

F. No. 5-3/2007-FC Government of India Ministry of Environment and Forests (FC Division)

Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi – 110 510. Dated: 05.02.2009.

To

The Principal Secretary / Secretary (Forests), All State / UT Governments.

Sub: Guidelines for diversion of forest land for non-forestry purposes under Forest (Conservation) Act, 1980 - Guidelines for collection of Net Present Value (NPV).

Sir,

The Ministry of Environment and Forests, Government of India has been receiving representations from different States seeking detailed clarification and guidelines on the above mentioned subject in the light of the Supreme Court Judgment dated 28.03.2008 revising the general rates of NPV and various other orders defining differential rates for various categories of projects.

After careful examination of the issue, I am directed to inform that the Hon'ble Supreme Court of India vide its judgement dated 28.03.2008, has re-fixed the rates of Net Present Value (NPV) on the basis of scientific data taking in view the ecological role and value of the forests. The 16 major forest types have been re-grouped into 6 ecological classes depending upon their ecological functions.

Eco-Class I Consisting of Tropical Wet Evergreen Forests, Tropical Semi Evergreen Forests and Tropical Moist Deciduous Forests

Eco- Class II Consisting of Littoral and Swamp Forests

Eco-Class III Consisting of Tropical Dry Deciduous Forests

Eco-Class IV Consisting of Tropical Thorn Forests and Tropical Dry Evergreen Forests

Eco-Class V Consisting of Sub-tropical Broad Leaved Hill Forests, Sub-Tropical Pine Forests and Sub Tropical Dry Evergreen Forests

Eco-Class VI Consisting of Montane Wet Temperate Forests, Himalayan Moist Temperate Forests, Himalayan Dry Temperate Forests, Sub Alpine Forest, Moist Alpine Scrub and Dry Alpine Scrub

Based on the ecological importance of forest falling in different eco-value and canopy density classes, relative weight age factors have also been taken into consideration. By using these relative weight age factors, the equalized forest area in eco-value Class-I and very dense forest corresponding to forest falling in different eco-value and density classes have been compiled. The net present value per hectare of forest has been fixed based on this data. For calculating the average net percent value per hectare of forest in India, the following monetary value of goods and services provided by the forest have been considered:-

(90)		(v) Over-head tanks (vi) Village tanks	nature and is part of the Plan/Non-Plan Scheme of Government; and	
		(vii) Laying of underground drinking water pipeline up to 4" diameter and	(d) the area is outside National Park/Sanctuary.	
		(viii) Electricity distribution line upto 22 KV in rural areas.	•	
	2.	Relocation of Villages from the National Parks / Sanctuaries to alternate forest land	Full exemption	-do-
	3.	Collection of boulders / silts from the river belts in the forest area	Full exemption provided: - (a) area · is outside National Park/Sanctuary;	-do-
		•	(b) no mining lease is approved/signed in respect of this area;	
			(c) the works including the sale of boulders/silt are carried out departmentally or through Government undertaking or through the Economic Development Committee or Joint Forest Management Committee;	
		e seemen.	(d) the activity is necessary for conservation and protection of forests; and	
			(e) the sale proceeds are used for protection/ conservation of forests	
	4.	Laying of underground optical fibre cable	Full exemption provided: (a) no felling of trees is involved; and	-do-
	. •		(b) areas falls outside National Park/Sanctuary	
	5.	Pre-1980 regularisation of encroachments and conversion of forest villages into revenue villages		-do-

CENTRAL EMPOWERED COMMITTEE

(CONSTITUTED BY THE HON'BLE SUPREME COURT OF INDIA IN WRIT PETITION (CIVIL) No. 202/95 & 171/96)

lind Floor, Chankya Bhawan, Chankyapuri, New Deini 1100021, Tel. 26884921,26884923, 24101926, FAX No. 24101925

File No. 1-26/CEC/SC/2008-Pt.XXIX

Dated 22nd December, 2008

To

The DGF &SS
Ministry of Environment & Forests
Paryavaran Bhawan
CGO Complex, Lodhi Road
New Delhi 110003

Sub: Clarification on NPV for the minimum rate in case of Wind Energy as per the Hon'ble Supreme Court's order dated 24.4.2008.

