To
The Secretary
A.P. Electricity Regulatory Commission
11-4-660, 4th floor
SingareniBhavan, Red Hills
Hyderabad - 500 004

Respected Sir,

Sub: Submission of suggestions and objections on tariff filings of AP Genco for the 4th control period (from 2019 to 2023-24) in O.P.No.35 of 2018

January 17, 2019

With reference to the public notice dated 1.1.2019, calling for objections and suggestions on the subject issue from interested public, I am submitting the following points for the consideration of the Hon’ble Commission:

1. In the subject filings, AP Genco has sought payment of fixed charges for 14 of its power projects and AP’s share in inter-State power - a total capacity of 6967.6 MW - for the 4th control period of Rs.5890.60 crore (2019-20), Rs.6233.92 crore (2020-21), Rs.6355.16 crore (2021-22), Rs.7094.36 crore (2022-23) and Rs.7509.12 crore (2023-24). Out of these projects, some are under execution and PPAs need to be signed. Each PPA needs to be examined thoroughly, with all relevant data, through the process of public hearing to ensure transparency and accountability. Without signing PPAs and submitting the same to the Commission for determining need for purchasing power from the projects concerned, permissible capital costs and tariffs, and without holding public hearings on the same, seeking variable and fixed charges for such projects through the subject filings is improper. The terms and conditions in PPAs need to be examined to fix obligations of the parties to the PPAs in the light of applicable regulations for determination of scheduled date of operation, capital cost and tariff, covering a wide gamut of factors. Due to delay in execution of projects, the Discoms are constrained to purchase power from other sources, including power exchanges, at higher tariffs. The cunning practice of entering into PPAs after declaration of COD, without any schedule for declaration of COD and provision for liquidated damages for delay in declaring COD, when implementation of projects concerned got delayed by several months or even years, resulting in abnormal increasing in capital cost even up to 50%, would bail out the developer of the project concerned to go scotfree without paying liquidated damages. In response to our submissions on this issue, the Hon’ble Commission, in its order dated 13.7.2018 in O.P.No.21 of 2016 relating to giving consent to the PPA between the Discoms and AP Power Development Company Limited, maintained that “the suggestion for inclusion of a provision on liquidated damages now on the ground that the present PPA has no provision for liquidated damages for delay in declaring COD cannot be accepted at this stage as the same is not fair and proper” (page 32). However, the Hon’ble
Commission evaded the real issues, i.e., whether signing PPAs without a provision for payment of liquidated damages for delay in declaring COD is "fair and proper", when should PPAs be signed and submitted to the Commission for its consideration, whether the manipulation of signing PPAs after declaration of COD, without provisions for declaration of COD and payment of liquidated damages for delay in declaring COD is "fair and proper". Therefore, we request the Commission to direct AP Genco and the Discoms to enter into PPAs, submit the same project-wise, with all relevant information to meet regulatory requirements, make the same public, hold public hearings project/station-wise separately before determining need for purchasing power, permissible capital cost and tariff and its competitiveness. In the light of availability of substantial surplus power, need for purchasing power from new plants under execution or proposed needs to be established first. Seeking determination of tariffs for several projects of AP Genco under execution or proposed for the 4th control period, without establishing need for purchasing power from them, permissibility of very high capital costs and tariffs, without signing and submitting PPAs for the consideration of the Commission, through filings for the 4th control period is extremely irresponsible. Proposals relating to each one of these projects need to be examined separately in the overall context of long-term load forecast, procurement plan, etc., after completing public hearings on the same. If procurement of power from these projects is required, and their capital costs are prudent, it is to be established in which year, completion of which project is required and how much installed capacity is required to be added, besides examining opportunities for procuring power from other sources at relatively cheaper tariffs.

2. Fixing ad hoc tariff in the tariff orders or for a control period of five years periodically for purchase of power from projects, without insisting on the Discoms and developers of concerned power plants to submit PPAs, holding public hearings and issuing orders thereon by the Commission, is not a desirable practice. When developers take a few years for completion of their projects, there need not be any difficulty in entering into PPA with the Discoms and submit the same to the Commission for its consent in time after holding public hearings. We request the Commission to direct the Discoms and AP Genco to submit their PPAs, including all relevant provisions, subject to need for procuring power from those projects, well in advance before declaration of commercial operation date (COD), hold public hearings and issue its orders thereon, determining capital cost, tariff, etc. Determining capital cost, etc., simply based on set parameters is not desirable, especially when it is abnormal, for various reasons. The procedures adopted for competitive bidding, selection of EPC contractors, the way in which the projects are implemented, how capital cost is getting increased, sources of allocation of fuels, their costs, mode of transportation, etc., need to be examined project-wise thoroughly and prudent expenditures need to be determined, pointing out unwarranted
expenditure and manipulations, if any, in detail in the orders to be issued by the Commission. In this connection, relevant reports of the Comptroller and Auditor General of India, if any, need to be examined.

3. Irrespective of demand growth, availability of power and substantial surplus power, need for adding installed capacities periodically based on requirement of power for meeting growing demand, the GoAP has been forcing the Discoms to enter into PPAs indiscriminately with new power plants, especially of non-conventional energy, at very high generic tariffs determined by the Commission and the latter has been giving its approvals for the same. As a result, plants of AP Genco are being backed down. In the subject filings, AP Genco has pointed out that “in addition to the ageing of units, most of the times the units are running at partial loads on account of increased must-run non-conventional energy generation in the State and the consequent backing down instructions issued by the SLDC. On account of backing down, the percentage (of) auxiliary consumption is also increasing” (8.2 of volume 1 of 2). If the GoAP continues its misadventure of forcing the Discoms to enter into PPAs to purchase unwarranted power, both non-conventional and thermal, at higher tariffs and unrelated to requirement to meet demand, the problems of surplus power and avoidable burdens related thereto and of AP Genco will get intensified, leading to anarchy in the power sector. Therefore, it is for the Hon’ble Commission to exercise its legitimate regulatory authority to check the anarchy and ensure orderly development of the power sector and supply of power to the consumers at reasonable tariffs.

4. Regarding fixed charges, AP Genco has submitted that Dr NTTPS V is considered from December, 2019 and the fixed cost for RTPP stage IV for the year 2018-19 is not claimed in 2014-19 and hence the same is claimed now @ 25% availability as a prior period cost. Till declaration of COD, any generation achieved by any power plant with whom the Discoms enter into a PPA should be treated as infirm power. No PPAs for these two projects are submitted for the consideration of the Commission and there is no consent for the same. Therefore, considering these projects for payment of fixed charges does not arise. When such is the case, there is no basis for AP Genco to claim fixed cost for RTPP stage IV for 2018-19 @ 25% availability as a prior period cost.

5. During earlier occasions on public hearings on various issues, including ARR and tariff revision proposals of the Discoms, some of us participating in the hearings had repeatedly raised objections on AP Genco (and NTPC) adopting a contrived bidding process for importing coal confining it to a few selected marketing agencies, without calling for international competitive bids giving scope for actual producers of foreign coal and their Indian suppliers to participate in the bidding. In response to these issues raised by us in connection with the true up claims of the Discoms for the second control period,
APSPDCL explained that "AP Genco has been inviting conventional mode of limited tenders" from seven public sector undertakings out of which only five companies participated in various tenders called for the second control period. The companies participated in those tenders are all marketing agencies, not producers of coal. SPDCCL also informed that “depending on the urgency and other contingencies, the Orders exiting during that time, were also extended at the same rate, terms and conditions.” It is necessary to examine the prices paid by AP Genco for imported coal of same grade in comparison with international prices of coal prevailing at the relevant periods, both for orders given and orders extended. Similarly, it is also necessary to examine the mode of transportation of coal and the charges paid for the same comparing them with other transactions relating to transportation of coal by other plants from the same points of despatch. It is high time the exercise was done. If the Commission takes up the issue as and when PPAs of AP Genco come up before it, obviously, with abnormal delay, irreparable harm will continue to be done to consumer interest till then. It is imperative to incorporate appropriate provision in the PPAs the Discoms had, and will be having, with AP Genco (NTPC and other coal-based power plants), making it mandatory for the latter to follow international competitive bidding for procuring foreign coal as and when required, and its transportation, preferably providing representation to the Discoms in monitoring the entire process to protect larger consumer interest. With the same officer heading AP Transco, AP Genco and AP Power Coordination Committee, the Discoms seem to be under duress not to take up issues like this. I request the Commission to examine the issue and issue necessary directives to AP Genco and the Discoms to incorporate required provisions in the PPAs and follow the same scrupulously. Since AP Genco is claiming variable costs considering the actual landed cost and the GCV of fuels, obviously, for imported coal also, real competition in importing coal needs to be ensured to protect consumer interest. It also needs to be examined thoroughly whether manipulations like imported/indigenous coal being replaced with inferior quality of coal before reaching the power plants of AP Genco are taking place. It is all the more important in the light of AP Genco claiming station heat rate of 2650 kcal per kwh against the existing norm of 2500 kcal per kwh and auxiliary consumption of 10.5% against the existing norm of 8.75% for stages I, II and III of Dr NTTPS at 65% load. In this connection, a letter written by Dr E A S Sarma garu, former Secretary, Ministry of Power, Government of India, to the then Secretary, Department of energy, GoAP, dated 8.2.2016 on APGENCO indirectly overcharging electricity consumers in the State as a result of imprudence in conceding higher coal import and transportation charges which is self-explanatory.

6. In the subject applications, AP Genco has claimed that the pay scales of the employees were revised with effect from 1.4.2018 and that it has adopted the HRA, CCA and gratuity revised by the GoAP to its employees. AP Genco has submitted that the effect of
the aforesaid pay revision to the tune of Rs.223.75 crore for 2018-19 was not included in the tariff for 2014-19 and that the same is being claimed in 2019-20 as prior period expenses. The O&M charges claimed by AP Genco for 2019-20 to 2023-24 annually are Rs.1751.43 crore (2019-20), Rs.1979.75 crore (2020-21), Rs.2121.62 crore (2021-22), Rs.2305.04 crore (2022-23) and Rs.2480.16 crore (2023-24). The Commission has been allowing the financial impact of periodical wage revision for the employees of AP Genco and other power utilities of the State Government, though the rates of revision tended to be higher, irrespective of permissible parameters of O&M expenses. While pay revision for its employees is being decided and the impact of pay revision is being borne by GoAP, the impact of pay revision for employees of the power utilities is being passed on to the consumers of power as a part and parcel of the tariffs to be paid by them as determined by the Commission. As such, under this regulatory regime, the impact of pay revision on tariffs needs to be regulated as a part and parcel of determining total O&M expenditure as per applicable parameters. In the case of private power projects with whom the Discoms had PPAs, the O&M costs, including pay and allowances of their employees, of those projects are being determined by the Commission as per applicable regulations. The claims for administrative costs, including pay and allowances of employees, by power projects should be subjected to applicable parameters; they cannot claim the same as they like and the Commission should apply applicable regulations for determining the same in order to ensure prudence in expenditure by power projects and protect larger consumer interest. Allowing such expenditures as claimed by the power projects arbitrarily would be tantamount to failure of the Commission to apply applicable regulations, giving its approvals mechanically, and shirking its regulatory responsibility.

7. AP Genco has claimed additional capital expenditure of Rs.258.43 crore for 2009-14 and Rs.585.79 crore for 2014-19 for some of the projects. Clause 10.8 of Regulation No.1 of 2008 of APERC says: “Capital cost:- Subject to prudence check by the Commission based on information filed by the generating company, licensees, evidence from other Commissions, generating companies, licensees and international experience etc. the Commission shall determine the Capital Cost of the project. The Capital Cost as determined above, shall also include further capital expenditure incurred if any up to the first financial year closing one year after the date of commercial operation of the last unit of the project, its stage or the unit, as the case may be is admitted by the Commission.” Additional capital costs claimed by AP Genco can be permitted subject to this clause. After declaration of COD, in which year, how much amount was incurred, for what purpose under additional capital expenditure, and under which provisions it is permissible is not explained by AP Genco for the 3rd control period and to be incurred for the 4th control period of 2019-24. Similarly, for old plants additional capital expenditure during 2014-19 cannot be permitted. When PPAs for projects under execution are not signed and
no consent of the Commission is sought, the question of considering additional capital cost in advance does not arise.

8. AP Genco is seeking additional interest on pension bonds and contribution to P&G Trust, as explained in its filing, as pass through. AP Genco has claimed thousands of crores of Rupees towards interest on pension bonds (over and above schedule) - Rs.991.24 crore (2019-20), Rs.1057.06 crore (2020-21) Rs.1127.25 crore (2021-22), Rs.1382 crore (2022-23) and Rs.1474.21 crore (2023-24). While approving the first transfer scheme, APERC had permitted revaluation of the assets of AP Genco to provide for pension reserve funds which the erstwhile APSEB had not provided and maintained. The Commission had been liberal in allowing additional interest on a year to year basis in the earlier tariff orders. Pension funds are supposed to be provided by the contributions of employees and managements and interest thereon earned periodically. As such, it is not fair to continue to impose such interest burdens on the consumers by allowing them as pass through periodically. The erstwhile APSEB failed in discharging its responsibility. In the transfer schemes, while unbundling the erstwhile APSEB, additional burdens in terms of pension liabilities had been imposed on AP Genco. Moreover, in the initial three-year period after unbundling, AP Genco was denied, as a matter of policy by the Government of A.P., about Rs.1800 crore @ Rs.600 crore per annum, from the permissible tariffs to it, thereby forcing it to cross-subsidize the consumers and reducing the subsidy to be provided by the Government. As the Hon’ble Commission is aware, the State Government has been taking over 75% liabilities of AP Discoms under Uday Discom Assurance Yojana which is signed by the Government of India, GoAP and its Discoms. In view of the above explained submissions, I request the Hon’ble Commission to give a piece of advice to the Government of A.P. to take over the pension liabilities of AP Genco, unrelated to UDAY, and settle the issue permanently, instead of continuing to impose unjust burdens on the consumers of power in the form of interest on pension bonds every year. In the process of unbundling the erstwhile APSEB and implementing transfer schemes, it was the Government that was responsible for doing injustice to AP Genco by imposing additional burden on it and the Commission was responsible for imposing that burden on consumers of power by approving such a defective and unfair arrangement and continuing to give its orders accordingly. AP Genco, as a public sector utility of the State Government, deserves to be strengthened in all respects, encouraging it to take up and implement in efficient and exemplary manner ongoing and new projects and generate and supply power at prudent costs to meet growing demand for power in the State. AP Genco needs to be provided budgetary allocations for meeting its equity requirements considerably, given priority in providing infrastructural facilities and allocation of fuels required for its power plants. Protecting the interests of AP Genco means protecting the interests of the State and its people.

9. We request the Hon’ble Commission to direct AP Genco and the Discoms first to establish need for procuring power from the projects of Genco under execution and then submit PPAs project-wise incorporating all the provisions required for its consideration and to hold public hearings on each PPA separately and determine permissible capital cost, tariff, etc. Unless PPAs are signed by the Discoms and developers of power projects concerned and submitted for consideration of the Commission, the latter should not
consider tariff filings of any developer of power projects, in the subject case by AP Genco, submitted unilaterally and determine tariffs. Moreover, without determining permissible capital cost and without knowing the source and costs of fuels, tariffs cannot be determined. Similarly, different parameters for operation of the plants need to be examined. For example, while the Hon’ble Commission determined a PLF of 85% for Sri Damodaram Sanjeevayya Thermal Power Plant with super critical technology, AP Genco has proposed a PLF of 80% only for Dr NTTPS V with super critical technology in the subject filings.

10. Regarding the other claims relating to tariffs of the existing projects made by AP Genco, I request the Commission to allow the same as per applicable regulations and the present trends of interest rates prevailing.

11. I request the Commission to provide me an opportunity to make further submissions after receiving responses to my above explained submissions from AP Genco and during the public hearings on the subject issue.

Thanking you,

Yours sincerely,

M. VenugopalaRao
Senior Journalist & Convener,
Centre for Power Studies
H.No.7-1-408 to 413, F 203
Sri SaiDarsan Residency
Balkampet Road, Ameerpet
Hyderabad – 500 016

Encl : Copy of letter of Dr E A S Sarma garu
Copy to:
Chief Engineer (Commercial)
APGENCO, Vidyuth Soudha
Gunadala, Vijayawada

Statement of suggestions and objections on tariff proposals of AP Genco for the 4th control period of 2019-24 in O.P. No. 35 of 2018

1. Name & full address of the objector : M. VenugopalaRao
   Senior Journalist & Convener, Centre for Power Studies
2. Brief details of objections and suggestions: Objection to allowing ad hoc tariffs, without holding public hearings on PPAs and issuing orders by the Commission, allowing additional interest on pension bonds, etc., as pass through. Suggestions to examine the capital costs of projects, give a piece of advice to the State Government to take over all pension liabilities of AP Genco, strengthen the utility in all respects, determine need for procuring power from projects under execution, their permissible capital costs, tariffs, examine the entire gamut of issues relating to import of coal, transportation costs, and quality of coal, considering serious allegations of manipulations, etc., made from time to time.

3. Whether copy of objections enclosed: Yes

4. Whether the objector wants to be heard in person: Yes

M. VenugopalaRao
Hyderabad
17.1.2019

E.A.S. Sarma
14-40-4/1 Gokhale Road
Maharanipeta
Visakhapatnam 530002
Mobile: 919866021646
Subject: Further submissions on AP Genco's application for tariff for control period

To: commn-secy <commn-secy@aperc.gov.in>, ce-comm@apgenco.gov.in

Sir

Am forwarding a copy of my further submissions in response to the replies given by AP Genco to my earlier written submissions in OP 35 of 2018. Please take the same on record.

Regards

Mummareddi Venugopala Rao
040-23737404
To
The Secretary
A.P. Electricity Regulatory Commission
11-4-660, 4th floor
Singareni Bhavan, Red Hills
Hyderabad - 500 004

January 29, 2019

Respected Sir,

Sub : Submission of further suggestions and objections on tariff filings of AP Genco for the 4th control period (from 2019-20 to 2023-24) in O.P.No.35 of 2018

With reference to the replies given by AP Genco in its letter dated 24.1.2019 to my earlier submissions dated 17.1.2019, I am submitting the following additional points for the consideration of the Hon'ble Commission:

1. AP Genco has explained that PPAs with RTPP IV and Dr NTTPS V were entered with the four Discoms in the undivided Andhra Pradesh and submitted for approval of the Commission and the same were returned by the latter. It has further informed that the amended PPAs with two Discoms – APEPDCL and APSPDCL – are under execution and the same will be filed before the Commission for approval shortly. When both these projects were intended for supplying power to the four Discoms in the undivided A.P., and PPAs were signed accordingly, how can amended PPAs be signed now with only APEPDCL and APSPDCL, without establishing need for purchasing entire power to be generated by both the projects at threshold level of PLF? AP Genco has not explained any justification, as well as legal tenability, for avoiding signing PPAs with the two Discoms of Telangana also. The views of AP Discoms also should be ascertained by the Commission before considering the proposals of AP Genco, in this regard.

2. AP Genco has contended that “the load forecast studies are not in purview of APGENCO and APGENCO is planning projects duly considering peak demand and future power requirements with the approval of GoAP.” Setting up base-load stations considering peak demand is strange. Unrelated to load forecast, future power requirements cannot be determined and new projects cannot, and should not, be taken up for future power requirements not determined.

3. When thermal projects of AP Genco are being backed down in order to purchase power from must-run non-conventional energy units, as already confirmed by AP Genco, and when the Discoms, at the behest of GoAP, are entering into long-term PPAs with private thermal power stations and NCE units indiscriminately, leading to further increase in unwarranted surplus power, addition of new installed capacities by the new projects being implemented by AP Genco would further intensify availability of unwarranted surplus power and its backing down. This lop-sided drifting exposes lack of a prudent and holistic approach on the part of GoAP for addition new installed capacities periodically and its irresistible inclination for forcing the Discoms to enter into PPAs
with private power projects indiscriminately for extraneous considerations. NCE units, especially solar and wind, with a CUF of 20-25% cannot meet peak demand. It is a perverse approach to enter into long-term PPAs with such NCE units, on the one hand, and setting up base-load thermal power units by AP Genco to meet peak demand when NCE units cannot generate and supply power, on the other. Therefore, we request the Hon’ble Commission to consider the following points, among others:

a) Since AP Genco is a public sector utility of GoAP and its projects are being set up with public money and are intended to supply power solely to AP Discoms, the Hon’ble Commission should direct the Discoms to enter into PPAs with Genco and submit the same project-wise for its consideration.

b) The Hon’ble Commission should take up the PPAs between Genco and the Discoms project-wise, holding public hearing on each PPA, consider need for purchasing power from them, their permissible capital cost, competitiveness of their tariffs, schedules of declaration of CoDs depending on requirement of periodical addition of installed capacities, etc., by incorporating the same in the long-term load forecast and resource plan.

c) Since AP Genco has contended that it is taking up new projects as approved by GoAP, a condition should be incorporated in the PPAs of new projects that the Discoms shall take power from these projects to the extent required and subject to merit order dispatch and that for backing down no fixed charges shall be paid by them. Genco can sell the balance surplus power in the market or to any other State, if possible. The fixed charges for backing down shall be paid by GoAP to AP Genco.

d) Let it be incorporated in the long-term load forecast, procurement plan, etc., that till power to be generated at threshold levels of PLF and supplied by the projects of AP Genco, both existing and under execution, the Discoms shall not enter into PPAs with private power projects, both conventional and non-conventional.

e) The Commission should not give its consents to PPAs, if any, entered into by AP Discoms with any private power project/s, both conventional and NCE, till power from the projects of AP Genco is fully utilised by the Discoms.

f) For meeting peak demand, during day or seasonal, depending on requirement, the Discoms can opt to purchase power through exchanges, or short-term agreements through competitive biddings, as the case may be.

4. When long-term PPAs are being entered into by the Discoms with private power projects, both conventional and NCE, with no need for their approaching the Commission for determination of tariffs for each quinquennium, there should be long-term PPAs with the projects of AP Genco and consents of the Commission be given once for all, without any need to approach it once in every quinquennium for determination of tariffs afresh.
5. Regarding allocation and supply of coal to its thermal power plants, AP Genco has explained that against sanctioning of linkage of coal for 90% required for achieving 85% PLF; i.e., equaling to 76.5% PLF, and that 76.5% linkage quantity will be based on invoice grade, whereas the coal consumption is based on as fired basis. It has maintained that the linkage quantity is sufficient only to achieve about 70% PLF. Transport constraints are creating hurdles to achieve 100% materialization of linkage quantity, it has informed. To achieve normative PLF of 80% AP Genco has to procure premium coal either through MoU route or import. However, energy charges will increase substantially on account of usage of coal from alternative sources, AP Genco has explained. From the explanation of AP Genco it is evident that there is difference in quality of coal based on invoice grade and as fired actually. Second, allocation of coal is not sufficient to achieve 85% PLF. If imported coal or e-auction coal is procured, as suggested by CERC in its draft regulations, it will increase energy charges substantially. It is also evident that, without adequate allocation of indigenous coal of required quality and without making cost-benefit analysis, super critical technology is being used for setting up thermal power plants.

