

ANNEXURE-2

3070

OFFICE MEMORANDUM

Subj: Small Hydro Electric Project in Kolab River near village
Tentuliguma of Koraput District namely Saheed Laxmi Nayak
Small Hydro Electrical Project.

Ref: Application for allotment of Small H.E. Project by
M/s Sileru Power Generation Pvt. Ltd.

1. In consideration of application made by M/s Sileru Power Generation Pvt. Ltd. the MOU between Govt. of Orissa and M/s Sileru Power Generation Pvt. Ltd. was signed on ^{22/8/2004} 7th August, 2004 for establishment of Small Hydel Project at Kolab river near village Tentuliguma of Koraput District by the later. In terms of the MOU, the firm deposited Bank Guarantee for Rs. 25,00,000/- (Rupees Six Lakhs) which is valid up to 17.6.2005 consequent to this the developer had prepared the Detail Project Report (DPR) for the power station. Copies of DPR was forwarded to Deptt. of Water Resources Govt. of Orissa, Engineer in Chief Electricity Grid Corporation of Orissa Ltd. and Orissa Hydro Power Corporation for Scrutinisation and offering their views. The firm responded to the queries of the above organisations and furnished their clarifications. Finally, the DPR was put up to the State Technical Committee (STC) Constituted as per Govt. Notification No. PPD-II 31/99 - 11242 dtd. 18.8.99 and no PPD-II-2/01-13527 dtd. 15.11.2003 of Deptt. of Energy, Govt. of Orissa.
2. In exercise of the power vested with the State Technical Committee as per G.O. indicated above, the STC hereby accords Techno-Economic Clearance to the aforesaid scheme at actual cost of execution with an upper limit of Rs. 11902.00 (Eleven Thousands Nine hundred & Two lakhs only) including IDC (Interest During Construction) with the following stipulations.

- (I) The completed Cost of the scheme shall not exceed the above cost except on account of:
- (a) Interest during construction and financing charges as per actual but not exceeding the amount indicated at Annexure-I unless and otherwise revised by STC.
- (b) Changes in rates of Indian Taxes and Duties such as custom duty, excise duty, Sales Tax, Work Tax and additional taxes and duties levied subsequent to issue of the Techno Economic Clearance.
- (c) The cost estimate of the civil aspect of the Project indicated at Annexure-I may be taken as tentative and the final cost will be checked after detail design and drawing submitted by the developer.
- (d) Auxiliary Consumption shall however not exceed 0.5%.

For Meenakshi Odisha Power Pvt. Ltd.


Director

CE (PRO) - CORP. DIVISION
Bhubaneswar

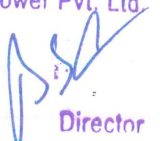
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- (II) The abstract of the complete project cost as submitted by the developer and approved by STC is enclosed at Annexure-I and the salient features of the project are placed at Annexure-II.

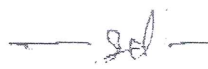
3. This Techno-Economic Clearance is subject to the fulfillment of the following conditions.
- (i) The following conditions/ circumstances shall not be a reopener of completed cost/Techno Economic clearance.
 - (a) Non acquisition of land.
 - (b) Non finalisation of Power Purchase Agreement (PPA)
 - (c) Non supply of water by State Water Resources Deptt. etc. at a later date.
 - (d) Delay in financial closure.
 - (ii) Stamp duty and registration fee levied on mortgages of assets to lender shall be as per actuals.
 - (iii) No additional cost will be allowed for additional insurance coverage if insisted upon by lenders.
 - (iv) Since there is private evacuation of power not relating to GRIDCO system all prevailing rules shall be applicable for such evacuation.
 - (v)
 - (a) The developer will supply 12% free power to a state designated utility, in case it supplies power to any agency outside the state. The Tariff for the project should factor in to such supply of 12% free power to the state designated agency.
 - (b) Fixation of tariff for sale of energy shall be approved by State Govt./ Orissa, Electricity Regulatory Commission from time to time.
 - (c) The developer should be responsible for design and safety of civil structures during execution as well as operation of Hydro Electric Project. All drawing relating to civil works of the project are to be got approved by the Water Resources Deptt. before commencement of works.
 - (d) The developer will have to pay water rates as fixed by the Govt. from time to time.
 - (e) The developer will ensure that there is not any inundation of the adjacent land. Provision for protective embankment, if any, will be the responsibility of the developer at his own cost subject to approval of competent authority of Govt. of Orissa.
 - (f) The developer will ensure forest clearance, Environmental clearance, and preparation of R&R action plan/welfare plan for the inhabitants, if encountered, and such plan should be acted upon as per Govt. of Orissa, guidelines costs on the above schemes are the sole responsibility of the developer.
4. Necessary permission from appropriate authority will be obtained by the Developer for safe construction of Power House and allied structures without causing damage to the existing infrastructures, if any.
5. The Project will be completed within maximum period of 24 (twenty four) months from the date of issuance of order from Govt. of Orissa.