Sir.

Please refer to FC Division letter No. 7-17/2008-FC(Pt.) dated 16.12.2008 on the above subject. Pursuant to the order of the Hon'ble Supreme Court, for the Wind Energy Projects NPV is payable at the rate of the 50% of the minimum rate of the NPV, irrespective of the eco-class in which the project lies.

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Yours faithfully,

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(M.K.Jiwrajka) Member Secretary

IGF (FC)

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22/4/18.

D.NO. 597/1995/SC/P1

All Communications should be addressed to the Registrar. Supreme Court by designation. NOT by name Telegraphic address :-

"SUPREMECO

SUPREMI INLIA **NEW DELHI**

DATED: 28" April 200

1.164 10.4 Assistant Registrar (PILL CELL)

> Central Empowered Committee. Through Member Secretary, Ministry of Environment & Forests, Ilnd Floor, Chanakya Bhawan, Chamakya Pari. New Delini 11002;

Municuly of Environment & Fotests. Through The Secretary. Paryavaran Blawar, C GO Complex.

Lodi Road, New Delhi. I TERLULUTORY APPLICATION NOS. 826 in 566 with 1019, 1135

1136, 1464 (222) (223, 1224) 1225, 1220, 1233 in 1135, 1136, 1248, 1240, 1253 1312, 1313, 1314, 1364, 1371 in 1253, 1384, 1385-1586, 1435-1437, 1450 m (135-1130 m 560, 1039 m £135-1130, 1664, 1671 in £135-1136, 1707 1770 in 1160 in the and 2006 in 1227 in 1125 1126, 1287 1430 and Thu"

> WRIT PETITION (CIVIL) NO. 202 OF 1995 O'ader Article 32 of the Constitution of India:

1 A. Godayarman Thrumplpad

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Linear Links in the

Resummichia

I am directed to forward herewith for your information, compliance and necessary action a certified copy of the order of the Supreme Court as contained in the Record of Proceedings of the Court dated 24th April. 2008 passed in the Interlocutory Applications in Writ Petition above-mentioned.

Please acknowledge receipt

Yours faithfully.

As above NDELEO

TIM NOS.301

COURT NO. 1

SECULIONS PLL

SUPREME COURT OF THEIR

NPV MATTERS

L.A. Nov. 326 in 566 with 1019, 1135-1136, 1164, 1222-1229, 1224-1225, 1229, 1233 in 1135-1136, 1248-1249, 1253, 1342, 1343, 1344, 1364, 1371 th 1253, 1384, 1385-1386, 1435-1437, 1638 th 2135-1136 1639 th 125-1136 1664, 1671 th 1135-1136, 1,07, 1779 th 1164 and 2098 th 1233 th 1135-1136, 1387, 1434, 1665 th W.P. (c) No. 202/1985

T.N. GCHAVARMAN THERUMULPAD

** *** (H)

VERSUS

THEOMOU INDIA & ORS

Mention Leo L (H)

(Recommendation of CMC in LA No.560 and applications of Mounting for of court's order/directions/parmiselon to file applications/cremodification/ impleadment/exemption from filling of.

Date: 24/04/2008 This Petition/appins. was/were called on for hearing

CORULM : -

MON'BLE THE CHEEF HUSTERS
HON'BLE DT. JUSTICE AREATY PASAYAT FON'BLE MR. JUSTICE B.E. RAPADIA Germied to be true copy

Serviced to be true

Mr. Harian N. Salva, Sc. Alshiptang & Cat. Of India Mr. Uday N. Lalli, Sr. Adv. (Acceptage)

Mr. Siddhartin Chowdhury, Adv. (A.C.) (N.P.) Mr. A.B.N. Ruo, Adv. (A.C.)

For Pelilioner(H)

Mr. P.K. Manchar, Adv.