6. The Modi government at the Centre has been creating artificial scarcity for coal to power plants, contrary to the allocations made to them. This is evident from the following points, among others:

a) While the Union Minister for Power, Sri R K Singh, is asking the States to import coal for 2-3 years, the Minister for coal, Sri Piyush Goyal, is saying that it is temporary in nature and that constant efforts are being made to increase production of coal.

b) Without meeting requirement of thermal power plants for coal, at least, as per allocations, that the coal companies are selling coal in spot e-auction for a huge premium of even up to 102% confirms that there is no scarcity to meet commitments based on allocations made, that transport constraints are not coming in the way for e-auction coal and that the GoI is allowing these manipulations to ensure windfall profits to coal companies.

c) It is reported that Coal India Limited is toying with the idea of a policy on coal exports before it could finalise commercial contracts for exporting the dry fuel. "We are in process of dialogue for export to Nepal, Bangladesh and Bhutan to create a market for long term. A very small quantity of coal is exported to neighbouring countries through bilateral agreements," PTI quoted an official of CIL. Without meeting requirement of coal in the country, talk of export policy is also intended, obviously, to create artificial scarcity for coal in the country and reap windfall profits through exports. Or, it may be that there is plenty of scope for production of adequate quantum of coal to meet indigenous demand and export as well.
d) Power plants can procure coal, within the limitations of allocations made to them, during off seasons like rainy season to maintain required stocks.

e) NITI Aayog, in one of its reports, has maintained that “India aims to cut thermal coal imports to zero by the end of this fiscal year (2018-19) and use its abundant domestic stockpiles to address its electricity needs.”

f) “India overtakes Australia and the United States in the early 2020s to become the world’s second-largest coal producer behind China (in energy terms; considered by mass, India is already the second-largest coal producer),” International Energy Agency (IEA) has said in its latest World Energy Outlook 2018 report.

g) The report of IEA has said that despite an overhaul of the coal allocation system, as of April 2018, more than 50 Million Tonne of coal is stockpiled at mines awaiting transportation, leading to imports. “Around 90 per cent of domestic coal in India is allocated through long-term fuel supply agreements to end-users at notified prices. Auctions and short-term purchases are typically only used by small consumers or those who are unable to access coal on long-term contracts. The logistics system is often slow to respond to fluctuations in demand and, with bottlenecks in the rail network, there is often a shortfall in supply in critical months, meaning that plants resort to imports,” IEA has said. The GoI continues to fail to clear such bottlenecks for timely transportation of coal, notwithstanding its claims to the contrary.

h) The report of IEA has also pointed out that over the last two decades there has been a continuous decline in the quality of indigenously produced coal in terms of calorific values and high mineral-ash content. It added that there are 17 grades of non-coking coal allocated to the various sectors and there are frequent disagreements between end-users and suppliers on the quality and quantity of coal delivered.

i) There is a method, as well as purpose, behind this madness of creating artificial scarcity for domestic coal. In the face inadequate supply of coal, thermal power plants are constrained to back down their capacities, leading to forcing the Discoms to procure power from other thermal power plants, which are stranded due to lack of PPAs, to meet a part of their requirement for power. In other words, the Modi government’s manipulative approaches in creating artificial scarcity for indigenous coal is intended to bail out such stranded private thermal power plants and others selling power through power exchanges, etc.

j) By creating artificial scarcity for indigenous coal, the Modi government intends to create artificial scarcity for power, too, and force the Discoms to enter into PPAs with NCE units, especially solar and wind. Some of the State governments like GoAP are also facilitating this manipulation for extraneous considerations and at the cost of consumers of power at large.
k. GoI should impose a condition on the companies supplying fuels like indigenous coal and natural gas that they should not sell their fuels to others, either through e-auction or otherwise, until and unless they fulfil their commitments to power plants and other sectors as per allocations made by it. Violation of such a condition should result in imposition of hefty penalty on those companies.

l. A condition that companies supplying fuels like indigenous coal and natural gas to power plants as per allocations made by the GoI should not enter into fresh fuel supply agreements unless and until they honour their commitments fully under the existing FSAs. Also, the GoI should not make fresh allocations of fuels like indigenous coal and natural gas till the companies supplying the same as per allocations made by it already meet such requirements fully.

Thanking you,

Yours sincerely,

M. Venugopala Rao
Senior Journalist & Convener,
Centre for Power Studies
H.No. 7-1-408 to 413, F 203
Sri SaiDarsan Residency
Balkampet Road, Ameerpet
Hyderabad – 500 016

Copy to:
Chief Engineer (Commercial)
APGENCO, Vidyuth Soudha
Gunadala, Vijayawada
Sr.,


***

Hon’ble Commission has approved to upload the filings of Tariff application by APGENCO for its power stations for 4th Control Period on Commission’s website.

A folder of the MYT filings are placed in the directory; ‘webupload/JD(Engg)/Tariff application APGENCO’

It is requested to arrange to upload the above .pdf files and data files in Excel format in the website of the Commission under the titles:

“Tariff application of APGENCO power stations for 4th Control Period (FY2019-20 to FY2023-24)”.

Yours faithfully,

[Signature]

DD/28/12/18

From
Dy.Director/TEngg,
APERC, Hyderabad.
Subject: Comments APGENCO filings

To: commnsecy <commn-secy@aperc.gov.in>,
    settyramanaiah69 <settyramanaiah69@gmail.com>,
    ddtte <ddte@mail.ercap.org>

Date: 01.31.19 07:31 AM
From: ce commercial <cecommercial@rediffmail.com>

Comments_APGenco_Tariff_Filings.pdf (71kB)

Sir,
Please find in the attachment, the comments/suggestions on the tariff filings of APGENCO for FY 2019-24 on behalf of APDISCOMs as directed by the management.

Regards,
Commercial/APPCC
Comments/suggestions on Tariff filings of APGENCO for new stations (other than those whose PPAs are expiring by 31.03.2019) for FY 2019-24

1. It is observed from the filings that APGENCO selectively adopted certain CERC norms only like norms for O&M expenses, ROE etc. This selective adoption of norms is not acceptable. Hon’ble APERC is requested to consider other CERC norms also such as norms for SHR, Auxiliary Energy consumption, Oil consumption, target availabilities, target PLFs, GCVs of coal on received basis for billing purpose etc while determining the tariff. Further, CERC is likely to issue new Tariff Regulations for FY 2019-24 in Feb’2019. Hence, the latest norms specified in the above Regulation may be considered.

2. APGENCO is not able maintain the coal stock as specified in the working capital. Hence, provision may be made in the tariff order for subsequent truing up of working capital based on the actual coal stock.

3. The additional capex claimed by APGENCO for FY 2014-19 may be prudently checked. Any liquidated damages, penalties collected from the suppliers, contractors may be deducted from the capex.

4. The capital costs of new projects (whose capital costs are yet to be determined) may be compared to the benchmark capital costs of similar projects while determining the tariff. For delays in the commissioning of the new projects, IDC may be disallowed for the delayed period.

5. APGENCO may be directed to submit FCA every month (instead of for every quarter) along with the regular bills as is being done by NTPC to avoid distortion of merit order system.

6. Since APERC Regulation 1 of 2008 or CERC Tariff Regulations for FY 2014-19 or draft Tariff Regulation for FY 2019-24 do not have a provision for pay revision, the same may be excluded from O&M expenses.

Comments/suggestions on Tariff filings of APGENCO for old stations (whose PPAs are expiring by 31.03.2019) for FY 2019-24

1. The composite PPA for old stations is going to expire by 31.03.2019. APGENCO has proposed to renew the PPA for 5 more years i.e. up to 31.03.2024 and submitted draft composite PPA to DISCOMs a few days back only. The same is under examination. Further, Hon’ble Commission in the order dated 13.12.2017 directed
APDISCOMs not to enter into any fresh Power Purchase Agreements with any power developer using any source or fuel for power generation, without prior intimation to and permission from the Commission until further orders from the Commission depending upon any change of circumstances or exigencies of the power sector in the State. Therefore, the Hon’ble Commission is requested to defer the tariff determination process of old stations for the fourth control period i.e. FY 2019-24 till a decision is taken on the renewal of the composite PPA.
V. M. Vemugopala Rao
V. M. Subba Rao
Guntupalli - 521241
(Andhra Pradesh)
IBR Neonatal unit (M)
Korshandri
AP
V. V. S. Sivaram
RADAR

A. Shiva Kumar
(FRAPCI + AOPSMA)

S. P. Shiva Rao
L A A P Discors

V. Dr. K. Babu Rao
H No U-1-50/2 Rasadhra
Snehapuri Colony
Hyderabad - 500076

P. V. Ganesh Reddy
APFAPA
F A R
A A Y
Table 2.1

Table 2.1
From
The Chief Engineer
Commercial
APGenco,
Vidyut Soudha, Gunadala
Vijayawada- 520004.

To
The Chief Engineer(Commil),
APPCC,
Vidyut Soudha,
APTRANSCO, Khairatabad
Hyderabad - 500 082.

Lr.No: CE (Commil)/SE (Commil)/DE/RA/MYT/D.No.1014 /19 dt 07.02.2019

Sir,

Sub: - APGenco-Public hearings on the tariff filings in OP 35 of 2018 - APGenco remarks on the objections/suggestions received - Reg.


As per the directions of Hon’ble Commission vide reference cited above, replies to the objections received on 01.02.2019 during the public hearing on the APGENCO tariff filings for the control period 2019-24 are enclosed herewith.

Encl: As above

Yours faithfully

Chief Engineer
Commercial

Copy to

The Commission Secretary,
# 11-4-660, 4th Floor,
APERC,
Singareni Bhavan,
Hyderabad- 500 004.
APGENCO replies to the DISCOMS objections:

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<tr>
<th>S.No</th>
<th>Objection</th>
<th>Reply</th>
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<tbody>
<tr>
<td>1</td>
<td>APGENCO selectively adopted certain CERC norms only like norms for O&amp;M expenses, ROE etc. This selective adoption of norms is not acceptable. Hon’ble APERC is requested to consider other CERC norms also such as norms for SHR, Auxiliary Energy consumption, Oil consumption, target availabilities, target PLFs, GCVs of coal on received basis for billing purpose etc while determining the tariff. Further, CERC is likely to issue new Tariff Regulations for FY 2019-24 in Feb’2019. Hence, the latest norms specified in the above Regulation may be considered.</td>
<td>APGENCO has made tariff filings as per 1 of 2008 APERC regulations. As per clause 10 of APERC Regulations, the amendments made by CERC are applicable on adoption by the Commission. Hon’ble APERC has considered O&amp;M costs, O&amp;M escalation and RoE as per CERC Regulations 2014 in its order dated 26.03.2016 in OP 3 of 2016 while determining APGENCO tariff. Accordingly APGENCO considered the same for tariff filings for the control period 2019-24.</td>
</tr>
<tr>
<td>2</td>
<td>APGENCO is not able maintain the coal stock as specified in the working capital. Hence, provision may be made in the tariff order for subsequent truing up of working capital based on the actual coal stock.</td>
<td>Interest on working capital will be on normative basis as per clause 12.4 of APERC Regulation 1 of 2008. If actuals are to be considered, Discoms are over due by 3 months in addition to the 2 months allowed. Hence 5 months receivables are to be considered in working capital instead of 2 months.</td>
</tr>
<tr>
<td>3</td>
<td>The additional capex claimed by APGENCO for FY 2014-19 may be prudently checked. Any liquidated damages, penalties collected from the suppliers, contractors may be deducted from the capex.</td>
<td>APGENCO has incurred additional Capital expenditure for sustainability of the units and on need basis. APGENCO will provide all the information required by the commission for prudence check.</td>
</tr>
<tr>
<td>4</td>
<td>The capital costs of new projects (whose capital costs are yet to be</td>
<td>APGENCO will provide all the information required by the</td>
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<td>determined) may be compared to the benchmark capital costs of similar projects while determining the tariff. For delays in the commissioning of the new projects, IDC may be disallowed for the delayed period.</td>
<td>commission for prudence check. IDC may be allowed after examining the valid reasons for delay.</td>
</tr>
<tr>
<td>5</td>
<td>APGENCO may be directed to submit FCA every month (instead of for every quarter) along with the regular bills as is being done by NTPC to avoid distortion of merit order system.</td>
</tr>
<tr>
<td>6</td>
<td>Since APERC Regulation 1 of 2003 or CERC Tariff Regulations for FY 2014-19 or draft Tariff Regulation for FY 2019-24 do not have a provision for pay revision, the same may be excluded from O&amp;M expenses.</td>
</tr>
<tr>
<td></td>
<td>For central generating stations pay revision is once in 10 years. CERC is providing for pay revision commitment in its Regulation as and when revision of scales was due for central generating stations. Accordingly, pay revision of 50% was provided in CERC Regulation 2009-14. For the State power utilities, pay revision is due once in four years as per the Tripartite agreement entered with Unions and Associations. Accordingly, Hon’ble APERC has recognized the pay revision commitment of 2002, 2006, 2010 &amp; 2014 while determining the tariff of APGENCO stations. On similar grounds APGENCO filed for inclusion of 2018 PRC commitment in tariff.</td>
</tr>
<tr>
<td>7</td>
<td>The composite PPA for old stations is going to expire by 31.03.2019. APGENCO has proposed to renew Since APERC Regulation 1 of 2008 or CERC Tariff Regulations for FY 2014-19 or draft the PPA for 5 more years.</td>
</tr>
<tr>
<td></td>
<td>The stations transferred from Erstwhile APSEB and vested with APGENCO vide GOMs No.11 dated 30.01.2000. APGENCO has entered into PPA with Discoms which is valid upto 31.03.2019.</td>
</tr>
</tbody>
</table>
i.e. up to 31.03.2024 and submitted draft composite PPA to DISCOMs a few days back only. The same is under examination. Further, Hon’ble Commission in the order dated 13.12.2017 directed APDISCOMs not to enter into any fresh Power Purchase Agreements with any power developer using any source or fuel for power generation, without prior intimation to and permission from the Commission until further orders from the Commission depending upon any change of circumstances or exigencies of the power sector in the State. Therefore, the Hon’ble Commission is requested to defer the tariff determination process of old stations for the fourth control period i.e. FY 2019-24 till a decision is taken on the renewal of the composite PPA.

| APGENCO proposed for renewal of PPA on 12.07.2018. APPCC in response to APGENCO’s proposal, sought for additional information on 26.07.2018. APGENCO has provided the information on 21.08.2018 and requested for meeting to finalize the issues. Based on the discussion of the meeting, APGENCO has communicated final draft on 09.01.2019. In addition to the above, APGENCO sought confirmation regarding power procurement from APGENCO old stations on 11.12.2018 in order to make tariff filings before Hon’ble APERC. The APPCC has given its confirmation on procurement of power on 27.12.2018. The tariff filings were made duly mentioning the same at para no.1.8 in volume I. Further, the pension commitment of Master Trust in respect of all AP power Utilities is recovered through tariff from the old stations as per the transfer scheme ordered vide GO Ms No.11 dt.30.01.2000. |
APGENCO
GENERATING STATIONS TARIFFS
for 4th Control Period - FY2019-20 to FY2023-24

ORDER
29th April, 2019

Andhra Pradesh
Electricity Regulatory Commission
4th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad-500 004
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ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
HYDERABAD
MONDAY, THE TWENTY NINETH DAY OF APRIL, TWO THOUSAND AND NINETEEN

Present
Justice G. Bhavani Prasad, Chairman
Dr. P. Raghu, Member
Sri P. Rama Mohan, Member

In the matter of

Determination of tariffs of APGENCO Generating stations for the
4th Control Period
(FY 2019-20 to FY 2023-24)
in
O.P. No. 35 of 2018

Andhra Pradesh Power Generation Corporation Limited, Vidyut Soudha, Vijayawada
... Petitioner

and

Eastern Power Distribution Company of A.P. Limited, Visakhapatnam
Southern Power Distribution Company of A.P. Limited, Tirupati
... Respondents

The MYT Tariff filings filed by Andhra Pradesh Power Generation Corporation Limited (APGENCO) vide O.P.No.35 of 2018 in respect of its Generating Stations for the 4th Control Period (FY2019-20 to FY2023-24) came up for consideration before the Commission. Upon following the procedure prescribed for determination of such tariff under Section 64 of the Electricity Act, 2003 (Central Act No.36 of 2003) and after careful consideration of the material available on record, the Commission, in exercise of the powers vested in it under the said Central Act No. 36 of 2003, the Andhra Pradesh Electricity Reform Act, 1998 (State Act 30 of 1998) and the APERC (Terms and Conditions for determination of Tariff for supply of electricity by a generating company to a distribution licensee and purchase of electricity by distribution licensees) Regulation, 2008, (Regulation 1 of 2008) as amended from time to time, hereby passes following:
ORDER
CHAPTER - I
INTRODUCTION

1. Consequent to coming into force of the Andhra Pradesh Reorganization Act, 2014 (Central Act No.6 of 2014) (hereinafter referred to as the Reorganization Act) and in terms of the provisions of Section 92 of the said Act read with Schedule XII (C) (3) and Section 82 of the Electricity Act, 2003, the Government of Andhra Pradesh issued notification in G.O.Ms.No.35, Energy (Power-III) Department, dt.01.08.2014 and constituted the Andhra Pradesh Electricity Regulatory Commission.

2. Andhra Pradesh Power Generation Corporation Limited (hereinafter referred to as “APGENCO” or as the “Petitioner”) was established as a company registered under the Companies Act, 1956, on 01/02/1999 upon the coming into force of the Andhra Pradesh Electricity Reform Act, 1998.

3. In terms of the Andhra Pradesh Electricity Reform (Transfer Scheme) Rules, 1999, notified by the Government of Andhra Pradesh in G.O.Ms. No. 9, Energy (Power-III), dt.29.01.1999 and amended subsequently by notification in G.O.Ms. No. 11. Energy (Power-III), dt.31.01.2000, certain assets, liabilities, personnel and proceedings of the erstwhile Andhra Pradesh State Electricity Board which had vested in the State Government upon coming into force of the Reform Act, stood transferred and vested in APGENCO on the values, terms, conditions and consequences provided therein. The aforesaid transfer and vesting were binding on all, without any exception or recourse to anyone.

4. Thereupon, the APGENCO had been generating and supplying electricity to the Transmission Corporation of Andhra Pradesh so long as it was the distribution licensee or bulk supply licensee, and thereafter to the four distribution licensees of the undivided State of Andhra Pradesh.

5. Pursuant to the coming into force of the Reorganisation Act, a separate company i.e. TSGENCO (Telangana State Power Generation Corporation Ltd) was carved out of APGENCO (a generating company owning power stations in the three regions i.e. Andhra, Rayalaseema and Telangana of the undivided Andhra Pradesh State) on 19.05.2014. The assets, liabilities, etc., of APGENCO pertaining to the generating stations in Telangana State were
provisionally transferred to TSGENCO in terms of the Transfer Scheme notified in G.O. Ms. No. 29 dated 31.05.2014. The transfer valuation is yet to be finalized as at 01.06.2014 considering all relevant factors.

6. The power generated by APGENCO was being supplied to the two distribution licensees of Andhra Pradesh and the two distribution licensees of Telangana State as per the inter-se allocation of the generation to the individual distribution licensees notified by the State Government of the undivided State. Subsequently, as per the approval of GoAP in letter No.1504/power-III/2015-9 dated: 05.06.2017 (Annexure-C), APGENCO has requested APSLDC to regulate power supply to TS power utilities. Accordingly, regulation of power supply to TS power utilities by APGENCO came into effect from 00:00 hrs. of 11.06.2017. Thereupon and thereafter the entire power generated by APGENCO is being supplied only to the two Distribution Licensees of Andhra Pradesh viz Eastern Power Distribution Company of A.P. Limited, Visakhapatnam (AEPDCL) and Southern Power Distribution Company of A.P. Limited, Tirupati (APSPDCL) (hereinafter referred to as “Respondents” or as the “Licensees”).

**APERC (Adaptation) Regulation, 2014**

7. In exercise of the power conferred by Section 181 of the Electricity Act, 2003(Central Act No.36 of 2003) and all other powers thereunto enabling, including those conferred by the Andhra Pradesh Electricity Reform Act, 1998 (State Act No.30 of 1998) and the Reorganization Act, 2014, the Commission issued APERC (Adaptation) Regulation, 2014 (Regulation 4 of 2014) and notified that with effect from 01.08.2014, all regulations made by, all decisions, directions or orders of, and all the licenses and practice directions issued by the Commission in existence as on the date of G.O.Ms No.35, dt.01.08.2014 referred to in para 1, shall apply in relation to the State of Andhra Pradesh and shall continue to have effect until duly altered, repealed or amended. The said Regulation 4 of 2014 was published in the Extraordinary Gazette of the State of Andhra Pradesh on 29.11.2014.

**Statutory provisions, Filing requirements and permission**

8. Section 64(3) read with Section 62 (a) of the Electricity Act, 2003 stipulates that the Commission shall determine tariff for supply of electricity by a generating company to a distribution licensee.
9. Regulation 1 of 2008 notified by the Commission introduced Multi Year Tariff (MYT) framework and accordingly, the Generating company has to file tariff filing with the Commission for determination of Tariff for its power generating stations for a period of 5 years (called Control Period). The 4th Control Period covers five years from FY2019-20 to FY2023-24.

10. The Central Act No.36 of 2003 as well as the Regulation 1 of 2008 mandate that a Generating company shall file for its tariff application in such form and in such manner as specified and in accordance with the guidelines issued by the Commission for the Control Period, not less than 120 days before the commencement of the first year of the Control Period, for approval of the Commission. After the formation of the State of Andhra Pradesh and the Andhra Pradesh Electricity Regulatory Commission, the determination of tariff of APGENCO for the 3rd Control Period from 1.04.2014 to 31.03.2019 was made in O.P.3 of 2016 by an order dated 26.03.2016. For the 4th Control Period from 01.04.2019 to 31.03.2024, APGENCO has to file its Tariff Filings for its generating stations on or before 30.11.2018 as per Regulation 1 of 2008.

