own or allot to some other party.
- 18.5 The Company shall make all necessary protective arrangements on upstream, downstream and tail race areas of the project site to avoid soil erosion and damage to properties.

Article 19

OBLIGATIONS OF THE STATE GOVT.

The Govt. of Arunachal Pradesh hereto recognizes that :

- 19.1 **Dikshi Hydro Electric Project (24 MW)** being a run-off-the- river project shall utilize the flowing water of the river to generate electricity. Such right to utilize water available upstream of the project are granted by the Govt. of Arunachal Pradesh for non-consumptive use only without charging any royalty, duty, cess or levy of any kind of such use of water.
- 19.2 The tariff/or the energy generated at the project during pre-commissioning stage shall be fixed as per the specific guidelines of Govt. of India for such energy for Hydro-Electric Projects.
- 19.3 The State Govt. shall provide assistance, wherever required, to the Company to obtain, in accordance with the prevailing Law and regulations, necessary permits to install and use suitable radio communication systems including satellite communication equipment and walkie-talkies. Any system connecting with the national telecommunication system or any international telecommunication system will be subject to approval / license from the relevant authorities for the issuance of which the State Govt. shall assist.
- 19.4 The State Govt. shall provide assistance, wherever required, to the Company under the Law and regulations, to obtain permission to procure, store and use such



For Devi Energy Pvt. Ltd.
Page 23 of 25
12/3
Anurag
Managing Director

explosives which are required for the project; provided that the responsibility of obtaining such a clearance and making the necessary arrangements shall rest with the Company.

- 19.5 The State Govt. shall provide assistance, wherever required, to the Company in obtaining all necessary import licenses for the project from the relevant Central Govt. authorities to the extent permissible by Law. The Company shall submit a list of such equipments required to be imported for the project to the State Govt. The State Govt. shall provide necessary need based assistance in obtaining the concessions and incentives given by the Central Govt. for setting up of projects in North Eastern States.

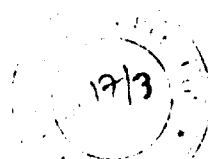
Article 20

OTHER CONDITIONS

- 20.1 The State Govt. can impose an environment cess, according to the Law, which shall not be more than one paisa per unit of electricity sold and shall be collected at the source by the Company and deposited with the State Govt. No other taxes/duties/cess will be levied on the sale of electricity by the Company within the State or outside the State.
- 20.2 Save and except as provided aforesaid none of the parties hereto shall assign their respective rights and obligations hereunder without prior consent in writing of the other party hereto.
- 20.3 The Company shall be governed and bound by the guidelines as may be notified by the Govt. of India or the State Govt. under the relevant Acts from time to time.
- 20.4 In case the installed capacity increases beyond 25 MW, the company has to deposit upfront premium for the entire capacity as per Hydro Power Policy 2008. All other conditions of Hydro Power Policy 2008 will also be applicable for projects above 25 MW capacity.
- 20.5 In the event to transfer of Intellectual Properties related to the project design, data, DPRs etc. the cost of such properties shall be payable to the owner of such properties by the party (parties) to whom it would be transferred.



Secretary (Power)
Govt. of Andhra Pradesh



For Devi Energies Pvt. Ltd.
Page 24 of 25
Managing Director

20.6 The Company hereby covenants that on demand from the Govt. of Arunachal Pradesh, it shall pay the amounts, if any, payable under the Agreement to the Govt. of Arunachal Pradesh failing which the Govt. of Arunachal Pradesh may recover the same from the Company in any legal manner or as arrears of land revenue.

20.7 The Company shall bear the stamp duty on the execution of this agreement.

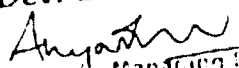
IN WITNESS WHEREOF THE PARTIES THROUGH THEIR AUTHORISED REPRESENTATIVES HAVE SIGNED THOSE PRESENTS ON THE DAY MONTH AND YEAR MENTIONED ABOVE.

FOR AND ON BEHALF OF THE
GOVERNOR OF ARUNACHAL PRADESH

(Tumke Bagra)
Secretary (Power)
Govt. of Arunachal Pradesh
Itanagar.

Signature with seal
Witness

FOR AND ON BEHALF OF
For Devi Energies Pvt. Ltd.


Managing Director
(A. L. Nagaraju)
Managing Director
Devi Energies Pvt. Ltd.