For Applicant(s)/ Respondent(s) UOI

Mr. G.W. Vallanyati, 8.4.

Mr. A. Millarputhan, Adv. Mr. P. Parmeswaran, Adv.

Mr. Harris Deeran, Adv., Mr. Davdath Khuath, Adv.

MH. Alka Sharma, Adv., Mr.D. H. Malira, Adv.

1.A. 1779

Mr. R.K. Dilley, Adv.

Mr. Shilinell Wiere, Adv. For Ma. Sharmila Upadhyay, Adv.

TA 1435-1437

M/s. Pallav Sisodia, Malunkar,S.C. Patel, Tejus Patel, Subhasidh Bhowmick, Adva.

I.A. 566

M/s. K. Nobin Sinuh, David Rao, Tarun Jamwal, S. Biswajit Metrai, Vijay Prakash, Anys. Mr. Riku Sarma, Adv.

Mr. Rika Sárma, Adv. For M/a. Cosporate Law Group, Adve.

1.A.1164

Dr. Rajiv Djavan, Br. Adv. Mr.Aji: Pudganery, Adv.

. 4. Hos. 1707 (A 326)

Mr. Mukul Rohlagi, Br. Adv. My Pay Lown Almad L. Adv. Mr. A jay Sharma, Adv

Ms. Suparna Srivaniava, hdv. Ma. Hilli Minercha, Alle Mr. Rajesh Srivastava, Adv.

Mr. Maniil Singh, Adv.

Mr. T.V. George, Adv

M/O Debences Mr. Vikas Singh, ASG Mr. Wasim A. Qadri, Adv. Mr. B.K. Erasad, Adv.

IA 1243 Mr. V.N. Gampide, Mr. Adv. Mr. Dattatray Vyas Adv Mr. Chirag M. Shroff. Adv.

:A 1248-49; Mr. V.A. Molilia, HE Adv. Mr. Jugalkiabera Gilila, Adva

Mr. Manish Pilale, Adv., Mr. Hilkania Hogal, Adv. For Mr. C.S.Ashri, Adv.

Sta Ce of MP: Mr. Vikas Upadbyay, Adv. Mr. B.S.Binthla, Adv.

Mrs. Asha G. Nair, Adv.

Ms. Sangesta Kumar, Adv.

State of Uttarakhand Ma. Rachna Stivastava, Adv.

Mr. Samieev Kumar, Adv.

Ms. Sarla Chandra, Adv.

1.A.1229 Mr. Arvind Sawant, Br., Adv. Mr. Juqalkishote Gilda, Adv. Mr. A.P. Mayee, Adv.

Mr. Mukenh K. Girl, Adv.

Mr. Kaj Kumar Mehta, Adv. Mr. Mragank, Adv. Ms. Malini Pal Adv.

Mr. Gonal Singh, Adv.

Mr. Rajiv Datha, Br. Adv. Ms. Rajni Ohei, Adv., Ms. Seema dain, Adv. For Mr. Himinder Lal. Adv.

Ms. Anil Kaliyar, Adv. (N. H.) Mr. V.B. Joshi Adv. Mr. J.K. Daa, My.

Mr. G. Parkash, Adv.

1.A.1137

L.A.1135-36

CPON hearing counsel the Court made the following O R D K R

1.A.NO.1137

Taken on Board.

List on 9.5.2008.

1.A.NO.1019

certain projects such as original agency, bespitals, dispensation for exemption for dispensation, projects such as original action lines, small lighterselectric projects etc. Most of these projects are exampled as per our order dated 28.3.2008. If there are may specific prayer for exemption requirement of paying MPV, then the state to seek exemption required the project and file a separate application: I.A. is disposed of accordingly.