11. By a letter dated 20.11.2018, the Commission has brought to the notice of APGENCO to make its tariff filings before 30.11.2018 as per section 86(1)(a) of Electricity Act, 2003. In response to Commission's letter, APGENCO has requested for extension of time up to 31.12.2018 for its tariff filings. The request of the APGENCO was considered by the Commission.

**Tariff Filings, Public Notice, Public Hearings and SAC & SCF meetings**

12. APGENCO has filed a petition before APERC on 28.12.2018 under Section 62 of the Electricity Act, 2003 and APERC Regulation 1 of 2008 for determination of Tariff for the 4th control period (FY 2019-2020 to FY2023-24) for the electricity supplied from its various generating stations to the two Distribution Licensees in the State of Andhra Pradesh.

13. The Tariff application filed by APGENCO was taken on record by the Commission and assigned O.P. No. 35 of 2018 and the filings were uploaded in the Commission's website. Further, the Commission directed APGENCO to issue a Public Notice in English language in two (2) English Newspapers and in Telugu language in two (2) Telugu Daily Newspapers having wide circulation in the State of Andhra Pradesh incorporating tariff schedule of its
generating stations submitted to the Commission, for information and calling for views/objections/suggestions from individuals, representatives of consumer organizations and the other stakeholders to be submitted on or before 21.01.2019 by 5 PM and to upload tariff filings in its official website and to make available the copies of filings at its corporate office and also its offices at various power stations. Further, the Commission also directed the APGENCO to publish the details of the venues and the dates and timings of the public hearings at three different places in the State of Andhra Pradesh at Visakhapatnam, Tirupati (the Head Quarters of both the distribution licensees/respondents) and Vijayawada (The Head Quarters of APGENCO and also the Capital Region of Andhra Pradesh) and at Hyderabad, the place of the Head office of the Commission and the details of joint meetings of State Advisory Committee (SAC) and State Coordination Forum (SCF) on tariff filings along with the proposed tariff schedule in the public notice. It was also informed to notify in the public notice that the views/Objections/suggestions submitted to the Commission upto 5 PM on 01.02.2019 will also be considered while determining the Generating stations' tariff for the 4th Control Period.

14. In compliance with the directions of the Commission, APGENCO has caused publication of Public Notices on 01.01.2019 in English language in two (2) English Daily Newspapers and in Telugu language in three (3) Telugu daily Newspapers (Annexure A1 & A2) incorporating its tariff schedule along with other details as directed, inviting views/objections/suggestions in respect of tariff filings for its generating stations for the 4th control period and also informed that all the interested/Associations/Stakeholders/Objectors who want to be heard in person/through authorized representatives may appear before the Commission during public hearings. The filings were also uploaded on the website of the APGENCO.

Response to the Public Notice

15. In response to the Public notice, the Commission received objections/suggestions/views in writing and/or in person at its office and during public hearings. As directed by the Commission, the APGENCO communicated its written replies to the objections/suggestions/views received from various stakeholders.
Public Hearings

16. The Commission conducted public hearings at the following places as published in the public notice to have widest consultation possible and benefit of maximum inputs in finalizing the tariff for APGENCO generating stations for 4th Control Period (FY2019-20 to FY2023-24).

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<th>Venue/place of Public Hearing</th>
<th>Date of Public Hearing</th>
</tr>
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<td>Conference Hall, ATC Building, Corporate Office, APEPDCL, P&amp;T Colony, Seethammadhara, Visakhapatnam.</td>
<td>07-01-2019 (Monday)</td>
</tr>
<tr>
<td>2</td>
<td>O/o. SE/Operation/Vijayawada, APSPDCL, Opp. PWD Ground, Beside CM camp office, Vijayawada.</td>
<td>08-01-2019 (Tuesday)</td>
</tr>
<tr>
<td>3</td>
<td>Conference Hall, Corporate Office, (Vidyuth Nilayam), APSPDCL, Behind Srinivasa Kalyanamandapams, Sreenivasapuram, Tiruchanoor Road, Tirupati.</td>
<td>09-01-2019 (Wednesday)</td>
</tr>
<tr>
<td>4</td>
<td>O/o APERC, 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004</td>
<td>18-01-2019 (Friday)</td>
</tr>
<tr>
<td>5</td>
<td>O/o APERC, 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004</td>
<td>25-01-2019 (Friday)</td>
</tr>
<tr>
<td>6</td>
<td>O/o APERC, 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004 (Exclusively on tariff application of APGENCO)</td>
<td>01-02-2019 (Friday)</td>
</tr>
</tbody>
</table>

* Timings for public hearings - 10.00 AM to 1.00 PM and from 2.00 PM till all the interested persons or their authorized representatives are exhausted.

17. The Commission has conducted last public hearing at Hyderabad thereby providing a final opportunity to the stakeholders to submit their views / objections/suggestions in writing as well as in person on Tariff filings of APGENCO.

18. During the public hearings, The Director (Finance & Commercial)/APGENCO made a brief presentation on the tariff filings of APGENCO. Then the participating stakeholders were heard in detail apart from receiving all written representations presented by them. The Director (Finance & Commercial)/APGENCO gave a detailed response to each of the issues/aspects raised by the objectors.

19. After the public hearings, a joint meeting of the State Co-ordination Forum and the State Advisory Committee was held on 10.01.2019 in the Meeting Hall,
Corporate Office, APSPDCL, Tirupati, wherein the views of the members were ascertained on the Tariff filings of APGENCO.

20. The views/objections/suggestions expressed by the stakeholders and/or their representatives (Annexure-B), in writing and/or in person and the replies provided by the APGENCO in writing and/or through oral responses during the public hearings held from 07.01.2019 to 01.02.2019 in respect of APGENCO Tariff filings and the views of the members of State Coordination Forum (SCF) & State Advisory Committee (SAC) have been duly considered in arriving at the appropriate conclusions in this Order, in so far as they relate to the determination of tariff of APGENCO generating stations for the 4th Control Period.
CHAPTER - II
FILINGS BY APGENCO

21. APGENCO has filed a petition before APERC on 28.12.2018 under Section 62 of the Electricity Act, 2003 and APERC Regulation 1 of 2008 for determination of Tariff for the 4th control period (FY2019-20 to FY2023-24) for the electricity supplied from its various generating stations to the two Distribution Licensees in the State of Andhra Pradesh.

22. The summary of the filings are as follows:

23. The APGENCO has filed tariff application for the following generating stations:

Table No: 2.1
Filings: Details of Generating Stations

<table>
<thead>
<tr>
<th>PPA Date</th>
<th>Stations</th>
<th>Valid Upto</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be Renewed</td>
<td>Dr NTTPS Stage I, II, III - 1260MW</td>
<td>31/03/2024</td>
</tr>
<tr>
<td></td>
<td>RTPP stage I - 420 MW</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SRBPH - 770 MW</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sileru complex- 725 MW</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NSRCPH - 90 MW</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PABR - 20 MW</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chettipeta - 1 MW</td>
<td></td>
</tr>
<tr>
<td>22/12/2009</td>
<td>Dr NTTPS IV (1x500 MW)</td>
<td>27/01/2035</td>
</tr>
<tr>
<td>22/12/2009</td>
<td>RTPP II (2x210)</td>
<td>28/03/2033</td>
</tr>
<tr>
<td>22/12/2009</td>
<td>RTPP III (1x210 MW)</td>
<td>09/02/2036</td>
</tr>
<tr>
<td>20/12/2010</td>
<td>NSTPHES - (2x25 MW)</td>
<td>29/01/2052</td>
</tr>
</tbody>
</table>

| Under execution | RTPP IV - (1x600 MW)                                 | 29/03/2043   |
|                 | Dr NTTPS V (1x800 MW)                                 |              |
|                 | Polavaram HES (12x80 MW)                              |              |

24. The Station/Stage wise annual fixed charges and annual additional interest on pension bonds estimated by APGENCO for the 4th control period are as hereunder:
Table No: 2.2

Filing: Fixed Charges Station/Stage Wise (Rs. Cr.)

<table>
<thead>
<tr>
<th>Station</th>
<th>Capacity in MW</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sileru Complex</td>
<td>725</td>
<td>227.39</td>
<td>236.82</td>
<td>247.04</td>
<td>258.90</td>
<td>270.91</td>
</tr>
<tr>
<td>Nagarjuna Sagar RCPH</td>
<td>90</td>
<td>27.28</td>
<td>28.16</td>
<td>29.12</td>
<td>30.28</td>
<td>31.43</td>
</tr>
<tr>
<td>Srisailam Right bank</td>
<td>770</td>
<td>217.81</td>
<td>223.89</td>
<td>230.62</td>
<td>238.91</td>
<td>247.15</td>
</tr>
<tr>
<td>PABR</td>
<td>20</td>
<td>12.90</td>
<td>13.25</td>
<td>13.64</td>
<td>14.09</td>
<td>14.56</td>
</tr>
<tr>
<td>Chettipeta</td>
<td>1</td>
<td>1.56</td>
<td>1.64</td>
<td>1.72</td>
<td>1.80</td>
<td>1.89</td>
</tr>
<tr>
<td>Dr.NTTPS</td>
<td>1260</td>
<td>815.16</td>
<td>851.32</td>
<td>890.21</td>
<td>890.97</td>
<td>940.96</td>
</tr>
<tr>
<td>RTPP-I</td>
<td>420</td>
<td>294.95</td>
<td>306.99</td>
<td>319.95</td>
<td>334.34</td>
<td>349.34</td>
</tr>
<tr>
<td>RTPP -II</td>
<td>420</td>
<td>284.04</td>
<td>296.68</td>
<td>310.22</td>
<td>324.73</td>
<td>340.25</td>
</tr>
<tr>
<td>Dr. NTTPS IV</td>
<td>500</td>
<td>446.90</td>
<td>303.21</td>
<td>311.92</td>
<td>321.41</td>
<td>331.71</td>
</tr>
<tr>
<td>RTPP III</td>
<td>210</td>
<td>271.49</td>
<td>267.46</td>
<td>184.78</td>
<td>191.00</td>
<td>197.74</td>
</tr>
<tr>
<td>NSTP HES</td>
<td>50</td>
<td>49.64</td>
<td>52.08</td>
<td>51.44</td>
<td>50.84</td>
<td>50.28</td>
</tr>
<tr>
<td>RTPP IV</td>
<td>600</td>
<td>1138.44</td>
<td>1101.73</td>
<td>1065.57</td>
<td>1029.99</td>
<td>995.02</td>
</tr>
<tr>
<td>Dr. NTTPS V*</td>
<td>800</td>
<td>477.73</td>
<td>1432.50</td>
<td>1387.30</td>
<td>1342.88</td>
<td>1299.27</td>
</tr>
<tr>
<td>Polavaram HES**</td>
<td>960</td>
<td>119.17</td>
<td>612.30</td>
<td>690.25</td>
<td>74.14</td>
<td></td>
</tr>
<tr>
<td>TB Dam &amp; Machkund (AP share)</td>
<td>141.6</td>
<td>57.33</td>
<td>61.14</td>
<td>65.20</td>
<td>69.52</td>
<td></td>
</tr>
<tr>
<td>Interest on Pension bonds (Over and above schedule)</td>
<td>991.24</td>
<td>1057.06</td>
<td>1127.25</td>
<td>1382.41</td>
<td>1474.21</td>
<td></td>
</tr>
<tr>
<td>Prior period O&amp;M expenses due to pay revision for FY 2018-19</td>
<td>223.75</td>
<td>74.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RTPP IV 2018-19 Fixed cost *</td>
<td>353.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6967.6</td>
<td>5890.60</td>
<td>6233.92</td>
<td>6355.16</td>
<td>7094.36</td>
<td>7509.12</td>
</tr>
</tbody>
</table>

* Dr. NTTPS-V is considered from December, 2019
** Polavaram HES - 3 units are considered from November 2021 and remaining 9 units are considered with an interval of two months for each unit.
# The Fixed Cost for RTPP stage IV for the year 2018-19 was not claimed in 2014-19, hence the same is claimed now @25% availability as a prior period cost.

25. The Station wise Energy charges/Variable cost estimated by APGENCO for its thermal generating stations based on the actual landed cost and the Gross
calorific value (GCV) of fuels during the 2nd Quarter of FY2018-19 to be applicable from 1st April, 2019 is as hereunder:

Table No: 2.3  
Filings : Energy Charges/Variable cost

<table>
<thead>
<tr>
<th>Station/Stage</th>
<th>(Rate / kWh) (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr NTTPS I-III</td>
<td>3.67</td>
</tr>
<tr>
<td>Dr NTTPS IV</td>
<td>3.15</td>
</tr>
<tr>
<td>RTPP – I</td>
<td>3.87</td>
</tr>
<tr>
<td>RTPP – II</td>
<td>3.87</td>
</tr>
<tr>
<td>RTPP- III</td>
<td>3.87</td>
</tr>
<tr>
<td>RTPP- IV</td>
<td>3.64</td>
</tr>
<tr>
<td>Dr NTTPS V</td>
<td>2.92</td>
</tr>
</tbody>
</table>

* The rate for Dr NTTPS I-III with the existing operating norms without revision for vintage and operating conditions would have been Rs. 3.40 per kWh

The initial rates for subsequent periods in the 4th control period is stated to be on the same basis depending on the preceding three months’ actuals and subject to adjustment for actual landed cost and GCV of fuels.

Procedure, norms adopted by APGENCO for estimation of different costs

26. The annual fixed charges shall cover (a) Return on Capital employed; (b) Depreciation; (c) O&M expenses and (d) Taxes on income as per actuals.

(a) Return on Capital Employed (RoCE)

APGENCO has stated to have computed the station-wise RoCE on the basis of Clause 12.1 of the APERC Regulation 1 of 2008.

(i) The station-wise Opening Gross Fixed Assets as on 01/04/2019, being the original capital cost, is stated to be considered including the capital expenditure incurred on some of the projects during FY 2014-19. The additional capital expenditure comprises payments made, admitted or released towards R&M works on old stations which were necessary and inevitable for the sustainability of the units which have served their life span and/or required for maintaining environmental norms. The details of Gross fixed assets (GFA) station wise are as hereunder:
Table No: 2.4
Filings: Gross Fixed Assets (Rs. Cr.)

<table>
<thead>
<tr>
<th>Station Name</th>
<th>GFA as on 31.3.2009</th>
<th>Additional Capex 2009-14</th>
<th>GFA as on 31.3.2014 (As approved by APERC)</th>
<th>Additional Capex 2014-19</th>
<th>GFA as on 31.3.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sileru Complex</td>
<td>683.08</td>
<td>3.49</td>
<td>686.57</td>
<td>12.04</td>
<td>698.61</td>
</tr>
<tr>
<td>NSRCPH</td>
<td>113.6</td>
<td>0</td>
<td>113.6</td>
<td>1.18</td>
<td>114.78</td>
</tr>
<tr>
<td>SRBPH</td>
<td>929.59</td>
<td>16.69</td>
<td>946.28</td>
<td>17.48</td>
<td>963.76</td>
</tr>
<tr>
<td>PABR PH</td>
<td>56.68</td>
<td>0</td>
<td>56.68</td>
<td>0.00</td>
<td>56.68</td>
</tr>
<tr>
<td>Chettipeta</td>
<td>3.55</td>
<td>0</td>
<td>3.55</td>
<td>0.00</td>
<td>3.55</td>
</tr>
<tr>
<td>Dr NTTPS</td>
<td>2865.57</td>
<td>96.67</td>
<td>2962.24</td>
<td>144.83</td>
<td>3107.07</td>
</tr>
<tr>
<td>RTPP I</td>
<td>1963.58</td>
<td>.47.75</td>
<td>2011.33</td>
<td>33.36</td>
<td>2044.69</td>
</tr>
<tr>
<td>RTPP II</td>
<td>1872.97</td>
<td>1.49</td>
<td>1874.46</td>
<td>1.25</td>
<td>1875.71</td>
</tr>
<tr>
<td>Dr NTTPS IV</td>
<td>2038.67</td>
<td>80.18</td>
<td>2118.85</td>
<td>38.93</td>
<td>2157.78</td>
</tr>
<tr>
<td>RTPP III</td>
<td>1170.26</td>
<td>12.16</td>
<td>1182.42</td>
<td>36.72</td>
<td>1219.14</td>
</tr>
</tbody>
</table>

(ii) The station-wise accumulated depreciation allowed in tariff orders up to 31/03/2019 is stated to be subtracted from the station-wise Gross Fixed Assets for estimation of RoCE.

(iii) Station-wise Working Capital is stated to be computed in accordance with Clause 12.4 of Regulation 1 of 2008. The Working Capital estimated is as given hereunder:
Table No: 2.5

Filings: Summary of Working Capital (Rs. Cr.)

<table>
<thead>
<tr>
<th>Name of the Station</th>
<th>Capacity</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>SILERU</td>
<td>725</td>
<td>106.43</td>
<td>112.07</td>
<td>118.10</td>
<td>131.30</td>
<td>138.62</td>
</tr>
<tr>
<td>NS RCPH</td>
<td>90</td>
<td>13.54</td>
<td>14.20</td>
<td>14.91</td>
<td>16.51</td>
<td>17.38</td>
</tr>
<tr>
<td>SRBPH</td>
<td>770</td>
<td>111.00</td>
<td>116.33</td>
<td>122.03</td>
<td>135.31</td>
<td>142.30</td>
</tr>
<tr>
<td>PABR</td>
<td>20</td>
<td>4.91</td>
<td>5.12</td>
<td>5.35</td>
<td>5.78</td>
<td>6.05</td>
</tr>
<tr>
<td>Chettipeta</td>
<td>1</td>
<td>0.47</td>
<td>0.50</td>
<td>0.52</td>
<td>0.56</td>
<td>0.59</td>
</tr>
<tr>
<td>Dr. NTTPS</td>
<td>1260</td>
<td>1116.27</td>
<td>1132.08</td>
<td>1148.93</td>
<td>1171.58</td>
<td>1192.33</td>
</tr>
<tr>
<td>RTPP-I</td>
<td>420</td>
<td>421.96</td>
<td>428.48</td>
<td>435.39</td>
<td>446.65</td>
<td>454.70</td>
</tr>
<tr>
<td>RTPP -II</td>
<td>420</td>
<td>375.08</td>
<td>379.34</td>
<td>383.87</td>
<td>388.67</td>
<td>393.77</td>
</tr>
<tr>
<td>Dr NTTPS IV</td>
<td>500</td>
<td>395.33</td>
<td>373.52</td>
<td>377.23</td>
<td>381.17</td>
<td>385.37</td>
</tr>
<tr>
<td>RTPP III</td>
<td>210</td>
<td>212.43</td>
<td>212.97</td>
<td>200.46</td>
<td>202.83</td>
<td>205.37</td>
</tr>
<tr>
<td>NSTP HES</td>
<td>50</td>
<td>11.87</td>
<td>12.44</td>
<td>12.50</td>
<td>12.57</td>
<td>12.66</td>
</tr>
<tr>
<td>RTPP IV</td>
<td>600</td>
<td>630.71</td>
<td>627.18</td>
<td>623.87</td>
<td>620.78</td>
<td>617.92</td>
</tr>
<tr>
<td>Dr NTTPS V</td>
<td>800</td>
<td>723.82</td>
<td>725.85</td>
<td>721.80</td>
<td>718.04</td>
<td>714.59</td>
</tr>
<tr>
<td>Polavaram HES</td>
<td>960</td>
<td>212.85</td>
<td>212.38</td>
<td>209.94</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(iv) Debt-Equity Ratio (D/E) is taken as 70:30 stated to be considered as per the Clause 10.13 of the Regulation 1 of 2008.

(v) Cost of Debt is taken as 10.2% stated to be considered at the present interest rates charged by PFC and REC. Return on Equity is taken as 15.5% stated to be considered as per the CERC Regulation. Accordingly, the Weighted Average Cost of Capital (WACC) is stated to be computed as 11.8%.

By following the above norms, the RoCE estimated by APGENCO station/stage wise is as given below:
Table No: 2.6
Filings: Return on Capital Employed (Rs. Cr.)

<table>
<thead>
<tr>
<th>Name of the Station</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sileru</td>
<td>38.12</td>
<td>36.35</td>
<td>34.63</td>
<td>33.75</td>
<td>32.18</td>
</tr>
<tr>
<td>Nagarjuna Sagar RCPH</td>
<td>5.33</td>
<td>4.98</td>
<td>4.65</td>
<td>4.41</td>
<td>4.09</td>
</tr>
<tr>
<td>Srisailam Right bank</td>
<td>46.61</td>
<td>43.45</td>
<td>40.34</td>
<td>38.12</td>
<td>35.15</td>
</tr>
<tr>
<td>PABR</td>
<td>3.49</td>
<td>3.32</td>
<td>3.16</td>
<td>3.02</td>
<td>2.86</td>
</tr>
<tr>
<td>Chettipeta</td>
<td>0.29</td>
<td>0.28</td>
<td>0.27</td>
<td>0.27</td>
<td>0.26</td>
</tr>
<tr>
<td>Dr.NTTPS</td>
<td>183.11</td>
<td>180.06</td>
<td>177.15</td>
<td>174.91</td>
<td>177.36</td>
</tr>
<tr>
<td>RTPP-I</td>
<td>82.91</td>
<td>81.88</td>
<td>80.90</td>
<td>80.43</td>
<td>79.58</td>
</tr>
<tr>
<td>RTPP -II</td>
<td>79.37</td>
<td>78.94</td>
<td>78.55</td>
<td>78.19</td>
<td>77.87</td>
</tr>
<tr>
<td>Dr NTTPS IV</td>
<td>133.06</td>
<td>111.96</td>
<td>109.57</td>
<td>107.21</td>
<td>104.87</td>
</tr>
<tr>
<td>RTPP III</td>
<td>82.97</td>
<td>72.40</td>
<td>60.30</td>
<td>59.09</td>
<td>57.91</td>
</tr>
<tr>
<td>NSTP HES</td>
<td>32.71</td>
<td>33.97</td>
<td>32.79</td>
<td>31.62</td>
<td>30.45</td>
</tr>
<tr>
<td>RTPP IV</td>
<td>647.12</td>
<td>602.61</td>
<td>558.12</td>
<td>513.66</td>
<td>469.22</td>
</tr>
<tr>
<td>Dr NTTPS V</td>
<td>269.86</td>
<td>792.21</td>
<td>735.90</td>
<td>679.64</td>
<td>623.41</td>
</tr>
<tr>
<td>Polavarm HES</td>
<td></td>
<td></td>
<td></td>
<td>85.16</td>
<td>437.02</td>
</tr>
</tbody>
</table>

(b) Depreciation

Depreciation is stated to be computed as per Clause 12.2 of Regulation 1 of 2008 on the historical cost of the assets based on a straight-line method over the useful life of the asset at the rates prescribed in MoP notification dated 21/03/1994.