Signature with seal
Witness



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GOVERNMENT OF ARUNACHAL PRADESH
OFFICE OF THE CHIEF ENGINEER (POWER) TRANSMISSION, PLANNING &
MONITORING ZONE
DEPARTMENT OF POWER, VIDYUT BHAWAN :: ITANAGAR

No.CE(P)/TP&M/HEP/W-49/2012-13 / 1052-106 Dtd. Ita, the 12th 12/13

To ✓

Managing Director
Devi Energies Pvt. Ltd,
1-2-234/13/49
Arvind Nagar Colony, Domalguda,
Hyderabad- 500029.

Sub :: Letter of Comfort for connectivity

Dear Sir,

With reference to your request Dtd. 1/12/2012, it is to confirm that your proposed Dikshi Hydro Electric Project (24 MW) shall be provided connectivity from proposed 132/33KV Sub-Station at Bomdila. Space for extra bay would be provided at 132 KV. This Letter of Comfort is issued under the following conditions:-

- 1) That the formal connectivity procedures shall be followed by you as per the SERC regulations or procedures laid down by the State Transmission Utility as may be enforced at the time of your application.
- 2) That you would be abided by the Grid Code notified by the SERC implemented through SLDC Itanagar.
- 3) That you would apply for open access to the SERC/ STU as per the relevant procedures laid down in SERC/CERC regulations.
- 4) That the transmission lines, related Sub-Stations and systems shall conform to the standard practice vetted by the State Transmission System.
- 5) That you would lay optical fiber connectivity from your power Sub-Station to our grid Sub-Station for operation of SCADA and other on line monitoring , communicating and controlling of the systems by the State Load Dispatch Centre/ STS.

- 6) That your power Sub-Station shall be connected with Special Energy Meter at locations specified by the STS as may be laid down in the regulations by the SERC/ STU.
- 7) That your power stations shall be provided with SCADA equipments for the purpose of on-line data acquisition and controls by the SLDC& STS.
- 8) That your power station shall abide by the operational regulations laid down by the SERC during the entire period of operations as per MoU.
- 9) That the transmission system developed by you at your cost between your project and grid Sub-Station shall be operated and maintained by you during the entire period of lease of operations as per the MoU signed with State Government and the same shall be handed over to the STU on expiry of the lease (BOT) period
- 10) Any other issues not mentioned here above, which may become relevance and important for the system stability and economy you shall be bound to abide by such instructions and directions of the STU during the entire BOT period.

Yours faithfully



(Er. Anong Perme)
Chief Engineer (Power)
Transmission, Plg & Mng Zone
Vidyut Bhawan, DoP, Itanagar (A.P)

Copy to:-

- 1) The Secretary (Power), Govt. of AP, Itanagar, for information please.
- 2) The Chief Engineer (Power), WEZ Vidyut Bhawan, Itanagar for information.
- 3) The Superintending Engineer (E), Dirang Electrical Circle, DoP, Dirang, for information.
- 4) The Executive Engineer (E), Tawang Electrical Division, Tawang, for information and necessary action.
- 5) The Executive Engineer (E), Bomdila Electrical Division, Bomdila, for information and necessary action.

Chief Engineer (Power)

No. CE(P)/TPMZ/W-37/2015-16/ 3313-28

Dated. 22/02/16

To,

**The Managing Director
Devi Energies Pvt. Limited
1-2-234/13/49
Arvind Nagar colony, Domalaguda,
Hyderabad-500029,
Andhra Pradesh.**

Sub: Letter of Comfort for Transmission connectivity.


Ref: 1. Your letter No. Nil Dtd 01/12/2012
2. Our LOC No. CE(P)/TP&M/HEP/W-49/2012-13/1052-57 Dtd. 13/12/2013
3. Your letter No. Nil Dtd 05/11/2015

Sir,

In supersession of the earlier LOC issued Vide No. CE (P)/TP&M/HEP/W-49/2012-13/1052-57 dated 13/12/2013 and as per provision of Sec. 5.7 of MoA with GoAP, it is to confirm that Dikshi HEP (24MW) shall be allowed to take a LILO connection with sitting station at the point of connection near Nechipu on Balipara-Khupi 132 KV S/C NEEPCO line subject to further clearance from competent Authorities. This Letter of Comfort is issued under the following conditions:-

- 1) That you will provide a space and corridor for LILO connection at an appropriate location between Tenga and Rupa for connectivity towards Bomdila/Tawang.
- 2) That the formal connectivity procedures shall be followed by you as per the SERC/CERC regulations or procedures laid down by the State Transmission Utility as may be enforced at the time of your formal application for actual connection.
- 3) That you would be abided by the Grid Code notified by the SERC/CERC, implemented through SLDC/NERLDC, for operation of your plant and the systems.
- 4) That you would apply for Open Access to the NERLDC/SLDC/SERC/CERC/STU as per the relevant procedures laid down in SERC/CERC regulations or as may be advised by the STU.
- 5) That the generating equipments, transmission lines, related Sub-Stations and allied systems created by you shall conform to the standard practice and operational requirements which may be vetted by the State Transmission Utility (STU).