1.A.NOS.1135 6 1136, 1224 0 1225, 1233, 1385-1386 AND 1438 with

These applications have been filed by Indian wind Turbine Manufacturers' Association and other applicants who are engaged in the Eduction of Wind Energy by developing of wind tarming on forest land. Ms. Kanchan Committee Report recommended that these sort of wind projects be given exemption from payment of Net Wresent Value (NYV) to the extent of 90% and they may be allowed to atart these projects on CEC has examined the matter and suggested that these payment of 10%. Wind Energy Projects be given exemption to the extent of 50% of the Net the minimum rate, provided no tree felling is Present Value involved. Learned counsel appearing for the applicants contended that these wind Energy Projects should have been completely exempted as they are producing electricity by Non Conventional Energy Sources and they are not causing damage to the forest. It is also soqued that for similar projects CEC has recommended exemption and this court has

Learned Solicitor General and also learned amicus curise - scept.ed. supported recommendation of Cut that there should be havined of 50% of The NPV at the minimum rate provided no tree felling ve involved. these wind farming projects producing electricity pre profit molive projects. In order to have these projects, they have to erect, various components namely turbing, corridors, transmission More sentence tomas and execution platforms in the forestrated. All there at the have to be carried out in the forest, as maturally forest line of being used for men-fores, purposes, it is also be takengundend by the littles of wind farming for generation of elementicity, the said forest cannot be ingits original Compand there remains and be rest circuit La achivities in these areas. Of course, for prequeband of electricity, the Wind Energy Projects should be encouraged as they are using nonrenewable energy sources like togail fuels for production of energy.

Hevertheless, these forest areas are being used, they shall be given exemption for 50% NRV. We accept the recommendations of CE: that these projects should pay 50 % of the NPV at the minimum rate charged, provided minimal tree felling is involved.

L.As are disposed of accordingly.

L.A.NO.1222-1223

The question raised in these applications are covered by Order of this Court dated 28.3,2008. L.As. are disposed of as having become infructions.

1.A.NOH.1229. 1.4H-1249. 1253 6 1371. 1435-1437. 1313.

List the applications on 9 5.2008.

1.A.NO.1384

Legrned counsel for the Northern Railway is not present.
Adjourned.

of forest land for construction of rural roads the the State of Universal particularly 'katcha' roads in hilly area shows of these projects are exempted as per our order dated 28.3.2008. It blers are any specific prayer for exemption from payment of May, then the black are exemption requiring the projects and the a separate application. I.A. is disposed of separation.

1.8 NOS. 1314 6 1316

project and fite a separate application; I Ass are disposed of accordingly.

4.A.109: 1.307, 1434 & 1665

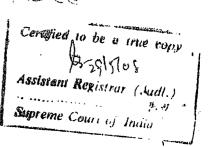
These are applications freq by district all Decembershirough Director, Military Training. The December Ministry under to make use of some later area for the purpose of Field Puriting Beiges for Araining their members and submitted that no felling of trees are involved and there is no likelihood of destruction of forest, say exemption may be granted from payment of NPV. Exemption to granted and allowed.

RDhawan (R. K. Dhawan) 25 4/08 Court Master

(Veeta Verma) Court Master

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IN THE SUPREME COURT OF INDIA GIVIL ORIGINAL JURISDICTION



I.A. Nos 826 IN 566 WITH 955 IN 566, 958, 985, 1001-1001A, 1013-14, 1016-1018, 1019, 1046, 1047, 1135-1136, 1164, 1180-1181, 1182-1183, 1196, 1208-1209, 1222-1223, 1224-1225, 1229, 1233 IN 1135-1136, 1248-1249, 1253, 1301-1302, 1303-1304, 1312, 1313, 1314, 1318, 1319 IN 1137, 1325, 1364, 1365-1366, 1370-1370A,1371, 1384, 1385-1386, 1387, 1434, 1435-1437, 1438, 1441 WITH 1634, 1475-1476, 1513, 1573, 1639 IN 1135-1136 IN IA 566, 1664, 1665, 1671, 1676, 1707, 1721, 1779 IN 1164 IN 566, 1785-1786 IN I.A. NO. 1441, 1980-1981, 1993, 2013, 2074-2076, 2077-2078 IN 1441 & 2098 IN 1233 IN 1135-1136, 2145-2146, 2147-2148, 2149-2150 & 2153-2154 IN I.A. 566 IN W.P. (C) NO. 202/1995

T.N. Godavarman Thirumulpad

..Petitioners

Versus

Union of India & Ors.