The Depreciation estimated by APGENCO station/stage wise is given below:
Table No: 2.7  
Filings: Depreciation (Rs. Cr.)

<table>
<thead>
<tr>
<th>Station</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nagarjuna Sagar RCPH</td>
<td>3.58</td>
<td>3.58</td>
<td>3.58</td>
<td>3.58</td>
<td>3.58</td>
</tr>
<tr>
<td>Srisailam Right bank</td>
<td>32.09</td>
<td>32.09</td>
<td>32.09</td>
<td>32.09</td>
<td>32.09</td>
</tr>
<tr>
<td>PABR</td>
<td>1.61</td>
<td>1.61</td>
<td>1.61</td>
<td>1.61</td>
<td>1.61</td>
</tr>
<tr>
<td>Chettipeta</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
</tr>
<tr>
<td>Dr.NTTPS</td>
<td>41.59</td>
<td>41.59</td>
<td>41.59</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>RTPP-I</td>
<td>15.23</td>
<td>15.23</td>
<td>15.23</td>
<td>15.23</td>
<td>15.23</td>
</tr>
<tr>
<td>RTPP II</td>
<td>7.85</td>
<td>7.85</td>
<td>7.85</td>
<td>7.85</td>
<td>7.85</td>
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<tr>
<td>Dr NTTPS IV</td>
<td>156.98</td>
<td>23.97</td>
<td>23.97</td>
<td>23.97</td>
<td>23.97</td>
</tr>
<tr>
<td>RTPP III</td>
<td>90.11</td>
<td>90.11</td>
<td>12.57</td>
<td>12.57</td>
<td>12.57</td>
</tr>
<tr>
<td>NSTP HES</td>
<td>9.35</td>
<td>10.03</td>
<td>10.03</td>
<td>10.03</td>
<td>10.03</td>
</tr>
<tr>
<td>RTPP IV</td>
<td>373.71</td>
<td>373.71</td>
<td>373.71</td>
<td>373.71</td>
<td>373.71</td>
</tr>
<tr>
<td>Dr NTTPS V</td>
<td>156.12</td>
<td>473.08</td>
<td>473.08</td>
<td>473.08</td>
<td>473.08</td>
</tr>
<tr>
<td>Polavaram HES</td>
<td>23.60</td>
<td>121.62</td>
<td>179.71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(c) Operation & Maintenance Expenses
APGENCO has stated to have computed the O&M expenses as per the procedure adopted in CERC 2014 Regulation in accordance with clause 10 of Regulation 1 of 2008 as described below:

(i) Hydel Stations:

The actual O & M expenses for FY2014-15, FY2015-16 and FY2016-17 is escalated by 6.04% year-on-year upto FY2017-2018 to arrive at normalized O&M expenses. The average of the normalized O&M expenses for FY 2014-15 to FY 2017-18 was computed and escalated by 6.64% and a further 20% to take into effect of pay revision to arrive at the normalized O & M expenses for FY 2018-19. The O&M Expenses estimated for FY 2018-19 are escalated by 6.64% year on year to arrive at the O&M expenses for each year of the 4th control period. The escalation factor 6.64% was adopted as per the CERC 2014 tariff regulations.
(ii) **Thermal Stations:**

The O&M expenses approved by the Commission for the FY2018-19 vide its order dated 26.03.2016 in O.P. 3 of 2016 is taken as the basis for estimation of O&M expenses. Additional 20% is applied to the approved O&M expenses for FY 2018-19 to take into effect of pay revision in FY 2018-19 to arrive at the O&M expenses for base year. The O&M expenses for each year of the 4th control period is estimated with annual escalation of 6.64% by year on year. The escalation factor 6.64% was adopted as per the CERC 2014 tariff regulations.

The estimated O & M expenses station/stage wise are given below:

**Table No: 2.8**

<table>
<thead>
<tr>
<th>Name of the Station</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sileru</td>
<td>168.65</td>
<td>179.85</td>
<td>191.79</td>
<td>204.53</td>
<td>218.11</td>
</tr>
<tr>
<td>Nagarjuna Sagar RCPH</td>
<td>18.37</td>
<td>19.59</td>
<td>20.89</td>
<td>22.28</td>
<td>23.76</td>
</tr>
<tr>
<td>Srisailam Right bank</td>
<td>139.11</td>
<td>148.35</td>
<td>158.20</td>
<td>168.70</td>
<td>179.90</td>
</tr>
<tr>
<td>PABR</td>
<td>7.80</td>
<td>8.32</td>
<td>8.87</td>
<td>9.46</td>
<td>10.09</td>
</tr>
<tr>
<td>Chettipeta</td>
<td>1.20</td>
<td>1.28</td>
<td>1.36</td>
<td>1.45</td>
<td>1.55</td>
</tr>
<tr>
<td>Dr.NTTPS</td>
<td>590.46</td>
<td>629.66</td>
<td>671.47</td>
<td>716.06</td>
<td>763.61</td>
</tr>
<tr>
<td>RTPP-I</td>
<td>196.81</td>
<td>209.88</td>
<td>223.82</td>
<td>238.68</td>
<td>254.53</td>
</tr>
<tr>
<td>RTPP II</td>
<td>196.81</td>
<td>209.88</td>
<td>223.82</td>
<td>238.68</td>
<td>254.53</td>
</tr>
<tr>
<td>Dr NTTPS IV</td>
<td>156.86</td>
<td>167.28</td>
<td>178.39</td>
<td>190.23</td>
<td>202.86</td>
</tr>
<tr>
<td>RTPP III</td>
<td>98.41</td>
<td>104.94</td>
<td>111.91</td>
<td>119.34</td>
<td>127.26</td>
</tr>
<tr>
<td>NSTP HES</td>
<td>7.58</td>
<td>8.08</td>
<td>8.62</td>
<td>9.19</td>
<td>9.80</td>
</tr>
<tr>
<td>RTPP IV</td>
<td>117.60</td>
<td>125.41</td>
<td>133.74</td>
<td>142.62</td>
<td>152.09</td>
</tr>
<tr>
<td>Dr NTTPS V</td>
<td>51.75</td>
<td>167.22</td>
<td>178.32</td>
<td>190.16</td>
<td>202.79</td>
</tr>
<tr>
<td>Polavaram HES</td>
<td>10.41</td>
<td>53.66</td>
<td>79.28</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1751.43</strong></td>
<td><strong>1979.75</strong></td>
<td><strong>2121.62</strong></td>
<td><strong>2305.04</strong></td>
<td><strong>2480.16</strong></td>
</tr>
</tbody>
</table>

(d). **Income Tax**

There is no claim in the present filings. APGENCO has stated that the income tax will be claimed on the basis of actual payment from time to time.
**Additional Interest on Pension Bonds**

27. The liability of Rs 4,386.95 crores towards meeting the pension liability of the following was vested in the APGENCO in terms of the statutory First Transfer Scheme dated 30/01/2000 notified by the State Government under the AP Electricity Reform Act, 1998:

(a) The pensioners / family pensioners of the erstwhile APSEB as on 31/01/1999 and

(b) The employees of the erstwhile APSEB as on 31/01/1999 allocated to APGENCO, APTRANSCO and the DISCOMs as per transfer scheme.

An exclusive master trust was established for handling the pension liability as stated above. The obligation entrusted to Master Trust is to pay 100% of the pension commitments of pensioners as on 31/01/1999 and 74% of the pension commitment of employees as on 31.1.1999 and working in unbundled utilities who retired after 01/02/1999. The balance 26% is being funded by the separate P&G Trusts of the APGENCO, APTRANSCO and the DISCOMs.

In this regard, the APGENCO had issued 2 bonds (i.e. Bond I for Rs 1320.43 Cr. towards i.(a) and Bond II for Rs 3066.52 Cr. towards i.(b)) in favour of the Master Trust. Hence APGENCO is required to make the following annual payments as per the bond schedule:

(a) An amount towards repayment of the principal as per the bonds schedule

(b) Interest on the outstanding liability as per the bonds schedule

(c) Additional interest, being the actual amount of pension payment in a year in excess of the aggregate for that year of the scheduled repayment and interest aforesaid as per the bonds schedule.

i. The additional interest has been recognized and allowed in the tariff of APGENCO by the erstwhile APERC in the PPA order dated 24.03.2003, tariff order for FY 2006-09 dated 04.07.2013 and also

ii. Subsequent to the AP Reorganization Act, 2014, by a transfer scheme notified by the State Government in G.O.Ms.29 dated 31.05.2014 under the provisions of the A.P. Electricity Reform Act, 1998, 58.32% of the outstanding pension liability (i.e. bonds issued to the Master Trust) as on 31.03.2014 was vested in the APGENCO.

iii. Accordingly, the additional interest is stated to be estimated subject to adjustment for actuals on a year on year basis.

<table>
<thead>
<tr>
<th>Table No: 2.9</th>
<th>Filings: Additional Interest on Pension Bonds (Rs. Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019-20</td>
</tr>
<tr>
<td>Additional interest on Pension Bonds</td>
<td>991.24</td>
</tr>
</tbody>
</table>

28. **Energy Charges / Variable Costs**

APGENCO has stated the following with respect to computation of energy charges/variable costs:

ii. The Variable costs for the energy supplied from the thermal generating stations, other than the Dr NTTPS Stages I, II & III, are computed on the basis of the operating norms specified in clause 11 and in accordance with the procedure prescribed in Clause 13.1 of the Regulation 1 of 2008 considering the actual landed cost and the GCV of fuels during the 2nd quarter of 2018-19.

iii. Dr NTTPS Stages I, II and III have served for 40 years, 30 years and 25 years respectively. The standard operating life prescribed by CEA for thermal stations is 25 years. In addition to the ageing of units, most of the times the units are running at partial loads on account of increased must-run non-conventional energy generation in the State and the consequent backing down instructions issued by the SLDC. On account of backing down, the percentage auxiliary consumption is also increasing.
The operating parameters of Stages I, II & II were tested by 3rd party (Annexure-I) and the average SHR is found to be 2530 kCal/kWh at full load and 2650 kCal/kWh at 65% load. In view of the above, revised norms are adopted in computation of energy charges/variable costs. The details of existing norms and revised norms are as given below:

### Table No: 2.10
**Filings: Operating norms for Dr NTTPS O&M**

<table>
<thead>
<tr>
<th></th>
<th>Existing Norm</th>
<th>Revised Norm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Station Heat Rate</td>
<td>2500 kCal/kWh</td>
<td>2650 kCal/kWh</td>
</tr>
<tr>
<td>Auxiliary Consumption</td>
<td>8.75%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

29. **Incentives & Secondary Energy Charges**

There is no claim in the present filings on incentives and secondary energy charges. APGENCO has stated that the incentives for generation beyond the Target Plant Load Factor for Thermal generating stations and the secondary energy charges for generation beyond the design energy for Hydel generating stations will be claimed annually at the rates specified in the Regulation.

30. **Tungabhadra Dam & Machkund Hydro Power**

APGENCO has stated that it is operating TB Dam HES and Machkund HES partly and the State's share of power generated from these projects is being utilized by the Discoms. The AP Discoms are required to proportionally reimburse their respective share of the actual operating expenses and the fixed charges payable to the State Government.

31. **Conclusion**

The Commission has decided to consider the tariff filings submitted by the APGENCO, which are mentioned in brief in this Chapter, as the basis for determination of tariff for its generating stations for each year of the 4th Control Period with due weight being given to views/objections/suggestions of stakeholders, as discussed in Chapter III of this order.
CHAPTER - III
OBJECTIONS, RESPONSES AND COMMISSION'S VIEWS

32. Sri M. Venugopala Rao, Senior Journalist and Convener, Center for Power Studies, Hyderabad has stated the following:

**Determination of fixed charges without PPAs is improper**

(i) APGENCO has sought payment of fixed charges for 14 of its power projects and AP's share in inter-State power for a total capacity of 6967.6 MW for the 4th control period at Rs.5890.60 Cr. for FY2019-20, Rs.6233.92 Cr. for FY2020-21, Rs.6355.16 Cr. for FY2021-22, Rs.7094.36 Cr. for FY2022-23 and Rs.7509.12 Cr. for FY2023-24. Out of these projects, some are under execution and PPAs need to be signed. Each PPA needs to be examined thoroughly, with all relevant data, through the process of public hearing to ensure transparency and accountability. Without signing PPAs and submitting the same to the Commission for determining the need for purchasing power from the projects concerned, permissible capital costs and tariffs, and without holding public hearings on the same, seeking variable and fixed charges for such projects through the subject filings is improper. The terms and conditions in PPAs need to be examined to fix obligations of the parties to the PPAs in the light of applicable regulations for determination of scheduled date of operation, capital cost and tariff, covering a wide gamut of factors. Due to delay in execution of projects, the Discoms are constrained to purchase power from other sources, including power exchanges, at higher tariffs. The practice of entering into PPAs after declaration of COD, without any schedule for declaration of COD and provision for liquidated damages for delay in declaring COD, when implementation of projects concerned got delayed by several months or even years, resulting in abnormal increase in capital cost even up to 50%, would bail out the developer of the project concerned to go scot-free without paying liquidated damages.

**APGENCO's Response:** APGENCO is entering into PPAs for old stations from time to time duly assessing the balance life of plant. The details of PPAs entered with Discoms for old stations (Dr NTTPS O&M, RTPP I, Sileru complex, SRBPH, NSRCPH, PABR, Chettipeta, Interstate Hydel) are as follows:
<table>
<thead>
<tr>
<th></th>
<th>1st PPA period</th>
<th>2nd PPA period</th>
<th>3rd PPA Period</th>
<th>4th PPA Period</th>
<th>5th PPA Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>From</td>
<td>01.02.1999</td>
<td>01.04.2001</td>
<td>01.04.2002</td>
<td>10.06.2005</td>
<td>01.04.2006</td>
</tr>
<tr>
<td>To</td>
<td>31.03.2001</td>
<td>31.03.2002</td>
<td>09.06.2005</td>
<td>31.03.2006</td>
<td>31.03.2019</td>
</tr>
</tbody>
</table>

The capital cost for the above projects was already approved by the Commission in its earlier orders. The amended PPA with two Discoms (Respondents) for the period FY2019-20 to FY2023-24 is under execution and the same will be filed before the Commission by Discoms for approval, shortly. Regarding RTPP IV, the PPA was entered with four distribution companies of undivided State and submitted for approval of the Commission in 2011. The PPA was returned by erstwhile Commission. The amended PPA with two Discoms (Respondents) was entered on 28.01.2019 and the same will be filed before the Commission by Discoms for approval shortly.

**Commission's view:** Those generating stations which are under execution and in respect of which no Power Purchase Agreements are in place, leave alone their being approved are not taken into consideration in determining the MYT Tariff of APGENCO. Only those generating stations which have approved or renewed power purchase agreements are taken into consideration, taking due note of the objection.

**Determining capital cost simply based on set parameters is not desirable**

(ii) Fixing adhoc tariff in the tariff orders or for a Control Period of five years periodically for purchase of power from projects, without insisting on the Discoms and developers of concerned power plants to submit PPAs, holding public hearings and issuing orders thereon by the Commission, is not a desirable practice. When developers take a few years for completion of their projects, there need not be any difficulty in entering into PPA with the Discoms and submit the same to the Commission for its consent in time after holding public hearings. The Commission is requested to direct the Discoms and APGenco to submit their PPAs, including all relevant provisions, subject to need for procuring power from those projects, well in advance before declaration of commercial operation date (COD), hold public hearings and issue its orders thereon, determining capital cost, tariff, etc. Determining capital cost, etc., simply based on set parameters is not desirable, especially
when it is abnormal, for various reasons. The procedures adopted for competitive bidding, selection of EPC contractors, the way in which the projects are implemented, how capital cost is getting increased, sources of allocation of fuels, their costs, mode of transportation, etc., need to be examined project-wise thoroughly and prudent expenditures need to be determined, pointing out unwarranted expenditure and manipulations, if any, in detail in the orders to be issued by the Commission. In this connection, relevant reports of the Comptroller and Auditor General of India, if any, need to be examined.

**APGENCO's Response:** The PPA for RTPP IV was entered with four distribution companies and submitted for approval of the Commission in 2011. The PPA was returned by erstwhile Commission. The amended PPA with two Discoms was entered on 28.01.2019 and the same will be filed before the Commission by Discoms for approval shortly.

APGENCO awarded contracts duly calling tenders under competitive bidding and APGENCO will provide all the required information sought by the Commission.

**Commission's view:** While approval of the Power Purchase Agreements before the declaration of the Commercial Operation Date including about the tariff is a desirable situation, when only the Commission is confronted with generation and supply of power to the utilities being made even before a Power Purchase Agreement was entered into or placed before the Commission or approved by it, fixation of adhoc tariff is becoming unavoidable so as to not keep valuable public resources of generation of power idle to the detriment of public and consumer interest and protect the power procurement plans of the DISCOMs. It has been the general experience that regular tariff whenever fixed was higher than the adhoc tariff fixed and paid at any time.

**Orderly development of the power sector**

(iii) Irrespective of demand growth, availability of power and substantial surplus power, need for adding installed capacities periodically based on requirement of power for meeting growing demand, the GoAP has been forcing the Discoms to enter into PPAs indiscriminately with new power plants, especially of non-conventional energy, at very high generic tariffs determined by the
Commission and the latter has been giving its approvals for the same. As a result, plants of AP Genco are being backed down. In the subject filings, AP Genco has pointed out that "in addition to the ageing of units, most of the times the units are running at partial loads on account of increased must-run non-conventional energy generation in the State and the consequent backing down instructions issued by the SLDC. On account of backing down, the percentage of auxiliary consumption is also increasing" (8.2 of volume 1 of 2). If the GoAP continues its misadventure of forcing the Discoms to enter into PPAs to purchase unwarranted power, both non-conventional and thermal, at higher tariffs and unrelated to requirement to meet demand, the problems of surplus power and avoidable burdens related thereto and of AP Genco will get intensified, leading to anarchy in the power sector. Therefore, the Commission is requested to exercise its legitimate regulatory authority to check the anarchy and ensure orderly development of the power sector and supply of power to the consumers at reasonable tariffs.

APGENCO's Response: The load forecast studies are not in purview of APGENCO and APGENCO is planning projects duly considering peak demand and future power requirements with the approval of GoAP. Regarding backing down, the scenario in the country is that the PLF of thermal generating stations in the year 2009-10 is 77.5% and the same was 59.68% as per information provided at clause 5.2.1 of CERC discussion paper. There will be an impact on operating parameters at lower PLFs and also being an older station. APGENCO requested for relaxed norms for Dr NTTPS I, II, III. APGENCO not proposed any relaxed norms for other stations.

Commission's view: The well-considered advice will be undoubtedly kept in view by the Commission in exercise of its legitimate regulatory authority, which in its humble view was exercised even in the past to ensure orderly development of the power sector and supply of power to the consumers at reasonable tariff.

Consideration of Fixed charges without PPAs consent does not arise
(iv) Regarding fixed charges, AP Genco has submitted that Dr NTTPS V is considered from December, 2019 and the fixed cost for RTPP stage IV for the year FY2018-19 is not claimed in 3rd control period (FY2014-15 to FY2018-19) and hence the same is claimed now @ 25% availability as a prior
period cost. Till declaration of COD, any generation achieved by any power plant with whom the Discoms enter into a PPA should be treated as infirm power. No PPAs for these two projects are submitted for the consideration of the Commission and there is no consent for the same. Therefore, considering these projects for payment of fixed charges does not arise. When such is the case, there is no basis for AP Genco to claim fixed cost for RTPP stage IV for FY2018-19 @ 25% availability as a prior period cost.

**APGENCO's Response:** The PPAs for RTPP IV and Dr NTTPS V were entered with four distribution companies of undivided state and submitted for approval of the Commission in 2011. The PPAs were returned by erstwhile Commission on 11.08.2014. The amended PPAs with two Discoms are under execution and the same will be filed before the Commission for approval shortly.

The power generation between date of synchronization of unit and date of COD will be termed as infirm power and entitled for variable cost only. APGENCO claimed fixed cost from date of COD only and not claimed any fixed cost for infirm power.

**Commission's view:** The Commission did not consider grant of any fixed cost for RTPP-IV for FY2018-19 in view of the absence of any Power Purchase Agreement.

**Examine the prices paid for imported coal and transportation of Coal**

(v) APGenco (and NTPC) is adopting a contrived bidding process for importing coal confining it to a few selected marketing agencies, without calling for international competitive bids giving scope for actual producers of foreign coal and their Indian suppliers to participate in the bidding. In response to these issues in connection with the true up claims of the Discoms for the second control period, APSPDCL explained that "AP Genco has been inviting conventional mode of limited tenders" from seven public sector undertakings out of which only five companies participated in various tenders called for the second control period. The companies participated in those tenders are all marketing agencies, not producers of coal. SPDCL also informed that "depending on the urgency and other contingencies, the orders existing during that time, were also extended at the same rate, terms and conditions."

It is necessary to examine the prices paid by AP Genco for imported coal of
same grade in comparison with international prices of coal prevailing at the relevant periods, both for orders given and orders extended. Similarly, it is also necessary to examine the mode of transportation of coal and the charges paid for the same comparing them with other transactions relating to transportation of coal by other plants from the same points of despatch.

**APGENCO's Response:** APGENCO is not using imported coal in its thermal stations. APGENCO is transporting coal from SCCL through all Rail Route and whereas from MCL mines through Rail mode and Rail-cum-Sea-cum-Rail mode by calling tenders.

**Commission's view:** If there is no use of imported coal as claimed by APGENCO, the objection has no relevance.

(vi) AP Genco is claiming station heat rate of 2650 kCal per kWh against the existing norm of 2500 kCal per kWh and auxiliary consumption of 10.5% against the existing norm of 8.75% for stages I, II and III of Dr NTTPS at 65% load.

**APGENCO's Response:** The scenario in the country is that the PLF of thermal generating stations in the year 2009-10 is 77.5% and the same was 59.68% as per information provided at clause 5.2.1 of CERC discussion paper. There will be an impact on operating parameters at lower PLFs and also being an older station. APGENCO requested for relaxed norms for Dr NTTPS I, II, III. APGENCO not proposed any relaxed norms for other stations.