- 10) That the transmission system developed by you at your cost between your project and State grid shall be operated and maintained by you during the entire period of lease of operations as per the MoU signed with State Government and the same shall be handed over to the STU on expiry of the lease (BOOT) period in operational condition.
- 11) That the transmission system during the BOOT period shall be deemed to be under the control of the STU for all purposes of interconnectivity, open access & sharing with other systems.
- 12) The Transmission of energy into the grid shall be subject to the Transmission Agreement with the STU, Power Purchase Agreement with the Power purchasers or Open Access Agreement and provisions granted by the Competent Authority, which ever may be applicable.
- 13) For any other issues not mentioned herein, which may become relevant and important for the system stability and economy, you shall be abided by such instructions and directions of the STU/SLDC, at any time during the entire BOOT period.
- 14) That, operation of the systems of your power stations and linking transmission systems shall be subject to clearance of SLDC/Electrical Inspectors etc.



(Er. Anong Perme)

Chief Engineer (Power)
Transmission, Plg & Mng Zone
Vidyut Bhawan, DoP, Itanagar (A.P)

NO.CE/TPMZ/W-37/2015-16/

Dated.....

Copy to:-

- 1) The PS to Chief Secretary, GoAP, Itanagar, for information please.
- 2) The Principal Secretary (Power), GoAP, Itanagar, for information please
- 3) The Commissioner (Power), Govt. of AP, Itanagar, for information please.
- 4) The Chief Engineer (Power), CEZ/EEZ/WEZ, Vidyut Bhawan, Itanagar, for information.
- 5) The Chief Engineer (Monitoring) DHPD, Itanagar, for information please.
- 6) The CMD, NEEPCO, Shillong, Meghalaya for information and necessary action please.
- 7) The Director, APEDA, Urja Bhawan, Itanagar, for information please.
- 8) The Managing Director, HPDCL AP, Niti Vihar, Itanagar, for information please.
- 9) The Superintending Engineer (Trans), Transmission Circle, Itanagar for information.
- 10) The Superintending Engineer (E), APEC-IV, DoP, Dirang for information.
- 11) The Executive Engineer (E), Bomdila Electrical Division, DoP for information.
- 12) The Executive Engineer (E), SLDC, Itanagar, for information and necessary action.
- 13) The Executive Engineer (E), TD-I, Bomdila for information and necessary action please.



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GOVERNMENT OF ARUNACHAL PRADESH
SECRETARIAT:::DEPARTMENT OF POWER
ITANAGAR

NO.PWRS/HPD- 2063/2010 / 2036-38
To

Dated Itnagar, the 1st May, 2012.

✓
The Managing Director
Devi Energies Pvt. Ltd.
102A, Sri Sai Sampada Plaza
Above OBC, Main Road
Habsiguda
Hyderabad-500007
Andhra Pradesh

Sub:- Dikshi HEP – Detailed Project report (DPR)- reg.

Ref:- NO.NIL dtd.14/04/2012.

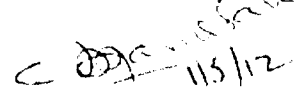
Dear Sir,

This has reference to your letter dated 14/04/2012 mentioned above vide which the DPR of Dikshi HEP (24 MW) has been submitted to the State Govt. with the proposal to develop the said project between EL 1710 m & EL 1570 m instead of the allotted levels of EL 1730 m & EL 1590 m.

In this connection, it is to inform that the Dikshi HEP can be developed between the levels at 1710 M & EL 1570 M as proposed by you in the DPR of the project, provided no interference is caused with any other project upstream or downstream and keeping in view the requirement of the MoEF as regards free flow of the river between projects.

The above consent for the revised levels is without prejudice to the terms of the MoA dtd. 17/03/2011 required to be complied with by the developer in timely implementation of the project.

Yours faithfully


(C Ramesan)

Under Secretary (Power)
Govt.of Arunachal Pradesh
Itanagar

NO.PWRS/ HPD- 2063/2010
Copy to:-

Dated Itnagar, the 1st May, 2012.

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**GOVERNMENT OF ARUNACHAL PRADESH
DEPARTMENT OF POWER**

*Office of the Chief Engineer (Power)
Western Electrical Zone, Vidyut Bhawan
Itanagar-791 111 (A.P.)*

No. CEP/WEZ/COM-3/PPA(IPP)/2017-18/ 3710-2.2 Dated Itanagar The 07 2 2018

*Western Electrical Zone, P.O. Ltd.,
Vidyut Bhawan, Itanagar,
Arunachal Pradesh.*

Subject: Request for issuance of letter conveying the willingness of State to buy Power from Dikshi 24 MW HEP and PPA Progress.