...Respondents

ORDER

On 28th March, 2008, we had passed an order regarding payment of Net Present Value (NPV) accepting the recommendations made by CEC which were more or less acceptable to MoEF. In that order we had also indicated that exemptions from payment of NPV have to be granted in respect of certain categories. However, it is brought to our notice that certain typographical mistakes had crept in that order as to categories to which such exemptions are to be granted. Therefore, we direct that as regards exemptions from

Category		CEC		
of non nature iv) Communit rural areas vi) Over-head vii) Laying of drinking wupto 4 diageticity	I tanks iks, underground rater pipeline meter and	Full exemption upto 1 ha of forest land provided: (a) no felling of trees is involved; (b) alternate forest land is not available; (c) the project is of non-commercial nature and is part of the Plan/Non-Plan Scheme of Government; and		
		(d) the area is outside National Park/Sanctuary		
Relocation of the Parks/Sanctuar forest land	National	Full Exemption		
Collection of from the river forest area				
		(b) no mining lease is approved/signed in respect of this area;		

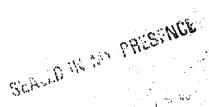
The above recommendations for exemptions are accepted. If, in any case, exemption is required by nature of the peculiar circumstances of the case, the same would be decided as and when necessary on a case to case basis.

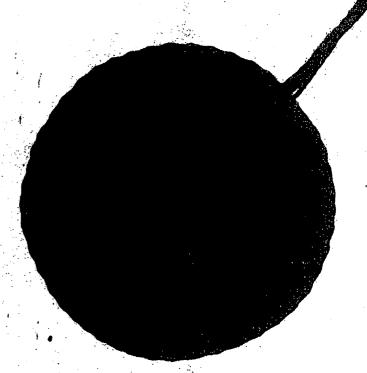
(K.G. BALAKRISHNAN)

(DR. ARIJIT PASAYAT)

(S.H. KAPADIA)

New Delhi; May 9, 2008.





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IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

I.A. Nos. 826 IN 566 WITH 955 IN 566, 958, 985, 1001-1001A, 1013-14, 1016-1018, 1019, 1046, 1047, 1135-1136, 1164, 1180-1181, 1182-1183, 1196, 1208-1209, 1222-1223, 1224-1225, 1229, 1233 IN 1135-1136, 1248-1249, 1253, 1301-1302, 1303-1304, 1312, 1313, 1314, 1318, 1319 IN 1137, 1325, 1364, 1365-1366, 1370-1370A, 1371, 1384, 1385-1386, 1387, 1434, 1435-1437, 1438, 1441 WITH 1634, 1475-1476, 1513, 1573, 1639 IN 1135-1136 IN IA 566, 1664, 1665, 1671, 1676, 1707, 1721, 1779 IN 1164 IN 566, 1785-1786 IN I.A. NO. 1441, 1980-1981, 1993, 2013, 2074-2076, 2077-2078 IN 1441 & 2098 IN 1233 IN 1135-1136, 2145-2146, 2147-2148, 2149-2150 & 2153-2154 IN I.A. 566 IN W.P. (C) NO. 202/1995

T.N. Godavarman Thirumulpad

...Petitioners

Versus

Union of India & Ors.

...Respondents

ORDER

It is an undisputed fact that the forest in this country is an important and vital component to sustain the life support system on this planet. For various reasons, our forest is being slowly depleted.



appointed and this Court gave the following directions:-

- to identify and define parameters (scientific, biometric and social) on the basis of which each of the categories of values of forest land should be estimated.
- To formulate a practical methodology applicable to different biogeographical zones of India for estimation of the values in monetary terms in respect of each of the above categories of forest values.
- (iii) To illustratively apply this methodology to obtain actual numerical values for different forest types for each biogeographical zone in the country.
- (iv) To determine on the basis of established principles of public finance who should pay the costs of restoration and/or compensation with respect to each category of values of forests.
- (v) Which projects deserve to be exempted from payment of NPV

(24)

further grouped into 6 ecological classes depending upon their ecological functions.