C.E. (PRO), CHHIS-GESIGEN
Bhubaneswar.

For Meehakshi Odisha Power Pvt. Ltd.


Director

6. Monthly progress report shall be submitted to the EIC (Elec)-Cum-PCEI Orissa, under intimation to CE (P)-Cum-CEI (Gen), Orissa and Orissa State Government.
7. Any change of scope of work including evacuation of power will be intimated to the EIC (Elec)-Cum-PCEI, Orissa, under intimation to CE (P)-Cum-CEI (Gen), Orissa, and the same will be taken to the State Technical committee for approval.
8. The following stipulations of the State Technical Committee for the project need to be adhered to
 - 1) The developer should undertake that if any irrigation Project of Irrigation Department Comes up in future, they will limit the generation to the available Water after Irrigation Project requirement.
 - 2) The Civil & structural drawings of the Power Project should be submitted to E.I.C. Water Resources for approval before execution of the Project.
 - 3) The Electrical drawings of the Power Project should be submitted to C.E. (P)-Cum-CEI (Gen) for approval before execution of the project.
 - 4) The final arrangement of Power evacuation from their Power Station should be submitted to E.I.C. (Elect)-Cum-PCEI, before execution of the Project. If required, requisite clearances from GRIDCO/ OERC are to be obtained for the corridor.
 - 5) They will abide all rules & regulations of the state framed from time to time without any objections.
 - 6) O.H.P.C. Ltd., pointed out that suitable measures may be taken at Government level for ensuring availability of site & water, in case Lower Kolab Hydro Electrical Project enlisted in the national programme "Power for all by 2012" comes up in the Kolab River. But it has already been intimated by E.I.C. (Elec)-Cum-PCEI Orissa, that the project is shelved in his letter No. 1917 dt. 17.5.05 to O.H.P.C. Ltd.
9. The completion cost of the scheme shall be submitted to the State Technical Committee for approval within a period of 3 (three) months from the commencement of operation of the plant.


Member Convenor
State Technical Committee.
C.E. (PRO.)-Cum-C.E. (GEN)
Bhubaneswar.

For Meenakshi Odisha Power Pvt. Ltd.


Director

C.E. (PRO.)-Cum-C.E. (GEN)
Bhubaneswar.

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Memo No _____ / Dtd _____

Copy along with enclosures forwarded to M/s Sileru Power Generation Private Ltd: 109 ROYAL COURT 8-2-615/A BANJARA HILLS, HYDERABAD, ANDHRA PRADESH

Encl: As above

Member Convenor
State Technical Committee.

Memo No _____ / Dtd _____

Copy along with enclosures submitted to Principal Secretary to Govt. Deptt. of Energy, Orissa, Bhubaneswar for information and necessary action.

Encl: As above.

Member Convenor
State Technical Committee.

Memo No 718 (WE) / Dtd 7/07/05

Copy along with enclosures submitted to the EIC (Elec) -Cum-PCEI, Orissa, Bhubaneswar for information and necessary action.

Encl: As above.

Member Convenor
State Technical Committee.

Memo No _____ / Dtd _____

Copy along with enclosures submitted to the EIC, Water Resources, Orissa, Bhubaneswar for information and necessary action.

Encl: As above.

Member Convenor
State Technical Committee.

Memo No _____ / Dtd _____

Copy along with enclosures submitted to Secretary OERC, Orissa, Bhubaneswar for information and necessary action.

Encl: As above.

Member Convenor
State Technical Committee.

Memo No _____ / Dtd _____

Copy along with enclosures forwarded to the Director Commerce, GRIDCO, Bhubaneswar/Director (Operation) OHPC, Bhubaneswar, for information and necessary action.

Encl: As above.

Member Convenor
State Technical Committee.

For Meenakshi Odisha Power Pvt. Ltd.


Director