**Commission's view:** APGENCO explained the reasons for deviation from the norms.

**Impact of pay revision on tariffs needs to be regulated**

(vii) AP Genco has claimed that the pay scales of the employees were revised with effect from 1.4.2018 and that it has adopted the HRA, CCA and gratuity revised by the GoAP to its employees. AP Genco has submitted that the effect of the aforesaid pay revision to the tune of Rs.223.75 Cr. for FY2018-19 was not included in the tariff for FY2014-15 to FY2018-19 and that the same is being claimed in FY2019-20 as prior period expenses. The O&M charges claimed by APGenco for FY2019-20 to FY2023-24 annually are Rs.1751.43 Cr. (FY2019-20), Rs.1979.75 Cr. (FY2020-21), Rs.2121.62 Cr. (FY2021-22), Rs.2305.04 Cr. (FY2022-23) and Rs.2480.16 Cr. (FY2023-24). The
Commission has been allowing the financial impact of periodical wage revision for the employees of AP Genco and other power utilities of the State Government, though the rates of revision tended to be higher, irrespective of permissible parameters of O&M expenses. While pay revision for its employees is being decided and the impact of pay revision is being borne by GoAP, the impact of pay revision for employees of the power utilities is being passed on to the consumers of power as a part and parcel of the tariffs to be paid by them as determined by the Commission. As such, under this regulatory regime, the impact of pay revision on tariffs needs to be regulated as a part and parcel of determining total O&M expenditure as per applicable parameters.

**APGENCO's Response:** APGENCO has been formed as per the provisions of AP Reform Act, 1998. The existing benefits to the employees transferred from erstwhile APSEB to successor companies should not be inferior when compared to the provisions during APSEB regime. Hence, all power utilities of AP including APGENCO extending PRC benefit to its employees once in four years. In addition to regular employees, the wages of contract employees are being enhanced as per the provisions of minimum wages prescribed. APGENCO is claiming 20% enhancement towards wage commitment as approved by the Commission in its earlier orders.

**Commission's view:** As the APGENCO restricted its claim to 20% enhancement of wage commitment in tune with the practice adopted by the Commission in its earlier orders and did not claim the actual expenditure due to wage revision, the same is considered reasonable and accepted by the Commission.

**Additional capital cost shall not be permitted**

(viii) APGenco has claimed additional capital expenditure of Rs.258.43 Cr. for FY2009-2010 to FY2013-14 and Rs.285.79 Cr. for FY2014-15 to FY2018-19 for some of the projects. Clause 10.8 of Regulation No.1 of 2008 of APERC says: "Capital cost: Subject to prudence check by the Commission based on information filed by the generating company, licensees, evidence from other Commissions, generating companies, licensees and international experience etc. the Commission shall determine the Capital Cost of the project. The Capital Cost as determined above, shall also include further capital
expenditure incurred if any up to the first financial year closing one year after the date of commercial operation of the last unit of the project, its stage or the unit, as the case may be is admitted by the Commission." Additional capital costs claimed by AP Genco can be permitted subject to this clause. After declaration of COD, in which year, how much amount was incurred, for what purpose under additional capital expenditure, and under which provisions it is permissible is not explained by AP Genco for the 3rd control period and to be incurred for the 4th control period of FY2019-20 to FY2023-24. Similarly, for old plants additional capital expenditure during FY2014-15 to FY2018-19 cannot be permitted. When PPAs for projects under execution are not signed and no consent of the Commission is sought, the question of considering additional capital cost in advance does not arise.

**APGENCO's Response:** The Commission has approved 258.43 Cr. for the period from FY2009-2010 to FY2013-14 towards capital expenditure incurred in its order dated 26.03.2016 in OP 3 of 2016. Similarly, APGENCO has filed Rs. 285.79 Cr. towards actual additional capital expenditure incurred during FY2014-15 to FY2017-18. APGENCO not claimed any capital expenditure to be incurred for the control period FY2019-20 to FY2023-24.

The above expenditure is necessary for sustainability of older units and maintenance of generating stations. APGENCO has claimed actual capital expenditure duly certified by auditors for the purpose of tariff.

The claim of APGENCO for a period of 5 years on 2810 MW thermal capacity and 1797.6 MW hydel stations is reasonable.

**Commission's view:** The claimed capital expenditure was subjected to a rigorous prudence check by the Commission which approved only Rs.214.53 Cr. under this head as against the claim of Rs. 285.79 Cr. by the APGENCO.

**Advise GoAP to take over the liability of additional interest on pension bonds**

(ix) AP Genco is seeking additional interest on pension bonds and contribution to P&G Trust, as explained in its filing, as pass through. AP Genco has claimed thousands of crores of Rupees towards interest on pension bonds (over and
above schedule) - Rs.991.24 Cr. (FY2019-20), Rs.1057.06 Cr. (FY2020-21)
Rs.1127.25 Cr. (FY2021-22), Rs.1382 Cr. (FY2022-23) and Rs.1474.21 Cr. (FY2023-24). While approving the first transfer scheme, the Commission had permitted revaluation of the assets of AP Genco to provide for pension reserve funds which the erstwhile APSEB had not provided and maintained. The Commission had been liberal in allowing additional interest on a year to year basis in the earlier tariff orders. Pension funds are supposed to be provided by the contributions of employees and managements and interest thereon earned periodically. As such, it is not fair to continue to impose such interest burdens on the consumers by allowing them as pass through periodically. The erstwhile APSEB failed in discharging its responsibility. In the transfer schemes, while unbundling the erstwhile APSEB, additional burdens in terms of pension liabilities had been imposed on APGenco. Moreover, in the initial three-year period after unbundling, APGenco was denied, as a matter of policy by the GoAP, about Rs.1800 Cr. @ Rs.600 Cr. per annum, from the permissible tariffs to it, thereby forcing it to cross-subsidize the consumers and reducing the subsidy to be provided by the Government. As the Commission is aware, the State Government has been taking over 75% liabilities of AP Discoms under Ujjwal Discoms Assurance Yojana (UDAY) which is signed by the Government of India, GoAP and its Discoms. In view of the above explained submissions, the Commission is requested to give a piece of advice to the Government of A.P. to take over the pension liabilities of AP Genco, unrelated to UDAY, and settle the issue permanently, instead of continuing to impose unjust burdens on the consumers of power in the form of interest on pension bonds every year.

**APGENCO's Response:** The pension liability was vested in APGENCO two decades back through transfer scheme. APGENCO has issued bonds in the year 2002 which are redeemable over a period of 30 years as per provisions of G.O. Ms. No.11, dt.30.01.2000 and 20 years is already completed.

**Commission's view:** The additional interest on pension bonds was accepted to the extent found provisionally admissible on due verification by the Commission. However, the request of the objector that the Government of Andhra Pradesh shall bear the additional burden be extracted and communicated to the Principal Secretary, Energy, GoAP for favourable consideration.
Operating Parameters need to be examined

(x) Different parameters for operation of the plants need to be examined. For example, while the Commission determined a PLF of 85% for Sri Damodaram Sanjeevayya Thermal Power Plant with super critical technology, APGenco has proposed a PLF of 80% only for Dr. NTTPS-V with super critical technology in the subject filings.

Reply of APGENCO: As per clause 2.1. (q) of APERC regulation 1 of 2008, Generating company should declare availability duly considering availability of fuel.

As per CEA guidelines, Ministry of coal is sanctioning linkage only for 90% of Coal required for achieving 85% PLF. i.e. equaling to 76.5%PLF.

Further, 76.5% linkage quantity will be based on invoice grade at source, whereas the actual coal consumption is based on as fired basis. Therefore, the linkage quantity is sufficient only to achieve about 70% PLF.

Further, there are transportation constraints to achieve 100% materialization of linkage quantity.

Therefore, APGENCO has to procure premium coal either by MOU or through imports to achieve normative PLF of 80%.

CERC in the discussion paper on draft tariff regulations for FY2019-2020 to FY2023-24 at clause 23.1 discussed the difficulties in coal procurement in the country. At clause 23.2, CERC suggested for procurement of imported coal and e-Auction coal to meet the coal shortages to achieve the normative PLF.

The energy charges will increase on account of procurement of coal from sources other than linkages.

Commission's view: The suggestion will be kept in view as and when either the Power Purchase Agreement and/or Tariff determination concerning this project comes up before the Commission.

33. In response to APGENCO replies to his objections, Sri M. Venugopala Rao, has further submitted, inter-alia, the following points for consideration by the Commission.
i. While approving the PPAs for RTPP IV and Dr NTTPS V, the Commission is requested to examine the legal tenability for avoiding signing PPAs with the two Discoms of Telangana and also the views of the Discoms shall be ascertained in this regard.

ii. Commission is requested to direct the Discoms to enter into PPA with APGENCO and submit the same project-wise for its consideration.

iii. Since AP Genco has contended that it is taking up new projects as approved by GoAP, a condition should be incorporated in the PPAs of new projects that the Discoms shall take power from these projects to the extent required and subject to merit order dispatch and that for backing down no fixed charges shall be paid by them. Genco can sell the balance surplus power in the market or to any other State, if possible. The fixed charges for backing down shall be paid by GoAP to AP Genco.

iv. The Commission is requested not to give its consent to PPAs, if any, entered into by AP Discoms with any private power project/s, both conventional and NCE, till power from the projects of AP Genco is fully utilized by the Discoms.

v. There should be long-term PPAs with the projects of AP Genco and consent of the Commission be given once for all, without any need to approach it once in every quinquennium for determination of tariffs afresh.

vi. Govt. of India should impose a condition on the companies supplying fuels like indigenous coal and natural gas that they should not sell their fuels to others, either through e-auction or otherwise, until and unless they fulfil their commitments to power plants and other sectors as per allocations made by it. Violation of such a condition should result in imposition of hefty penalty on those companies. The coal and gas companies also should not enter into fresh fuel supply agreements unless and until they honor their commitments fully under the existing FSAs. Further, the Gol should not make fresh allocations of fuels like indigenous coal and natural gas till the companies supplying the same as per allocations made by it met fully.
**Commission's View:** These suggestions be communicated to the State Government, APPCC, APGENCO, AP Transco and the DISCOMs to be kept in view when such issues arise before them. The Commission will also have due regard to these suggestions while considering such issues.

34. Sri P. Siva Rao, Standing Counsel on behalf of APDISCOMs, has stated the following:

**Adoption of CERC norms**

(i) APGENCO selectively adopted certain CERC norms only like norms for O&M expenses, ROE etc. This selective adoption of norms is not acceptable. The Commission is requested to consider other CERC norms also such as norms for SHR, Auxiliary Energy consumption, Oil consumption, target availabilities, target PLFs, GCVs of coal on received basis for billing purpose etc. while determining the tariff. Further, CERC is likely to issue new Tariff Regulations for FY2019-20 to FY 2023-24 in February, 2019. Hence, the latest norms specified in the above Regulation may be considered.

**APGENCO's Response:** APGENCO has made tariff filings as per Regulation 1 of 2008 issued by the Commission. At clause 10 of the said Regulation, the amendments made by CERC from time to time to its tariff regulations are applicable on adoption by the Commission. The Commission has considered O&M costs, O&M escalation and RoE as per CERC Regulations, 2014 in its order dated 26.03.2016 in OP 3 of 2016 while determining tariff for APGENCO stations. Hence, APGENCO considered the same for tariff filings for the 4th control period.

**Commission's view:** When APGENCO followed CERC norms to the extent adopted by this Commission, it is in tune with Regulation 1 of 2008.

**Truing up of working Capital**

(ii) APGENCO is not able to maintain the coal stock as considered in the working capital. Hence, provision may be made in the tariff order for subsequent truing up of working capital based on the actual coal stock.

**APGENCO's Response:** Interest on working capital will be on normative basis as per clause 12.4 of APERC Regulation 1 of 2008. If actuals are to
be considered, Discoms are overdue by 3 months in addition to the 2 months allowed. Hence 5 months receivables are to be considered in working capital instead of 2 months.

**Commission's view:** There is no provision for truing up of working capital.

**Prudent check of additional capital expenditure**

(iii) The additional capex claimed by APGENCO for FY 2014-15 to FY 2018-19 may be prudently checked. Any liquidated damages, penalties collected from the suppliers, contractors may be deducted from the capex.

**APGENCO's Response:** APGENCO has incurred additional capital expenditure for sustainability of the units and on need basis. APGENCO will provide all the information required by the commission for prudence check.

**Commission's view:** Prudence check was made.

**Capital cost determination for new projects based on benchmark**

(iv) The capital costs of new projects (whose capital costs are yet to be determined) may be compared to the benchmark capital costs of similar projects while determining the tariff. For delays in the commissioning of the new projects, IDC may be disallowed for the delayed period.

**APGENCO's Response:** APGENCO will provide all the information required by the commission for prudence check. IDC may be allowed after examining the valid reasons for delay.

**Commission's view:** Item-wise prudence check is project specific by the Commission in the relevant proceedings before it.

**Monthly submission of Fuel Cost Adjustment bills**

(v) APGENCO may be directed to submit Fuel Cost adjustment (FCA) every month (instead of every quarter) along with the regular bills as is being done by NTPC to avoid distortion of merit order system.

**APGENCO's Response:** Will comply with the directions of the Commission.

**Commission's view:** APGENCO may furnish their views on the feasibility
of monthly submission of FCA to the Commission and the DISCOMs within a fortnight and the DISCOMs may furnish their views on the same to the Commission and APGENCO within a fortnight therefrom on which the Commission will take a decision on merits.

**Exclusion of pay revision from O&M expenses**

(vi) Since APERC Regulation 1 of 2008 or CERC Tariff Regulations for FY2014-15 to FY2018-19 or draft Tariff Regulation for FY2019-20 to FY2023-24 do not have a provision for pay revision, the same may be excluded from O&M expenses.

**APGENCO’s Response:** Pay revision is once in 10 years for the central generating stations. CERC is providing for pay revision commitment in its Regulation as and when revision of scales was due for central generating stations. Accordingly, pay revision of 50% was provided in CERC tariff Regulations for the period FY2009-10 to FY2013-14.

For the State power utilities, pay revision is due once in four years as per the Tripartite agreement entered with Unions and Associations. Accordingly, the Commission has approved the pay revision commitment of 2002, 2006, 2010 & 2014 while determining the tariff of APGENCO stations. On similar grounds APGENCO filed for inclusion of 2018 PRC commitment in tariff determination for the 4th Control Period.

**Commission’s view:** Regulation 1 of 2008 defined operation and maintenance expenses or O&M expenses as including the expenditure on manpower and whatever extra expenditure has to be incurred due to pay revision at any given point of time is part of the expenditure on manpower at that time and has to be taken into consideration as clause 10.5 of Regulation 1 of 2008 lays down that the annual fixed charges of a thermal or hydro power generating station shall consist of recovery of O&M expenses also among other things. The mere absence of specific reference to the word ‘pay revision’ makes no difference.

**Defer tariff determination for old stations**

(vii) The composite PPA for old stations is going to expire by 31.03.2019. APGENCO has proposed to renew the PPA for 5 more years i.e. upto 31.03.2024 and submitted draft composite PPA to DISCOMs a few days
back only. The same is under examination. Further, the Commission in its order dated 13.12.2017 directed APDISCOMs not to enter into any fresh Power Purchase Agreements with any power developer using any source or fuel for power generation, without prior intimation to and permission from the Commission until further orders from the Commission depending upon any change of circumstances or exigencies of the power sector in the State. Therefore, the Commission is requested to defer the tariff determination process of old stations for the fourth control period i.e. FY 2019-20 to FY2023-24 till a decision is taken on the renewal of the composite PPA.

**APGENCO’s Response:** The stations referred were transferred from erstwhile APSEB and vested with APGENCO vide GOMs No.11 dated 30.01.2000. APGENCO had entered into PPA with Discoms which is valid upto 31.03.2019. APGENCO has proposed for renewal of PPA on 12.07.2018. In response to APGENCO’s proposal, APPCC has sought for additional information on 26.07.2018. APGENCO has provided the information on 21.08.2018 and requested for meeting to finalize the issues. Based on the discussion of the meeting, APGENCO has communicated final draft on 09.01.2019. In addition to the above, APGENCO has sought confirmation regarding power procurement from APGENCO old stations on 11.12.2018 in order to make tariff filings before the Commission. The APPCC has given its confirmation vide letter dated 27.12.2018 for procurement of power. The tariff filings were made duly mentioning the same at para no.1.8 in volume I. Further, the pension commitment of Master Trust in respect of all AP power Utilities is recovered through tariff from the old stations as per the transfer scheme ordered vide G.O. Ms. No.11 dt.30.01.2000.

**Commission’s view:** Now that the Power Purchase Agreements between the parties specifying the agreed tariff also are before the Commission for consideration, this request becomes redundant.

35. Sri Ch. Subba Rao, Guntupalli, Krishna (Dt) during the public hearing on 01.02.2019 held at Hyderabad has stated that APGENCO is disposing Dr. NTTPS plant waste through the water canals. As a result, the agricultural lands around Dr. NTTPS plant are not useful for cultivation. Hence, APGENCO has to buy the lands around Dr. NTTPS plant.
**APGENCO’s Response:** APGENCO is disposing 100% fly ash to the external agencies, as per the guidelines provided by MoE&F and in case of any undisposed wet ash is being transferred to ash pond. There is no possibility to release waste into the canals.

**Commission’s View:** The learned objector may bring the issue to the notice of the AP Pollution Control Board for necessary remedial action.

36. Sri Ch. Venugopal Rao, AP Federation of Farmers’ associations, during the public hearing on 01.02.2019 held at Hyderabad, has stated that:

- The green belt has not been properly maintained near APGENCO thermal plants.
- APGENCO shall dispose 100% fly ash.
- APGENCO has not made it clear how the CSR funds were spent.

**APGENCO’s Response:**

- The green belt is being maintained at all its thermal plants as per environmental norms.
- APGENCO is putting all best efforts for 100% ash disposal.
- The CSR funds are being spent through the respective district collector’s where the plant is located and amount of expenditure spent are available in books of records that are available on its website.

**Commission’s view:** The assertions of the objector are denied by APGENCO and no view can be expressed by the Commission.

37. Dr. K. Babu Rao, Senior Scientist (Rtd.), Hyderabad during the public hearing on 01.02.2019 held at Hyderabad has orally stated that the environmental pollution effect and its effect on people health surrounding the thermal plants are not taken into account while determining the tariff for thermal power stations by any Commission. Therefore, the Commission is requested to discourage the expansion of thermal power plants, close down the old thermal power plants which have served their useful life and encourage renewable energy in large scale.

**APGENCO’s response:** APGENCO is putting all best efforts to maintain the emission from its thermal plants within the prescribed limits as specified by
Pollution Control Board (PCB) and MoE&F. The power requirement to the extent of 60% to 70% is being met from thermal plant. The share of power procurement from NCE sources is increasing rapidly year on year. APGENCO has also taken up 400 MW solar plant near Tadipatri and commissioned it recently.

**Commission's View:** Restricting or dispensing with thermal power generation is a matter of State policy and the objection be communicated to the Principal Secretary, Energy, GoAP for appropriate action.

38. Sri R. Shiv Kumar, FTAPCCI and APSMA, during the public hearing on 01.02.2019 held at Hyderabad has stated that:

a. The performance of APGENCO is deteriorating. Its PLF has come down from 85% in the past, to 63% now.

b. The PLF of RTPP IV is being observed at 10.34%.

c. Details of Plant availability were not mentioned in the filings.

d. Overall PLF projected for APGENCO plants is 55% and claimed full fixed charges corresponding to 80% PLF.

**APGENCO's Response:**

a. The PLF of thermal stations are in downward trend due to increasing power generation from NCE sources throughout the country and AP is not an exceptional. However, the Plants availability is being maintained at more than 80%. Which is normative availability fixed by Commission for claiming 100% Fixed charges.

b. The power procurement from RTPP IV by the Discoms is on need basis since PPA is yet to be approved by the Commission.

c. The plant wise availability along with other technical information was provided in volume II of tariff filings. The filings are available in APGENCO and Commission's website.

d. The fixed charges will be claimed and paid based on normative availability of 80% as per Regulation 1 of 2008 as provided in PPA. All APGENCO plants are expected to achieve 80% normative availability and the PLF depends on grid requirement and merit order dispatch.

**Commission's View:** Nothing more to add.
39. Sri Vijay Gopal Reddy, AP Ferro Alloys Producers Association, during the public hearing on 01.02.2019 held at Hyderabad has stated that:

- APGENCO Thermal plants are causing pollution.

- Ministry of Power guidelines on flexibility of bundling renewable energy with existing thermal power for dispatch as per the existing PPAs may need to be examined to establish renewable power plants (Solar & Wind) in a big way by APGENCO.

**APGENCO’s response:**

- APGENCO is putting all best efforts to maintain the emission from its thermal plants within the prescribed limits as specified by Pollution Control Board (PCB) and MoE&F. The power requirement to the extent of 60% to 70% is being met from thermal plant.

- The share of power procurement from NCE sources is increasing rapidly year on year. APGENCO has also taken up 400 MW solar plant near Tadipatri and commissioned it recently. APGENCO will examine the suggestion made by the objector regarding flexibility of bundling renewable energy with thermal power.

**Commission’s view:** Nothing more to add.
CHAPTER - IV
DETERMINATION OF FIXED CHARGES

40. In this chapter, the Commission has examined tariff filings with respect to fixed charges made by the APGENCO for its generating stations for the fourth control period. The Commission, while examining the tariff filings with respect to fixed charges, has reckoned/considered all the views/objections/suggestions expressed by the stakeholders in writing during public hearings, which have been elaborated in chapter III, to the extent they are relevant to the subject matter.

41. APGENCO has filed tariff filings for its generating stations viz. Dr NTTPS I-III (1260 MW), RTPP I (420 MW), Dr NTTPS IV (500 MW) RTPPII (420 MW), RTPP III (210 MW), RTPP IV (600 MW), Dr NTTPS V (800 MW) thermal stations, SRBPH (770 MW), Sileru complex (725 MW), NSRCPH (90 MW), PABR (20 MW), NSTPHES (50 MW), Chettipeta (1MW), Polavaram HES (960 MW) and Machkund HES (84 MW) & TB dam HES (57.6 MW) hydel stations.

42. The Commission has not determined the tariff for Dr NTTPS V (800 MW), RTPP IV (600 MW) and Polavaram HES (960 MW) at present as the PPAs for these projects are not yet approved by the Commission. After consent to the PPAs following the prescribed procedure by the Commission and on filing of application by APGENCO, the Commission will determine tariff for these projects following the due procedure.