Eco-Class I - Consisting of Tropical Wet Evergreen Forests,

Tropical Semi Evergreen Forests and Tropical Moist

Deciduous Forests

Eco- Class II -Consisting of Littoral and Swamp Forests

Eco-Class III -Consisting of Tropical Dry Deciduous Forests

Eco-Class IV -Consisting of Tropical Thorn Forests and Tropical

Dry Evergreen Forests

Eco-Class V -Consisting of Sub-tropical Broad Leaved Hill Forests, Sub-Tropical Pine Forests and Sub-Tropical Dry Evergreen Forests

Eco-Class VI -Consisting of Montane Wet Temperate Forests,

Himalayan Moist Temperate Forests, Himalayan

Dry Temperate Forests, Sub Alpine Forest, Moist

Aipine Scrub and Dry Alpine Scrub



- (iv) Value of Eco-tourism
- (v) Value of bio-prospecting
- (vi) Value of Ecological services of forest
- (vii) Value of Flagship Species
- (viii) Carbon Sequestration Value

Based on this, the NPV was fixed and the following recommendations have been made:-

(i) for non-forestry use/diversion of forest land, the NPV may be dirested to be deposited in the Compensatory Afforestation Fund as per the rates given below:-

				(in Rs.)
Eco-Value class	Very	Dense	Dense Forest	Open Forest
Class		0,43,000	9,39,000	7,30,000
Class II		0,43,000	9,39,000	7,30,000
Class III		8,87,000		6,26,000
Class IV		6,26,000		4,38,000
Class V		9,39,000		
Class VI		9,91,000		
01000				

the use of forest land falling in National Parks / Wildlife
Sanctuaries will be permissible only in totally unavoidable
circumstances for public interest projects and after obtaining

(26)

may be asked to provide an amount of Rs.1.0 crore to the Forest Survey of India out of the interest received by it.

Ministry of Environment and Forests also has filed its response and has accepted the recommendations made by CEC. Various user agencies have filed its objections. We heard the learned senior Counsel Mr. Nariman and other learned senior Counsel who appeared before us. The main contention raised is that the NPV value was fixed on the basis of the net flow accruing over 20 years at a 5% social discount rate. This, according to the applicants, is too It has been contended that the Economic and Research Department of the Asian Development Bank is of the view that a survey of the social discount rate policies of individual countries show significant variations and the developing countries apply higher social discount rate. The paper published by Asian Development Bank shows that India should have a social discount rate of 12%. It may be noted that the Expert Committee under the leadership of Mrs. Kanchan Chopra recommended 5% social discount rate but the CEC has reduced further and accepted 4% social discount rate. It may be noted that the CEC had made consultation with eminent

- (ii) rural infrastructure and basic services such as the construction of the overhead tanks, village roads, etc.
- (iii) the minor irrigation projects upto 10 ha. of storage area, municipal water supply projects, drinking water supply pipelines;
- (iv) activities necessary for the ecological management, relocation of the villages from the sactruaries and the national parks, regularization of pre-1980 eligible encroachers;
- (v) housing for the rehabilitation of tribals; laying of the underground optical fibre cables;
- (vi) laying of the pipelines for the underground gas transportation;
- (vii) the district and rural roads;
- (viii) shifting cultivation;
- (ix) roads constructed by Defence in border areas;
- (x) construction of the transmission lines.

The above recommendations for exemptions are accepted. If, in any case, exemption is required by nature of the peculiar circumstances of the case, the same would be decided as and when necessary on a case to case basis.

(K.G. BALAKRISHNAN)
(DR. ARIJIT PASAYAT)
J

New Delhi; March 28, 2008.