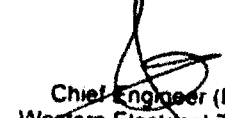
Ref: Your letter No. Nill dated 22/02/2018

Dear Sir,

Referring to your above mentioned letter, it is to inform that:-

1. The Cabinet had approved for Power Purchase Agreement (PPA) and accorded the willingness of State to buy power from Dikshi Hydro Electric Project 24MW in West Kameng District and conveyed to the Department of Power by the Joint Secretary Cabinet, Govt. of AP vide UO No. CAB/M-16/2017/40-56 dated 05/02/2018
2. The draft Power Purchase Agreement (PPA) to buy power from Dikshi Hydro Electric Project (24MW) proposed from your end to this office is under process.

Yours faithfully,


Chief Engineer (Power),
Western Electrical Zone, DoP,
Vidyut Bhawan, Itanagar

No: CEP/WEZ/COM-3/PPA(IPP)/2017-18/
Copy to:-

Dated Itanagar The _____ " _____ 2018

1. The Superintending Engineer (E), APEC-IV, APEC-IV, Department of Power, Dirang (Arunachal Pradesh) for information
2. The Executive Engineer (E), Bomdila Electrical Division, Department of Power, Bomdila (Arunachal Pradesh) for information


Chief Engineer (Power),
Western Electrical Zone, DoP,
Vidyut Bhawan, Itanagar

EXHIBIT – 6**POWER EVACUATION FOR DIKSHI HEP (24 MW):****Justification for increase in project:**

1. Initially a Bay at sub-station at Wanghoo, near Bomdila connecting proposed 132 kV transmission line (being developed by Department of Power, Govt of Arunachal Pradesh) from Khuppi to Tawang was allotted to this project for evacuation of power. It is learnt that 132 kV transmission line work from Khuppi – Tawang was abandoned due to various issues, which affects the project execution and thereby the Company will not be in a position to evacuate power after achieving commercial operation.
2. To avoid the bottleneck with the above said situation, the company has obtained Letter of Comfort / permission for Connectivity to connect to the existing 132 kV line from Bhalipara – Khuppi at an intermediate location close to transmission line alignment for DIKSHI HEP. The total length of proposed transmission line from Nechipu (i.e., intermediate location) to Dikshi Power House is about 32 km. Govt. of Arunachal Pradesh has accorded permission / Letter of Comfort for Transmission connectivity to construct 132 KV line from Dikshi HEP to Nechipu to connect existing 132 KV Balipara – Khuppi transmission line. Copy of the letter No. CE (P) TPMZ/W-37/2-15-16/3313-28, dated 22.02.2016 and Govt. of Arunachal Pradesh, Dept of Power Development Notification dated 02.06.2016 is enclosed as **Exhibit – 4 & Exhibit – 5** respectively.
3. It is to mention here that with the change in the transmission line alignment, the length of transmission line is increased from about 10.5 kms to 32 kms along with development of 132 KV Switching Station at Tenga.

Rationale behind Location of switching Station:

1. Transmission line from Dikshi HEP to Nechipu to connect existing 132 KV Balipara – Khuppi transmission line is planned in such a way to construct 10.5 kms Single Circuit line of about 10.5 kms from Dikshi power house to Tenga,

where 132 KV switching station is proposed and Double Circuit Line from Tenga switching station to Nechipu of about 21.50 kms.

2. To avoid local problems at Nechipu and unavailability of suitable land in between due to the presence of huge Army establishment between Nechipu & proposed switching station at Tenga. In view of this, Switching station is planned at Tenga, where people are co-operative and suitable land for development of switching station is available. Henceforth, the company has already acquired land for switching station at Tenga and infrastructure facilities like laying of approach roads and leveling of switching station is completed with the kind co-operation from the local people. Maintenance of switching station will be comfortable after COD when compared to a location near Nechipu at the interconnecting point. Moreover the distance from Power House to Switching Station is only 10.50 kms, which will help us to monitor the Switching Station on regular basis.

The company has evaluated the estimated cost by **Apex Body on transmission lines in India**, "Power Grid Corporation of India Ltd" (PGCIL) (A Govt. of India Enterprise), and Detailed Project Report has also been vetted by them. Copy of the DPR prepared by PGCIL is enclosed at **Exhibit – 7**.