43. The composite PPA is going to expire by 31.03.2019 for Dr NTTPS I-III(1260 MW), RTPP I (420 MW), thermal stations, SRBPH (770 MW), Sileru complex (725 MW), NSRCPH (90 MW), PABR (20 MW), Chettipeta (1MW) and Machkund HES (84 MW) & TB dam HES (57.6 MW) hydel stations and is stated to be under execution as per the filings. Subsequently, the respondent Discoms have submitted their proposal to procure power from these projects for the period from 01.04.2019 to 31.03.2024 to the Commission by renewing the existing composite PPA. This is under consideration of the Commission and hence the tariff for these stations for the fourth control period has been determined along with the other stations which have valid PPAs.
44. As per the clause 10.5 of regulation 1 of 2008, the annual fixed charges of a thermal generating station or of a hydro power generating station, as the case may be, shall consist of recovery of the following:

   a) Return on Capital Employed (RoCE);

   b) Depreciation;

   c) O&M Expenses;

   d) Income tax as per actuals;

**Determination of Gross Fixed Assets (GFA)**

45. As a prelude to determine the annual fixed charges, the Commission has determined the Gross Fixed Assets (GFA) as on 31.03.2019 on the basis of its order dated 26.03.2016 in OP. No.3 of 2016 in the matter of determination of tariff for APGENCO generating stations for the 3rd control period and order dated 07.04.2018 in the matter of consent of PPA for NSTPHES. In addition to the above, the Commission has taken into consideration the additional capital expenditure incurred by APGENCO during the period FY2014-15 to FY2017-18 for the stations which are considered for tariff determination at present.

With reference to capital cost determination of NSTPHES whose PPA was approved by the Commission on 07.04.2018, the audited certificate (Annexure-G) is obtained subsequently which certified that the capital expenditure upto cutoff date (31.03.2018) was Rs. 293.67 Cr. and capital expenditure incurred during FY2018-19 was Rs. 3.90 cr. The Commission has approved the capital expenditure incurred up to cutoff date as per the Regulation 1 of 2008.

Further, the Commission has examined the item wise expenditure of additional capital works based on the audited certificate obtained by the Commission subsequently (Annexure - D) with reference to Clause 10.9.(iv) of Regulation 1 of 2008 which is produced below.

"Any additional works / services that became necessary for efficient and successful operation of the generating station, but not included in the original project cost"
Keeping the above in view, the additional capital expenditure incurred to the tune of Rs 214.53 Cr. has been approved as against Rs 285.79 Cr. filed. Some brief details of capital works approved are as follows:

i. Construction of Administrative block, Guest house, Hospital building, School building and quarters for CE and SE at Srisailam Right bank power House which are necessary since the above facilities are not available.

ii. Construction of staff quarters for employees working in NSRCPH after bifurcation of state and replacement of trash rack elements after serving over a period of 25 years is found necessary.

iii. Construction of staff quarters, Hospital building, Dam woks and construction of concrete retaining wall on power canal in Sileru complex.

iv. The capital works which are essential to improve the performance and efficiency of thermal power plants etc.

With the above changes to the filings, the GFA has been computed by the Commission. GFA computed by APGENCO and the Commission are given in the tables below:

**Table No: 4.1**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Station Name</th>
<th>GFA as on 31.3.2014 as approved in OP 3 of 2016</th>
<th>Additional Capital expenditure during 2014-19</th>
<th>GFA as on 31.3.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sileru Complex</td>
<td>686.57</td>
<td>12.04</td>
<td>698.61</td>
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<tr>
<td>2</td>
<td>NSRCPH</td>
<td>113.6</td>
<td>1.18</td>
<td>114.78</td>
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<tr>
<td>3</td>
<td>SRBPH</td>
<td>946.28</td>
<td>17.48</td>
<td>963.76</td>
</tr>
<tr>
<td>4</td>
<td>PABR PH</td>
<td>56.68</td>
<td>0.00</td>
<td>56.68</td>
</tr>
<tr>
<td>5</td>
<td>Chettipeta</td>
<td>3.55</td>
<td>0.00</td>
<td>3.55</td>
</tr>
<tr>
<td>6</td>
<td>Dr NTTPS</td>
<td>2962.24</td>
<td>144.83</td>
<td>3107.07</td>
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<tr>
<td>7</td>
<td>RTPP I</td>
<td>2011.33</td>
<td>33.36</td>
<td>2044.69</td>
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<td>8</td>
<td>RTPP II</td>
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<td>10</td>
<td>RTPP III</td>
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<td>36.72</td>
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<td>NSTPHES</td>
<td>-</td>
<td>-</td>
<td>275.42</td>
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<td><strong>Total</strong></td>
<td></td>
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### Table No: 4.2
Approved: Gross Fixed Assets (GFA) (Rs. Cr.)

<table>
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<tr>
<th>S.No</th>
<th>Station Name</th>
<th>GFA as on 31.3.2014</th>
<th>Additional Capital expenditure during 2014-19</th>
<th>GFA as on 31.3.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sileru Complex</td>
<td>686.57</td>
<td>10.3</td>
<td>696.87</td>
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<td>NSRCPH</td>
<td>113.6</td>
<td>1.02</td>
<td>114.62</td>
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<td>SRBPH</td>
<td>946.28</td>
<td>15.92</td>
<td>962.20</td>
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<td>4</td>
<td>PABR PH</td>
<td>56.68</td>
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<td>5</td>
<td>Chettipeta</td>
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<td>RTPP I</td>
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<td>RTPP II</td>
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<td>17.83</td>
<td>2136.68</td>
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<td>-</td>
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<td></td>
<td>214.53</td>
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</table>

**Determination of Depreciation:**

46. As per the clause 12.2 (b) of Regulation 1 of 2008, for the purpose of tariff, depreciation shall be computed in the following manner namely:

i. *The value base for the purpose of depreciation shall be historical cost of the asset;*

ii. *Depreciation shall be calculated annually, based on straight line method over the useful life of the asset and at rates prescribed in Ministry of Power notification dated 21-03-1994, as amended till date.*

The residual life of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the historical capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing the historical cost of the asset.
iii. On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.

iv. Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

The depreciation amounts station wise have been computed as per the procedure stated above on the Gross Fixed assets approved by the Commission in this order and based on the accumulated depreciation approved by the Commission in OP.No.3 of 2016. The depreciation computed by the Commission for the 4th control period is Rs 890.07 Cr. as against 1050.36 Cr. filed. The depreciation filed by the APGENCO and approved by the Commission are given in the tables below.

**Table No: 4.3**

**Filings: Depreciation (Rs. Cr.)**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Station name</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>4th Control Period</th>
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<tr>
<td>1</td>
<td>Sileru complex</td>
<td>20.62</td>
<td>20.62</td>
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**Approved: Depreciation (Rs. Cr.)**

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<th>FY 2022-23</th>
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**Determination of O&M expenses:**

47. APGENCO in its filings sought pay revision commitment for its employees at 20% of O&M expenses. The erstwhile Commission considered the impact of pay revisions in 2006 and 2010 while approving the tariff of APGENCO Stations for the first and second control periods i.e. FY 2006-07 to FY 2008-09 and FY 2009-10 to FY 2013-14. The present Commission also approved the pay revision commitment of 20% while approving the tariff of APGENCO stations for the third control period FY2014-15 to FY2018-19 in OP. No. 3 of 2016 as periodic pay revisions and/or statutory wage increases are unavoidable to the extent they are prudent. The tripartite agreements entered into between GoAP, APSEB and unions/associations in terms of the AP Electricity Reform Act, 1998 provide for wage revisions of the employees. Further, even CERC has also been allowing the impact pay revisions in its tariff orders whenever such revisions take place. The Commission has examined the actual pay revision impact based on the actuals figures upto September, 2018 which are obtained subsequently and found that it is more than 30% and therefore, the impact of pay revision at 20% in 2018 as sought by APGENCO has been considered.
as in its earlier orders while computing the O&M expenses for FY 2019-20 to FY2023-24.

APGENCO has followed the procedure adopted by the CERC in computation of O&M expenses for hydel stations and the O&M norm per MW as approved in OP.No.3 of 2016 for FY 2018-19 has been taken as the basis for computation of O&M expenses for thermal stations. The escalation factor has also been taken as per the CERC tariff Regulations 2014 to arrive at year on year expenses in the fourth control period.

The Commission has computed the O&M expenses as per the CERC procedure and its tariff Regulations 2019 and in accordance with clause 12.3.1 of Regulation 1 of 2008. The O&M expenses arrived at based on Regulation 1 of 2008 are substantially higher than O&M expenses arrived at based on CERC procedure and Regulation. Therefore, the O&M expenses computed based on the CERC procedure and Regulation have been approved.

Accordingly, the Commission has approved the O&M expenses Rs. 7535.21 Cr. for the fourth control period as against Rs. 9032.96 Cr. filed. The details of O&M costs filed and approved are given in the tables below:

**Table No. 4.5**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Station name</th>
<th>FY 2019-20</th>
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<th>FY 2021-22</th>
<th>FY 2022-23</th>
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<td>23.76</td>
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<td>179.90</td>
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<td>238.68</td>
<td>254.53</td>
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Approved: O&M Expenses (Rs. Cr.)

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<th>FY 2022-23</th>
<th>FY 2023-24</th>
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### Determination of Return on Capital Employed (RoCE)

48. As per clause 12.1 (a) of Regulation 1 of 2008, RoCE is equal to sum of

- a. Original Capital Cost less Accumulated depreciation, and;
- b. Working Capital approved by the Commission as per this Regulation, multiplied with the Weighted Average Cost of Capital (WACC)

The WACC for this purpose will be determined as per the procedure given below:

\[
WACC = \left( \frac{D}{E} \right) \times \frac{1}{1+\frac{D}{E}} + \left( \frac{1}{1+\frac{D}{E}} \right) \times \text{rd} + \left( \frac{1}{1+\frac{D}{E}} \right) \times \text{re}
\]

\(D/E\) is the Debt to Equity Ratio and shall be determined at the beginning of the Control Period after considering Generating Company's previous years' D / E mix, market conditions and other relevant factors.

\(\text{rd}\) is the Cost of Debt and shall be determined at the beginning of the Control Period after considering Generating Company's proposals, present cost of debt, market conditions and other relevant factors.

\(\text{re}\) is the Return on Equity and shall be determined at the beginning of the Control
Period after considering CERC norms, Generating Company's proposals, previous years' D/E mix, risks associated with generating business, market conditions and other relevant factors

and as per Clause 12.4 (a)

In case of coal -based/ oil-based/ lignite-fired generating stations, working capital shall cover:

(i) Cost of coal or lignite for one-and-a-half months for pit-head generating stations and two months for non-pit-head generating stations, corresponding to target availability;
(ii) Cost of oil for two months corresponding to target availability;
(iii) Cost of secondary fuel oil for two months corresponding to target availability;
(iv) Operation and Maintenance expenses for one month;
(v) Maintenance spares @ 1 per cent of the historical cost as per indexation of O&M norms; and
(vi) Receivables for sale of electricity equivalent to two months of the sum of annual fixed charges and energy charges calculated on target availability;

Minus

Payables for fuel (including oil and secondary fuel oil) to the extent of one month of the cost of fuel calculated on target availability.

and as per Clause 12.4 (c)

In case of hydro power generating stations, working capital shall cover:

(i) Operation and maintenance expenses for one month;
(ii) Maintenance spares at 1 per cent of the historical cost as per indexation of O&M norms; and
(iii) Receivables for sale of electricity equivalent to two months of the annual fixed charges calculated on normative capacity index.

Accordingly, the Commission has computed the RoCE as detailed below:

i. Working Capital

The Working Capital has been computed based on the approved Fixed charges and Energy charges in this order. The year wise Working Capitals estimated are shown in the Annexures J1 to J5. The Working Capital approved for the fourth control period is given in the table below:
Table No: 4.7
Approved: Working Capital (Rs. Cr.)

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<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>4th Control Period</th>
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i. **Determination of Weighted Average Cost of Capital (WACC),**

a) **D/E (Debt/Equity) Ratio**

The Commission has approved a D/E mix of 70:30 for the fourth control period as filed by APGENCO.

b) **Return on Equity**

The Commission has approved the Return on Equity as 15.5% as filed by APGENCO.

c) **Cost of Debt:**

The Commission has approved rate of 10.2% as filed by APGENCO which is less than the weighted average cost of debt of actual loan portfolio *(ANNEXURE - E1 & E2).*
Based on the above, the WACC (Weighted Average Cost of Capital) has been computed at 11.8% as per the formula stated supra.

**ROCE (Return on Capital Employed)**

As per the procedure and formula described above, the RoCE has been computed with the approved working capital, Gross Fixed assets, Depreciation and WACC in this order.

The RoCE computed by the Commission for the 4th control period is Rs.2863.58 Cr. as against Rs.3171.47 Cr. filed. The RoCE approved computations year wise are shown in the Annexures K1 to K5. The RoCE filed by the APGENCO and approved by the Commission are given in the tables below.

**Table No: 4.8**

*Filings: Return on Capital Employed (RoCE) (Rs. Cr.)*

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<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>4th Control Period</th>
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<tr>
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<td>PABR</td>
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<td>3.32</td>
<td>3.16</td>
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<td>2.86</td>
<td>15.85</td>
</tr>
<tr>
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<td>7</td>
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<td>80.90</td>
<td>80.43</td>
<td>79.58</td>
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<td>8</td>
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<td>78.19</td>
<td>77.87</td>
<td>392.92</td>
</tr>
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<td>133.06</td>
<td>111.96</td>
<td>109.57</td>
<td>107.21</td>
<td>104.87</td>
<td>566.67</td>
</tr>
<tr>
<td>10</td>
<td>RTPP III</td>
<td>82.97</td>
<td>72.40</td>
<td>60.30</td>
<td>59.09</td>
<td>57.91</td>
<td>332.67</td>
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<tr>
<td>11</td>
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<td>32.71</td>
<td>33.97</td>
<td>32.79</td>
<td>31.62</td>
<td>30.45</td>
<td>161.54</td>
</tr>
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<td><strong>Total</strong></td>
<td><strong>687.97</strong></td>
<td><strong>647.59</strong></td>
<td><strong>622.31</strong></td>
<td><strong>611.02</strong></td>
<td><strong>602.58</strong></td>
<td><strong>3171.47</strong></td>
<td></td>
</tr>
</tbody>
</table>
Table No: 4.9

Approved: Return on Capital Employed (RoCE) (Rs. Cr.)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Station name</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>4th Control Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sileru complex</td>
<td>33.59</td>
<td>31.44</td>
<td>29.31</td>
<td>27.19</td>
<td>25.09</td>
<td>146.62</td>
</tr>
<tr>
<td>2</td>
<td>Nagarjuna Sagar RCPH</td>
<td>4.71</td>
<td>4.31</td>
<td>3.92</td>
<td>3.53</td>
<td>3.15</td>
<td>19.62</td>
</tr>
<tr>
<td>3</td>
<td>Srisailam Right bank</td>
<td>41.86</td>
<td>38.32</td>
<td>34.80</td>
<td>31.29</td>
<td>27.79</td>
<td>174.06</td>
</tr>
<tr>
<td>4</td>
<td>PABR</td>
<td>3.37</td>
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<td>3.02</td>
<td>2.84</td>
<td>2.67</td>
<td>15.09</td>
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<td>0.28</td>
<td>0.28</td>
<td>0.27</td>
<td>0.26</td>
<td>0.25</td>
<td>1.34</td>
</tr>
<tr>
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<td>Dr.NTPS</td>
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<td>145.71</td>
<td>144.39</td>
<td>143.10</td>
<td>141.84</td>
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<td>7</td>
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<td>71.75</td>
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<td>71.82</td>
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</tr>
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<td>9</td>
<td>Dr.NTPS IV</td>
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<td>114.63</td>
<td>111.50</td>
<td>108.38</td>
<td>105.28</td>
<td>563.42</td>
</tr>
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<td>68.09</td>
<td>63.97</td>
<td>62.20</td>
<td>60.43</td>
<td>334.61</td>
</tr>
<tr>
<td>11</td>
<td>NSTP HES</td>
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<td>33.75</td>
<td>32.67</td>
<td>31.59</td>
<td>30.51</td>
<td>163.35</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>617.65</strong></td>
<td><strong>586.24</strong></td>
<td><strong>568.49</strong></td>
<td><strong>553.19</strong></td>
<td><strong>538.01</strong></td>
<td><strong>2863.58</strong></td>
</tr>
</tbody>
</table>

Machkund dam HES & TB Dam HES:

49. Hydel Power Stations of Machkund and Tungabhadra (including Hampi) are inter-government projects. AP’s share of power in these projects is supplied to the DISCOMs. APGENCO collects AP’s share of fixed charges of these projects from the DISCOMs, retains the salaries of APGENCO staff working in Machkund Hydel Station and passes on the rest to the Govt. of AP. APGENCO has estimated these charges for the fourth control period based on the approved figures by the Commission for FY2018-19 with an escalation factor of 6.64% to arrive at year on year charges. The Commission, after examination of the filings with reference to the audited figures for the previous four years, approved the charges by applying escalation factor of 4.77% for the charges approved in FY 2018-19 in OP.NO.3 of 2016 and directs it to carry out true up exercise at the end of each year after actual figures are available.

The escalation factor 4.77% considered for hydel stations has been taken from the CERC tariff Regulations 2019.

The charges approved by the Commission are given in the table below:
Table No: 4.10
Approved: Machkund HES & TB Dam HES charges (Cr.)

<table>
<thead>
<tr>
<th></th>
<th>FY2019-20</th>
<th>FY2020-21</th>
<th>FY2021-22</th>
<th>FY2022-23</th>
<th>FY2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional interest on pension bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 50. APGENCO claimed additional interest on pension bonds in its filings. The Commission recognizes the fact that the obligation to meet the pension liability of the APSEB employees was vested in APGENCO in terms of the statutory First Transfer Scheme dated 30.01.2000 notified by the State Government under the AP Electricity Reform Act, 1998. The G.O. Ms.No.29 (Transfer Scheme) issued on 31.05.2014 in terms of AP Electricity Reform Act, 1998 and AP Reorganization Act, 2014 also provides for payment of pension liabilities by APGENCO. At the time of bifurcation of erstwhile APSEB in to APGENCO and APTRANSCO on 01.02.1999, the pension liabilities of employees who already retired in APSEB and of those employees who were on the payrolls on the date of bifurcation to the extent of their service in APSEB, were transferred to APGENCO. In order to service the pension liabilities, a Master Trust was formed and APGENCO issued two types of bonds to the Trust, the first one for an amount of Rs. 1320.43 Cr. to meet the full pension liabilities of employees who were already retired as on 01.02.1999 and the second one for an amount of Rs. 3066.52 Cr. to meet past pension liabilities of the employees who were on pay rolls in APSEB as on 01.02.1999. The future pension liabilities of the latter are to be met by the respective companies. APGENCO has to meet the above pension liabilities that arise each year, through repayment of principal amounts and interest on bonds. The redemption of the first type of bonds will be completed by the year 2033 and the second type by the year 2029 by which time the entire bond amounts along with interest will be repaid to the Trust. To service the bonds, liabilities of APGENCO were increased by an amount of Rs. 4386.95(1320.43 + 3066.52) Cr. with a corresponding increase in the amount of assets. APGENCO was expected to service the bonds from part of the depreciation and part of the Return on equity earned on the value of the total assets. Erstwhile APERC in the order dt.24.03.2003 in O.P. No. 402/2002 estimated...
the pension liabilities for each year up to 2033 under columns 5(which include repayment of pension bonds) and 6(c) of the order and allowed the same as part of the Tariff. Further, erstwhile APERC considered the possibility of higher pensions and extended longevity of the pensioners and accordingly permitted liability on account of actual interest on pension bonds in excess of that specified under column 6(c) as pass through in the tariff on a year to year basis. Similarly, any actual fall in the liability on this account is to be adjusted in the tariffs on a year to year basis. Based on the above order, APGENCO claimed and received the excess interest on pension bonds over and above the amounts allowed in order dt.24.03.2003 up to FY2009.

Moreover, the PPAs entered in to by APGENCO with DISCOMs which were consented by the erstwhile APERC have a provision for pass-through of additional interest on pension bonds in the tariff. Keeping the above in view, the Commission has allowed additional interest on pension bonds for the third control period i.e. FY 2014-15 to FY 2018-19. Accordingly, as in its earlier orders, the Commission provisionally approves the amounts based on actuals provided by APGENCO Master trust (ANNEXURE - F1) towards additional interest on pension bonds for the fourth control period i.e. FY2019-20 to FY2023-24.

The estimated Interest on pension bonds over and above scheduled commitments for the Control Period FY2019-20 to FY 2023-24 approved by the Commission is given in the table below:

<table>
<thead>
<tr>
<th>Table No: 4.11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approved: Additional Interest on Pension Bonds</strong></td>
</tr>
<tr>
<td>FY2019-20</td>
</tr>
<tr>
<td>888.30</td>
</tr>
</tbody>
</table>

The amounts indicated in the above table are estimates only and any excess or shortfall compared to the provisionally approved figures is a pass-through to Discoms at the end of each year when the details of actual amounts payable are available. The details of Estimation of additional interest on pension bonds are shown in the ANNEXURE - F2.

**Prior Period costs**

51. APGENCO has claimed fixed costs for the year 2018-19 for RTPP IV as a prior
period cost. The same has not been approved in this order since the PPA of the project is not yet approved by the Commission.

52. APGENCO has also claimed pay revision commitment for the year FY2018-19 as prior period cost for the fourth control period. The same has not been considered since the pay revision impact was considered while determining fixed charges for the 3rd control period.

**Fixed charges:**

53. As detailed above the annual fixed charges estimated by the Commission for the fourth control period are Rs 16370.57 Cr. as against Rs 19614.25 Cr. filed. The detailed breakup of annual fixed charges approved are shown in the Annexures L1 to L5. The details of the annual fixed charges filed and approved are given in the tables below:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Station name</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>4th Control Period</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Sileru complex</td>
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<td>236.82</td>
<td>247.04</td>
<td>258.90</td>
<td>270.91</td>
<td>1241.07</td>
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<tr>
<td>2</td>
<td>Nagarjuna Sagar RCPH</td>
<td>27.28</td>
<td>28.16</td>
<td>29.12</td>
<td>30.28</td>
<td>31.43</td>
<td>146.28</td>
</tr>
<tr>
<td>3</td>
<td>Srisailam Right bank</td>
<td>217.81</td>
<td>223.89</td>
<td>230.62</td>
<td>238.91</td>
<td>247.15</td>
<td>1158.37</td>
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<tr>
<td>4</td>
<td>PABR</td>
<td>12.90</td>
<td>13.25</td>
<td>13.64</td>
<td>14.09</td>
<td>14.56</td>
<td>68.43</td>
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<td>Chettipeta</td>
<td>1.56</td>
<td>1.64</td>
<td>1.72</td>
<td>1.80</td>
<td>1.89</td>
<td>8.61</td>
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<td>6</td>
<td>Dr. NTTPS</td>
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<td>851.32</td>
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<td>890.97</td>
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<tr>
<td>7</td>
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<td>294.95</td>
<td>306.99</td>
<td>319.95</td>
<td>334.34</td>
<td>349.34</td>
<td>1605.57</td>
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<tr>
<td>8</td>
<td>RTPP II</td>
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<td>296.68</td>
<td>310.22</td>
<td>324.73</td>
<td>340.25</td>
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<tr>
<td>9</td>
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<td>303.21</td>
<td>311.92</td>
<td>321.41</td>
<td>331.71</td>
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<td>197.74</td>
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<tr>
<td>11</td>
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<td>74.14</td>
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<td></td>
<td>Additional interest on Pension Bonds</td>
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<td>1127.25</td>
<td>1382.41</td>
<td>1474.21</td>
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<td><strong>3699.69</strong></td>
<td><strong>3783.11</strong></td>
<td><strong>4109.20</strong></td>
<td><strong>4324.57</strong></td>
<td><strong>19614.25</strong></td>
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</table>
Table No: 4.13

Approved: Fixed charges for the 4th control period

<table>
<thead>
<tr>
<th>S. No</th>
<th>Station name</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>4th Control Period</th>
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</thead>
<tbody>
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<td>231.24</td>
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<td>Srisailam Right bank</td>
<td>216.50</td>
<td>219.76</td>
<td>223.36</td>
<td>227.31</td>
<td>231.64</td>
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<td>4</td>
<td>PABR</td>
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<td>13.07</td>
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<td>13.52</td>
<td>13.78</td>
<td>66.52</td>
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<tr>
<td>5</td>
<td>Chettipeta</td>
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<td>1.70</td>
<td>1.76</td>
<td>1.82</td>
<td>1.88</td>
<td>8.82</td>
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<td>696.25</td>
<td>713.69</td>
<td>731.83</td>
<td>3484.57</td>
</tr>
<tr>
<td>7</td>
<td>RTPP-I</td>
<td>254.92</td>
<td>259.43</td>
<td>264.17</td>
<td>269.13</td>
<td>274.32</td>
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<td>258.20</td>
<td>263.90</td>
<td>269.83</td>
<td>1292.14</td>
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<td>284.70</td>
<td>286.66</td>
<td>288.81</td>
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<td>10</td>
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<td>253.09</td>
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<td>170.54</td>
<td>172.00</td>
<td>951.77</td>
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<tr>
<td>11</td>
<td>NSTP HES</td>
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<td>51.44</td>
<td>50.76</td>
<td>50.10</td>
<td>49.46</td>
<td>253.89</td>
</tr>
<tr>
<td></td>
<td>Machkund HES &amp; TB Dam HES</td>
<td>56.32</td>
<td>59.01</td>
<td>61.83</td>
<td>64.77</td>
<td>67.86</td>
<td>309.80</td>
</tr>
<tr>
<td></td>
<td>Additional interest on Pension Bonds</td>
<td>888.30</td>
<td>921.50</td>
<td>954.30</td>
<td>987.70</td>
<td>1020.10</td>
<td>4771.90</td>
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<td></td>
<td>3225.46</td>
<td>3184.41</td>
<td>3241.06</td>
<td>3319.73</td>
<td>3399.91</td>
<td>16370.57</td>
</tr>
</tbody>
</table>

54. Income tax, incentives and other charges shall be claimed and paid as per Regulation 1 of 2008.
CHAPTER - V
DETERMINATION OF VARIABLE COST

55. In this chapter, the Commission has examined tariff filings with respect to energy / variable charges made by the APGENCO for its generating stations for the fourth control period. The Commission, while examining the tariff filings with respect to energy / variable charges, has reckoned / considered all the views/objections/suggestions expressed by the stakeholders in writing during public hearings, which have been elaborated in chapter III, to the extent they are relevant to the subject matter.

56. APGENCO has considered the following operating norms for computation of variable cost

   a) Station Heat rate
   The station heat rate considered for 210/500 MW thermal stations is as per Regulation 1 of 2008.

   But 2650 kCal/kWh for Dr NTTPS O&M (6x210 MW) is considered due to ageing of the units and Backing down of the thermal stations with the increase of energy from non-conventional energy sources.

   b) Auxiliary consumption
   The Auxiliary consumption for 210/500 MW thermal stations is considered as per Regulation 1 of 2008.

   c) Specific oil consumption
   The Specific oil consumption for all thermal units is considered as per Regulation 1 of 2008.

   d) Landed cost of coal
   The landed cost of coal is arrived at based on Coal price, Freight charges, Coal related cost and normative transit & windage & Shrinkage loss of 0.8% as per Regulation 1 of 2008.

57. Based on the above parameters, the variable cost estimated by APGENCO station wise/stage wise is as shown below:
Table No: 5.1

Filings: Energy charges/Variable rates

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<thead>
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<th>Station</th>
<th>(Rs / kWh)</th>
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</thead>
<tbody>
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<td>Dr NTTPS I-III</td>
<td>3.67</td>
</tr>
<tr>
<td>Dr NTTPS IV</td>
<td>3.15</td>
</tr>
<tr>
<td>RTPP - I</td>
<td>3.87</td>
</tr>
<tr>
<td>RTPP - II</td>
<td>3.87</td>
</tr>
<tr>
<td>RTPP- III</td>
<td>3.87</td>
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<tr>
<td>RTPP- IV</td>
<td>3.64</td>
</tr>
<tr>
<td>Dr NTTPS V</td>
<td>2.92</td>
</tr>
</tbody>
</table>

** The rate for Dr NTTPS I-III with the existing operating norms without revision for vintage and operating conditions would have been 3.40 per kWh.

The initial rates for subsequent periods would be on the same basis depending on the preceding three months’ actuals and subject to adjustment for actual landed cost and GCV of fuels.

58. As per the clause 13.1 of Regulation 1 of 2008, the energy charges shall be computed for thermal generating stations as stated below:

a. Energy charges shall cover fuel costs and shall be worked out on the basis of ex-bus energy sent out corresponding to scheduled generation as per the following formula:

Energy Charges (Rs.) = Rate of Energy Charges in Rs/kWh X Ex-bus energy
sent out corresponding to scheduled generation for the month in kWh

Where,

Rate of Energy Charges (REC) shall be the sum of the cost of normative quantities of primary and secondary fuel for one kWh of ex-bus energy sent out corresponding to scheduled generation and shall be computed as under:

\[
REC = \frac{100(Pp \times (Q_{ph} + P_s \times Q_{sh}))}{(100-\text{AUX}_d)} \quad (Rs. /kWh)
\]

Where,
\[ P_p = \text{Landed cost of primary fuel namely coal or lignite or gas or liquid fuel in Rs/Kg or Rs/cubic-meter (m^3) or Rs./litre, as the case may be} \]

\[ (Q_p)_n = \text{Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg or litre or m^3, as the case may be, and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based generating stations) and gross calorific value of coal/lignite or gas or liquid fuel as fired} \]

\[ P_s = \text{Landed cost of Secondary fuel oil in Rs./ml} \]

\[ (Q_s)_n = \text{Normative Quantity of Secondary fuel oil in ml/kWh as per clause 11.1.4, as the case may be, and} \]

\[ AUX_n = \text{Normative Auxiliary Energy Consumption as percentage of gross generation as per clause 11.2.2, as the case may be.} \]

b. 
Adjustment of rate of energy charge (REC) on account of variation in price or heat value of fuels. Initially, gross calorific value of coal/lignite or gas or liquid fuel shall be taken as per actuals of the preceding three months. Any variation shall be adjusted on month to month basis on the basis of gross calorific value of coal/lignite or gas or liquid fuel received and burnt and landed cost incurred by the Generating Company for procurement of coal/lignite, oil, or gas or liquid fuel, as the case may be. In case of any dispute, an appropriate application in accordance with the Conduct of Business Regulations shall be made before the Commission.

c. 
Landed Cost of fuel

The landed cost of fuel shall include price of fuel corresponding to the grade/quality of fuel inclusive of royalty, taxes and duties as applicable, transportation cost by rail/road/pipeline or any other means, and, for the purpose of calculation of energy charges, shall be arrived at after considering transit losses as per clause 11.1.5.

**Computation of Energy Charges/Variable cost by the Commission**

59. The Commission has considered the following operating norms for computation of variable cost.
a) Station Heat rate
The station heat rate 2500 kCal/kWh and 2450 kCal/kWh has been considered for all 210MW and 500MW thermal stations respectively as per Clause 11.1.3 of Regulation 1 of 2008.

The Commission has considered 2550 kCal/kWh for all 210 MW units of Dr NTTPS O&M keeping in view the submissions made by APGENCO in this regard.

However, if the actual station heat rate is less than 2550 kCal/kWh, the licensees shall consider such lower station heat rate for admitting Fuel Cost Adjustment (FCA) bills. Further, APGENCO is directed to reduce the station heat rate and auxiliary consumption by implementing the recommendations of Steag Energy Services India Pvt. Ltd. which conducted the performance test and submitted its report. The action taken in this regard shall be communicated to the Commission.

b) Auxiliary consumption
The Auxiliary consumption of 9% and 7.5% has been considered for all 210MW and 500MW thermal stations respectively as per Clause 11.1.2 of Regulation 1 of 2008.

c) Specific oil consumption
The Specific oil consumption of 2 ml/kWh has been considered for all thermal units as per Clause 11.1.4 of Regulation 1 of 2008.

d) Landed cost of coal
The landed cost of coal has been arrived at based on Coal price, Freight charges, Coal related cost and normative transit & windage & Shrinkage loss of 0.8% as per Regulation 1 of 2008.

Accordingly, the landed cost of coal considered is Rs 3450 per MT, Rs 3800 per MT and Rs 4100 per MT for the Dr NTTPS O&M, Dr NTTPS IV and RTPP I, II, III stages respectively.

e) GCV of Coal
The GCV of coal considered is 3420 kCal/kWh, 3768 kCal/kWh and 3420 kCal/kWh on as fired basis for the Dr NTTPS O&M, Dr NTTPS IV and RTPP I, II, III stages respectively.

Based on the above parameters and in accordance with the formula specified in the Regulation 1 of 2008 as stated above, the energy charges have been computed (Annexure-M) as shown in the table below:
Energy charges for RTPP IV and Dr NTTPS V have not been determined since the PPAs for these projects are not yet approved by the Commission. The energy charges so computed above are taken into consideration while computing the working capital requirement for estimation of annual fixed charges.

60. The charges computed in para no.59 are only indicative and the licensees shall pay the monthly bills based on above charges. Further if there is any increase in landed cost of coal due to notification by coal companies or freight charges by railways, the indicative prices shall be increased in proportion to such percentage of hike notified in the notifications.

61. The fuel cost adjustment bills in accordance with Regulation 1 of 2008 shall be paid subject to variation of 15%. Variation over and above 15% is subject to scrutiny and approval of the Commission for payment and the payment should be limited to 15% until the Commission approves such an excess variation.

62. The Commission has directed the licensees to establish systems for verification of GCV of coal, based on which the coal price is being billed to the generating station, in order to have prudence in variable cost, at para no. 317 in Retail Supply Tariff Order for FY2019-20. In this regard, APGENCO is directed to ensure to obtain billed grade coal by collecting samples as per the standards at source duly ensuring the presence of its officials/third party as per the joint protocol. All such sampling and test reports shall be verified by the licensees in comparison with grades received at generating station end and if there is any significant variation in quality of grade, all such cases shall
be brought to the notice of the Coal companies by APGENCO for appropriate action and the APGENCO shall take all possible action for enforcement of its contractual rights regarding the same. The Commission shall be kept informed to enable it to invoke its regulatory jurisdiction in this regard whenever called for.

63. With reference to sampling and testing of GCV at receiving end of generating stations the CERC directions as produced below shall be strictly complied.

“As per the directions of the Hon’ble High Court of Delhi, the CERC vide its order dated 25.1.2016 in Petition No. 283/GT/2014 has decided as under:

(a) There is no basis in the Indian Standards and other documents relied upon by NTPC etc. to support their claim that GCV of coal on as received basis should be measured by taking samples after the crusher set up inside the generating station, in terms of Regulation 30(6) of the 2014 Tariff regulations.

(b) The samples for the purpose of measurement of coal on as received basis should be collected from the loaded wagons at the generating stations either manually or through the Hydraulic Auger in accordance with provisions of IS 436(Part1/Section 1)-1964 before the coal is unloaded. While collecting the samples, the safety of personnel and equipment as discussed in this order should be ensured. After collection of samples, the sample preparation and testing shall be carried out in the laboratory in accordance with the procedure prescribed in IS 436(Part1/Section 1)-1964 which has been elaborated in the CPRI Report to PSERC.”

64. The GCV shall be calculated at the receiving generating station for the computation of energy charges/variable cost as per the above sampling procedure duly considering the minimum margin recommended (Annexure-H) for loss of GCV measured at wagon top at unloading point till the point of firing in boiler. In this regard, APGENCO is directed to establish the third-party sampling and testing system and the licensees shall cross check such third-party sampling and testing system periodically. All such periodical inspection reports with their remarks shall be submitted to the Commission every month from 1st September 2019 onwards for a review by the Commission.
65. As per the information provided by APGENCO in the filings, the coal linkages with the existing fuel supply agreements are not sufficient to meet the normative availability as per the Regulation 1 of 2008. Therefore, APGENCO is procuring the shortfall coal through MOU route at a maximum premium of 44% over the notified prices and thus increasing the variable cost. In order to overcome the shortage of coal due to linkage materialization and transportation constraints, APGENCO is directed to explore long-term contracts with coal producing companies through International competitive bidding (ICB) route ensuring that the landed price of coal received at generating stations shall not increase the indicative prices of energy charges with the margins specified in this order. In this regard, the views of the licensees and APGENCO shall be submitted to the Commission within a month from the date of this order. In this regard, APGENCO shall keep in view the observations of C&AG in their audit reports.

66. It has been noticed as pointed out by the licensees that APGENCO is not maintaining coal stocks at generating stations as per norms for whatever reasons. This is leading to purchase of costlier power in exchanges by the licensees as and when they require power to meet the demand when APGENCO stations are not able to operate their units to their full capacity to meet the demand due to shortage/quality of coal. It is the responsibility of the APGENCO to maintain the required coal stocks at their respective stations as per the norms. Accordingly, the working capital requirement has been allowed in this order while computing the Return on Capital Employed. Maintenance of minimum coal stocks required on the average for uninterrupted generation for 15 days is the widely accepted norm in planning the maintenance and running of thermal generating stations. The APGENCO shall hereafter treat adherence to such minimum norm as a direction from the Commission under Section 142 of the Electricity Act, 2003, the contravention of which will make the APGENCO liable for a penalty of Rs. 1 Lakh for each contravention and additional penalty of Rs. 6000/- per day during the continuance of the period of failure after each contravention. The APGENCO shall submit monthly compliance reports by 10th of every succeeding month commencing from May, 2019 about compliance of this requirement and the distribution licensees or any other stakeholder are at liberty to bring to the notice of the Commission any non-compliance with the direction at any time. The APGENCO is at liberty
to satisfy the Commission through its monthly reports or otherwise about the
failure to comply with the direction at any time being for reasons beyond its
control on which the Commission may waive the liability to pay such penalty.

67. The APGENCO in-coordination with the licensees shall optimize the variable
cost by following the guidelines issued by the Central Electricity Authority
(CEA) by its letter dated 08.06.2016 on methodology for flexibility in utilization
of domestic coal for reducing the cost of power generation. Any diversion of
cal from station to station shall be strictly in accordance to the guidelines
communicated by the CEA but not on unplanned basis which will increase
the landed cost of coal. If diversion of coal is done without following the
guidelines of CEA, all such cases shall be brought to the notice of the
Commission explaining the circumstances, necessity and price implication on
variable cost due to such unplanned diversions. In this regard, APGENCO
shall keep in view the observations of C&AG in their audit reports.

68. APGENCO is the State generating company known for its benchmark
performance in O&M and construction and completion of new projects well
within the scheduled dates in the past. Even now APGENCO is one of the best
performing utilities in the country in spite of the fluctuations in coal supplies,
hydel generation being dependent on vagaries of nature and forced backing
down of its generating units due to priority for non-conventional must-run
generating units. The Commission feels it appropriate to place on record its
appreciation for the involvement and dedication of each and every employee
of APGENCO right from an outsourced worker to the Managing Director which
is responsible for still keeping the flag of APGENCO high in the National Power
Sector. In fact, the APGENCO is able to keep some of its generating units
normally productive though technically they reached the end of their useful
lives due to efflux of time. The Commission notes that all the thermal
generating stations of APGENCO are non-pit head stations and cost control is
a challenging task. In view of large-scale integration of renewable energy
sources into the grid in the country as well as in the State of Andhra Pradesh,
the PLF of thermal generating stations is inevitably gradually coming down.
Operating the thermal units at reduced PLFs without increase in operating
norms is another challenging task. In this context, the Commission advises
the APGENCO to revisit the strategies / planning / approaches / procedures
/ practices to further upgrade the performance to create new bench marks for
others to follow and to minimize the O&M and energy charges. Hopefully each and every employee of APGENCO will rise to the occasion in this endeavor as earlier.

69. All the directions issued by the Commission in this order should be treated as within the meaning of Sections 142 and 146 of the Electricity Act, 2003.

70. APGENCO is entitled to recover the tariff as determined in this order from the respondents in proportion to the power supplied to them.

71. Sri D.V.S. Someswara Rao, Senior Accounts Officer and Sri H. Chandra Sekhar, Deputy Executive Engineer of APGENCO are with the Deputy Director, Tariff Engineering of the Commission, Sri D. Ramanaiah Setty assisted by Smt. P. V. Padmaja, Private Secretary in the elaborate exercise of the study of the filings, the analysis of the vast data, research of all relevant material and arriving at the appropriate conclusions for preparation of the draft MYT order for about two months. The Commission gratefully acknowledges the hard work and contribution of all the four in making a reasonable and reasoned tariff order possible. The Commission desires that this record of appreciation by the Commission be placed in the personal files of the four officers by the Managing Director of APGENCO and the Secretary of the Commission respectively.

This Original Petition No.35 of 2018 is ordered accordingly.

This order is signed on this day of 29th April, 2019.

Sd/-
P. Rama Mohan
Member

Sd/-
Dr. P. Raghu
Member

Sd/-
Justice G. Bhavani Prasad
Chairman
ANNEPRO A1

THE HINDU (AP EDITION) & FINANCIAL EXPRESS, DT: 01-01-2019

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

"BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION (APERC)
D.No. 11-4-659, 4th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED (APGENCO)

PUBLIC NOTICE

(1) Notice is hereby given to all that the Andhra Pradesh Power Corporation Limited (APGENCO), has on 28-12-2016, filed before the Andhra Pradesh Electricity Regulatory Commission (APERC), the Tariff application for its power stations for 4th Control Period (FY2019-20 to FY2023-24). This tariff application has been recorded by the Hon’ble Commission in O.P. No. 35 of 2018. (2) Copies of the tariff application are available in the Office of the Chief Engineer (Commercial)/APGENCO/ Vidyut Soudha/ Gunadala/Vijayawada, the Chief Engineer (Electrical)/ APGENCO/ Sagar Station/ Krishna(DI), the Chief Engineer (RTPP)/ VV Reddy Nagar/ YSR Kadapa (DL) and the Chief Engineer (SRBPH)/ Srisailam Project/ Kurnool(DI). Interested persons may inspect/ purchase the said Tariff application and take note thereof during office hours at any of the said offices at free of charge. This tariff application is also available on www.apgenco.gov.in and the same may also be accessed on www.aperc.gov.in. A copy of the tariff application can also be obtained from the above offices from the date of publication on payment of Rs. 100/- in the form of Demand Draft from any Nationalized/Scheduled bank drawn in favor of “The Pay Officer, APGENCO, Vidyut Soudha, Vijayawada” payable at Vijayawada. Also, a summary of tariff application of APGENCO stations in English and Telugu can be separately obtained on payment of Rs. 10/- in the form of Demand Draft from any Nationalized/Scheduled bank drawn in favor of “The Pay Officer, APGENCO, Vidyut Soudha, Vijayawada” payable at Vijayawada. (3) Views/objections/suggestions if any, on the tariff application can be e-mailed to the Commission at complaince@aperc.gov.in by 10.00 AM on or before 21-01-2019. (4) All the objections/suggestions if any, should be in English and must be submitted in triplicate and submitted to the Hon’ble Commission along with a copy of the complaint. The objections/suggestions should also be accompanied with a power of attorney, if any, as may be necessary. (5) The objections/suggestions should be in triplicate and submitted to the Hon’ble Commission along with a copy of the complaint. The objections/suggestions should also be accompanied with a power of attorney, if any, as may be necessary.

Name & full address of the person/s making the objection

Brief details of the objection

Whether objections/suggestions are filed on behalf of any organization or any category of consumers

Whether Objector wants to be heard in person

S. No. | Station | Capacity in MW | Variable cost (Rs/kwh) | Fixed costs (Rs in Cr) | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
1 | Sileru Complex | 725 | - | 227.39 | 236.62 | 247.04 | 258.90 | 270.91 |
2 | Tapapura Sagar RCPF | 60 | - | 27.28 | 28.18 | 29.72 | 30.78 | 31.43 |
3 | Srisailam Right bank | 770 | - | 217.81 | 223.89 | 230.82 | 238.91 | 247.16 |
4 | PRGR | 20 | - | 12.90 | 13.25 | 13.64 | 14.08 | 14.48 |
5 | Chottipeta | - | - | 1.56 | 1.72 | 1.84 | 1.96 | 2.08 |
6 | Dr. NTPPS | 1260 | 3.67 | 815.18 | 851.32 | 890.21 | 909.97 | 940.98 |
7 | RTTP | 420 | 3.87 | 294.55 | 306.69 | 319.85 | 334.34 | 349.34 |
8 | RTTP II | 420 | 3.87 | 284.04 | 296.68 | 310.22 | 324.83 | 339.44 |
9 | Dr. NTPPS IV | - | 3.18 | 446.90 | 450.21 | 453.52 | 456.83 | 459.14 |
10 | Dr. NTPPS V | - | 3.67 | 213.48 | 218.47 | 223.46 | 228.46 | 233.46 |
11 | NSTP HES | - | - | 49.64 | 52.08 | 54.52 | 57.04 | 59.56 |
12 | RTTP V | - | - | 138.84 | 141.73 | 144.62 | 147.51 | 150.40 |
13 | Dr. NTPPS VI | - | - | 477.73 | 482.06 | 486.39 | 490.72 | 495.05 |
14 | Polavaram HES | - | - | 119.17 | 121.60 | 124.03 | 126.46 | 128.89 |

Intestate Power (AP share) | | 141.6 | | 57.33 | 61.14 | 65.20 | 69.62 | 74.14 |

Interest on Pension bonds (Over and above schedule) | | | | 991.24 | 1057.06 | 1127.25 | 1182.41 | 1247.21 |

Prior period O&M expenses due to pay revision for FY 2018-19 | | | | 223.75 |

RTPP IV 2018-19 | | | | 353.00 |

Total | | | | 6967.6 | 6990.60 | 6323.92 | 6335.16 | 7094.35 | 7509.12 |

5. Hon’ble Commission will conduct Public hearings on said tariff application of APGENCO stations for 4th Control Period (FY2019-20 to FY2023-24). The venue of the public hearing will be at Hyderabad. The public hearing will be conducted on dates and at venue and time as per order of Hon’ble Commission. The details are given below. 6. The date of the public hearing is fixed as 25-01-2019 to 28-01-2019 at 10.00 AM at 1.00 PM. Interested persons will be heard on the issues raised by the petitioner in the objections/suggestions submitted to the Hon’ble Commission. The objections/suggestions should be in triplicate and submitted to the Hon’ble Commission along with a copy of the complaint. The objections/suggestions should also be accompanied with a power of attorney, if any, as may be necessary. 7. The Hon’ble Commission will also conduct the 13th Joint Meeting of State Advisory Committee (SAC) and 8th State Coordination Forum on 01-02-2019 (Thursday) at 02:00 PM. Interested persons will be heard on the issues raised by the petitioner in the objections/suggestions submitted to the Hon’ble Commission. The objections/suggestions should be in triplicate and submitted to the Hon’ble Commission along with a copy of the complaint. The objections/suggestions should also be accompanied with a power of attorney, if any, as may be necessary. 8. The Hon’ble Commission will also conduct the 13th Joint Meeting of State Advisory Committee (SAC) and 8th State Coordination Forum on 01-02-2019 (Thursday) at 02:00 PM. Interested persons will be heard on the issues raised by the petitioner in the objections/suggestions submitted to the Hon’ble Commission. The objections/suggestions should be in triplicate and submitted to the Hon’ble Commission along with a copy of the complaint. The objections/suggestions should also be accompanied with a power of attorney, if any, as may be necessary.
## ANNEXURE - A2

### ANDHRA JYOTHI, EENADU & SAKSHI (AP EDITIONS) DT: 01-01-2019

### Tariff Order

**Applicable Tariff Orders**:

- 11-4-2018, 11-4-2019, 11-4-2020, 11-4-2021, 11-4-2022
- 11-4-1980, 11-4-1981, 11-4-1982
- 11-4-1990, 11-4-1991, 11-4-1992
- 11-4-2000, 11-4-2001, 11-4-2002
- 11-4-2010, 11-4-2011, 11-4-2012
- 11-4-2013, 11-4-2014, 11-4-2015
- 11-4-2016, 11-4-2017

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<th>2021-22</th>
<th>2022-23</th>
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**Note**: Rates are applicable from 01-01-2019.
**ANNEXURE - B**

**LIST OF OBJECTORS**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Objector</th>
<th>Address</th>
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<tbody>
<tr>
<td>1</td>
<td>Sri M. Venugopala Rao</td>
<td>Senior Journalist and Convenor, Centre for Power Studies, H.No.7-1-408to 413, F-203, Sri Sai Darshan Residency, Balkampet Road, Ameerpet, Hyderabad - 500016.</td>
</tr>
<tr>
<td>2</td>
<td>APDISCOMS/Respondents</td>
<td>APEPDCL, Visakapatnam &amp; APSPDCL, Tirupati</td>
</tr>
<tr>
<td>3</td>
<td>Sri CH Subba Rao</td>
<td>Guntupalli, Ibrahimpatnam Mandal, Krishna (Dt)- 521 241</td>
</tr>
<tr>
<td>4</td>
<td>Sri Cherukuri Venugopala Rao</td>
<td>Federation of Farmers Association of Andhra Pradesh, H.No.1-191, Railway Wagon Work Shop Road, Guntupalli, Ibrahimpatnam Mandal, Krishna District - 521 241, Andhra Pradesh</td>
</tr>
<tr>
<td>5</td>
<td>Sri R. Shiv Kumar</td>
<td>FTAPCCI &amp; AP Spinning Mills Association (APSMA), Sai Plaza, 1st Floor, 1st Line, Chendramouli Nagar, Gutur - 522 007.</td>
</tr>
<tr>
<td>6</td>
<td>Dr K Babu Rao</td>
<td>H. No 4-1-50/2, road No 3 , Snehapuri Colony, Hyderabad - 500076</td>
</tr>
<tr>
<td>7</td>
<td>Sir P Vijay Gopal Reddy</td>
<td>AP Ferro Alloys Producers Association, Flat No.101, Sai Brundavan Apartments, Dwarakapuri Colony, Punjagutta, Hyderabad – 82.</td>
</tr>
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ANNEXURE - C

GOAP LETTER DT.05.06.2017

GOVERNMENT OF ANDHRA PRADESH
ENERGY, INFRASTRUCTURE & INVESTMENT (POWER-III) DEPARTMENT

LETTER No.1504/Powar-III/2015-9.

From
The Principal Secretary to Government,
Energy, Infrastructure & Investment Department,
A.P.Secretariat, 2nd Building, Ground Floor,
VELAGAPUDI - 522 237, Tulluru Mandal,
GUNTUR DISTRICT

To
The Managing Director,
APGENCO, Vidyut Soudha,
Khalirabad,
HYDERABAD-500 082

VELAGAPUDI, DATED: 05-06-2017

Sir,

Sub:- Energy, I&I (Power-III) Dept - APGENCO - Non-payment of power supply bill dues of Rs.4847.59 crores after netting off dues payable by APPCC to TSGENCO - Regarding.

Ref:-

*****

I am to invite your attention to the references cited and inform you that Government after careful consideration of the matter permit APGENCO to discontinue the power supply to TSDISCOMs, till the time the dues are cleared by them as TSDISCOMs are not even paying the regular monthly bills despite continuous follow up and the arrears are going on accumulating. MD, APGENCO is requested to take further necessary action in the matter.

Yours faithfully,

V. Sarinavada Rao
for PRINCIPAL SECRETARY TO GOVERNMENT
ANNEXURE - D

AUDITORS CERTIFICATE ON ADDITIONAL CAPITALISATION

GALLA SRIKANTH & ASSOCIATES
CHARTERED ACCOUNTANTS

Date: 24.01.2019

CERTIFICATE

This is to certify that M/S. Andhra Pradesh Power Generation Corporation Limited (APGENCO) Vijayawada, has incurred Capital Expenditure (Capex) on its power stations during the years 2014-19 as mentioned below:

(Rupees in Crores)

<table>
<thead>
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<th>S.No.</th>
<th>Station Name</th>
<th>Additional Capex 2014-19 (Up to 30.11.2018)</th>
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<tbody>
<tr>
<td>1.</td>
<td>Sileru Complex</td>
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</table>

This certificate is given based on the records and information produced and at the request of the company for onward submission to APERC.

For Galla Srikanth & Associates
Chartered Accountants

*CA. SRIKANTH GALLA*
Proprietor M.No: 246067
### ANNEXURE - E1

#### PFC INTEREST RATES STATEMENT

**Identification of Loan**

---

<table>
<thead>
<tr>
<th>S.No</th>
<th>Date</th>
<th>Cheque No.</th>
<th>Particulars</th>
<th>Average Rate/Base Amount</th>
<th>Days</th>
<th>Rate</th>
<th>Interest Amount</th>
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<tr>
<td>230</td>
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<td>94,40,746</td>
<td>33</td>
<td>10.20</td>
<td>87,062</td>
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---

**Amount of Loan/Loan Total:**

3,42,77,26,649 (10.20)

---

**Amount of Loan No.: 31301016**

RAYALSEKA STAGE IV, UNIT 6 (1X600 MW) TPP

---

<table>
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<tr>
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<th>Date</th>
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<th>Particulars</th>
<th>Average Rate/Base Amount</th>
<th>Days</th>
<th>Rate</th>
<th>Interest Amount</th>
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<tr>
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## ANNEXURE - E2

**REC INTEREST RATES CIRCULAR**

### RURAL ELECTRIFICATION CORPORATION LIMITED

**Lending Rates effective from June 10, 2018, till further notification.**

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<tbody>
<tr>
<td>A.</td>
<td>Term Loan Schemes</td>
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<tr>
<td>1</td>
<td>Conventional Generation</td>
<td>11.15</td>
<td>11.40</td>
<td>11.05</td>
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<td>12.40</td>
<td>12.65</td>
<td>12.90</td>
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<tr>
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<tr>
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### 1- a) TERM LOANS - (With reset after every 3 years)

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<td>10.25</td>
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<td>Distribution &amp; Equipment</td>
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<td>--------------</td>
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<td>11.40</td>
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<td>10.00</td>
<td>10.25</td>
<td>10.00</td>
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<td>Transmission Schemes</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Distribution &amp; Equipment</td>
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<td>11.25</td>
<td>12.00</td>
<td>12.25</td>
<td>12.50</td>
<td>12.75</td>
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<td>5</td>
<td>Loan to Equipment Manufacture</td>
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<td>12.00</td>
<td>12.25</td>
<td>12.50</td>
<td>12.75</td>
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<tr>
<td>7</td>
<td>Commercialization</td>
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<td>11.80</td>
<td>12.15</td>
<td>12.40</td>
<td>12.65</td>
<td>12.90</td>
<td>13.15</td>
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</table>

(P.T.O)
ANNEXURE - F1

ADDITIONAL INTEREST ON PENSION BONDS FOR FY2018-19 ACTUALS

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Company</th>
<th>Prior to 01.02.1999 (100%)</th>
<th>After 01.02.1999 (74%)</th>
<th>TOTAL</th>
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<td>APGENCO</td>
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<td>1244265007</td>
<td>1407901000</td>
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<td>APSPDCL</td>
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<td>TOTAL</td>
<td>2573828043</td>
<td>8408118957</td>
<td>10981947000</td>
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</table>

Less: i) Pension paid upto 30-06-2018 to pensioners and family pensioners who retired prior to 01-06-2014 and subsequently transferred to TSGENCO w.e.f 01-07-2018

<table>
<thead>
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<th>Less:</th>
<th></th>
<th>147270436</th>
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<td>ii)</td>
<td>Scheduled commitments as per Bonds</td>
<td>2224600000</td>
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Net: Over and above Schedule amount [(1) - (2)]

|       | 8610076564         |

Financial Advisor and Chief Controller of Accounts (Audit & Trust)
APGENCO, Vidyut Soudha,
Gunadala, Vijayawada - 520 004.
# ANNEXURE - F2

## ADDITIONAL INTEREST ON PENSION BONDS COMPUTATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Pension commitments for pensioners retired prior to 01.02.1999 (Rs. Cr.)</th>
<th>Estimated Pension commitments for pensioners retired after 01.02.1999 (Rs. Cr.)</th>
<th>Total Pension Commitments (Rs. Cr.)</th>
<th>Scheduled Commitment (Rs. Cr.)</th>
<th>Additional interest Estimated (Rs. Cr.)</th>
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<tr>
<td>2019-20</td>
<td>257.38</td>
<td>859.12</td>
<td>1116.50</td>
<td>228.18</td>
<td>888.3</td>
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<td>2020-21</td>
<td>257.38</td>
<td>893.49</td>
<td>1150.87</td>
<td>229.34</td>
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<td>2021-22</td>
<td>257.38</td>
<td>929.23</td>
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<td>2022-23</td>
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<td>966.40</td>
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<td>2023-24</td>
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<td>1005.05</td>
<td>1262.43</td>
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<td><strong>Total</strong></td>
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<td></td>
<td><strong>4771.9</strong></td>
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ANNEXURE – G

CAPITAL COST FOR NSTP HES- AUDITORS CERTIFICATE

GALLA SRIKANTH & ASSOCIATES
CHARTERED ACCOUNTANTS

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s. Andhra Pradesh Power Generation Corporation Limited (APGENCO), Vijayawada, Andhra Pradesh has incurred Capital Expenditure up to 31.03.2018 of Rs.293.67 Crores and during the year 2018-19 of Rs. 3.90 Crores total amounting to Rs. 297.57 Crores for its power project at Nagarjunasagar Tail Pond Dam (NSTPD), Satrasala, Jettipalem(V), Guntur District, Andhra Pradesh.

Further, APGENCO has incurred an amount of Rs. 91.52 Crores towards Dam Works which is not claimed in the Tariff petition.

This is given at the request of the Company for onward submission to APERC for filing of tariff petition, as per the information, Papers, Books and Records produced.

For Galla Srikanth & Associates
Chartered Accountants

CA. SRIKANTH GALLA
Proprietor M.No: 249687

FRN: 019089S
Sub: Issue of measurement of Coal GCV on “as received” basis as per the 2014 Tariff Regulation – Corrigendum to CEA letter no. 228/MISC/TPP&D/CEA/2017/1432 dated 17.10.2017.

In reference to MoP letter no. 3/2/2017-Th Dated 28.06.2017 on the above subject, CEA has furnished comments vide letter even no. dated 17.10.2017. In respect to this letter the following corrigendum is issued.

The last para of the letter may be read as below:

CEA has also examined the views taken by various state regulators for considering such loss for the purpose of tariff allowed to generators. However, as the margin would vary from plant to plant, season to season and varying coal characteristics, CEA is of the opinion that a margin of 85-100 kCal/kg for a pithead station and a margin of 105-120 kCal/kg for a non-pithead station may be considered as a loss of GCV measured at wagon top at unloading point till the point of firing of coal in boiler.

(Phool Chandra)
Chief Engineer (TPPD)
# ANNEXURE - I

## THIRD PARTY I.E. STEAG REPORT ABSTRACT ON SHR

### Performance Test Report

<table>
<thead>
<tr>
<th>Boiler efficiency</th>
<th>Unit-1</th>
<th>Unit-2</th>
<th>Unit-3</th>
<th>Unit-4</th>
<th>Unit-5</th>
<th>Unit-6</th>
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<td>Design</td>
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<td>87.68</td>
<td>86.53</td>
<td>86.53</td>
<td>88.48</td>
<td>88.48</td>
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<tr>
<td>Test 1-Actual</td>
<td>82.25</td>
<td>83.30</td>
<td>82.22</td>
<td>82.91</td>
<td>83.70</td>
<td>84.25</td>
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<tr>
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<td>84.94</td>
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<td>83.96</td>
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<td>83.86</td>
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<td>81.32</td>
<td>82.38</td>
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*Boiler efficiency corrected for design fuel and ambient condition

### Unit Heat Rate (UHR) / Station heat rate (SHR)

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<tr>
<th>Units</th>
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<th>Test 2</th>
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<td>Load [MW]</td>
<td>UHR[kcal/kWh]</td>
<td>Load [MW]</td>
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<td>151.03</td>
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<td>Unit-2</td>
<td>148.17</td>
<td>2652.14</td>
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<tr>
<td>Unit-3</td>
<td>150.00</td>
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<tr>
<td>Unit-4</td>
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<td>2620.41</td>
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<td>Unit-5</td>
<td>150.93</td>
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<td>Unit-6</td>
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</table>

Station heat rate (SHR) (weighted avg) (stage-I to III) 2530.16
Station Heat rate (SHR) (design) 2300.89
Increase in Test SHR 9.96 %

### Average Design Gross Heat Rate (kcal/kWh)

- Full load operation

- **2650**
  - Stage-I 2559.40
  - Stage-II 2521.89
  - Stage-III 2512.80

- **2600**
  - Stage-I 2350.56
  - Stage-II 2301.40
  - Stage-III 2250.66

- **2550**
  - Stage-I 2050.00
  - Stage-II 1960.00
  - Stage-III 1910.00

---

Page 73 of 82
### ANNEXURE – J1

Approved: Working Capital for FY2019-20 (Rs. Cr.)

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of the Station</th>
<th>Capacity</th>
<th>Cost of Fuel (30 days)</th>
<th>O&amp;M (1Month)</th>
<th>Spares (Escalated @4%)</th>
<th>Receivables (2 Months)</th>
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<td>2.93</td>
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### ANNEXURE – J2

Approved: Working Capital for FY2020-21 (Rs. Cr.)

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<th>Receivables (2 Months)</th>
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Approved: Working Capital for FY2021-22 (Rs.Cr.)

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**ANNEXURE – J4**

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Approved: Working Capital for FY2023-24 (Rs.Cr.)

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## ANNEXURE – K1

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Page 77 of 82
### ANNEXURE – K3

Approved: Return on Capital Employed (RoCE) for FY2021-22 (Rs.Cr.)

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<th>70% loan</th>
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### ANNEXURE – K4

Approved: Return on Capital Employed (RoCE) for FY2022-23 (Rs.Cr.)

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<th>70% loan</th>
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### ANNEXURE – K5

Approved: Return on Capital Employed (RoCE) for FY2023-24 (Rs.Cr.)

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**ANNEXURE – L1**

Approved: Fixed Charges for FY2019-20 (Rs.Cr.)

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**ANNEXURE – L2**

Approved: Fixed charges for FY2020-21 (Rs.Cr.)

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### ANNEXURE – L3
Approved: Fixed charges for FY2021-22 (Rs.Cr.)

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<th>Fixed charges</th>
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|                | Interstate Power (AP share) |       |             |       | 61.83          |
|                | Interest on Pension bonds (Over and above schedule) |       |             |       | 954.30         |
| **Total**      |                            | 568.49| 151.57      | 1504.88| 3241.06       |

### ANNEXURE – L4
Approved: Fixed charges for FY2022-23 (Rs.Cr.)

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<td>32.09</td>
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|                | Interstate Power (AP share) |       |             |       | 64.77          |
|                | Interest on Pension bonds (Over and above schedule) |       |             |       | 987.70         |
| **Total**      |                            | 553.19| 151.56      | 1562.50| 3319.73       |
# ANNEXURE - L5

Approved: Fixed charges for FY2023-24 (Rs.Cr.)

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<td><strong>Total</strong></td>
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# ANNEXURE - M

Approved: Variable Cost computation

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<th>GCV</th>
<th>Auxiliary consumption</th>
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<th>VC</th>
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<td></td>
<td>Kcal/KWh</td>
<td>Kcal/Kg</td>
<td>%</td>
<td>Rs/MT</td>
<td>Rs/KWh</td>
<td>Rs/KWh</td>
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**ACRONYMS AND ABBREVIATIONS**

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<th>Abbreviation</th>
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<td>Appellate Tribunal for Electricity</td>
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<tr>
<td>APGENCO</td>
<td>Generation Corporation of Andhra Pradesh</td>
</tr>
<tr>
<td>APPCC</td>
<td>AP Power Co-ordination Committee</td>
</tr>
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<td>APTRANSCO</td>
<td>Transmission Corporation of Andhra Pradesh Limited</td>
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<td>Government of Andhra Pradesh</td>
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<tr>
<td>GoI</td>
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<td>MW</td>
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<td>Multi Year Tariff</td>
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<td>NSTPHES</td>
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# INDEX

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<td>Gross Fixed Assets (GFA)</td>
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</tr>
</tbody>
</table>

## H

<table>
<thead>
<tr>
<th>Term</th>
<th>Pages</th>
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<tbody>
<tr>
<td>Hydel generating stations</td>
<td>18</td>
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<tr>
<td>Hydro power generating station</td>
<td>32, 38</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Term</th>
<th>Pages</th>
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<tbody>
<tr>
<td>IDC</td>
<td>31, 83</td>
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<tr>
<td>Interest</td>
<td>8, 12, 16, 17, 21, 26, 27, 49, 50, 51, 52</td>
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<tr>
<td>International competitive bidding (ICB)</td>
<td>59</td>
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## L

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<tr>
<td>landed cost</td>
<td>53, 55, 56, 57, 60</td>
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<tr>
<td>Load Factor</td>
<td>18, 22</td>
</tr>
</tbody>
</table>

## M

<table>
<thead>
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<th>Pages</th>
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<tbody>
<tr>
<td>Machkund</td>
<td>9, 18, 37, 48, 49, 51, 52</td>
</tr>
<tr>
<td>Multi Year Tariff (MYT)</td>
<td>1, 4, 20, 61, 83</td>
</tr>
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</table>

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<table>
<thead>
<tr>
<th>Term</th>
<th>Pages</th>
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<tr>
<td>National Power Sector</td>
<td>60</td>
</tr>
<tr>
<td>NCE</td>
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<td>NTPC</td>
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From
The Chief Engineer
Commercial,
APGENCO, Vidyut Soudha,
Vijayawada – 520004.

To
The Commission Secretary,
APERC, 4th floor,
Singareni Bhavan, Red Hills
Hyderabad – 500004.

Lr.No: CE (Comml)/SE (Comml)/DE/RA/Genco-MYT /D.No:3/19, dt.08.05.2019

Sir,

Sub: APGENCO- Tariff order for the APGENCO stations issued for the 4th control period –
Request to issue tariff order booklets -Reg.

***

Hon’ble Commission issued tariff order for APGENCO stations for the 4th control period on

In this regard, it is requested to issue 200 copies of tariff order booklets for our usage at Head
quarters and at the plant end.

Yours faithfully,

[Signature]
Chief Engineer
Commercial
8/5/2019
Order on APGENCO Generating Stations Tariffs for 4th control period has been pronounced by the Commission on 29-04-2019. In this regard, indent was received from APGENCO for 200 copies of the said order for their internal circulation.

2) Considering the indent and other requirements, the estimated quantity of printed books of APGenco Tariff Order for printing is arrived at as given in the table below:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Description</th>
<th>No. of Books</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>APGENCO</td>
<td>200</td>
</tr>
<tr>
<td>2.</td>
<td>APSPDCL</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>APEPDCL</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Objectors</td>
<td>7</td>
</tr>
<tr>
<td>5.</td>
<td>APTRANSCO</td>
<td>10</td>
</tr>
<tr>
<td>6.</td>
<td>SERCs / JERCS</td>
<td>30</td>
</tr>
<tr>
<td>7.</td>
<td>SAC Members</td>
<td>22</td>
</tr>
<tr>
<td>8.</td>
<td>Secretary, Power, Gol</td>
<td>06</td>
</tr>
<tr>
<td>9.</td>
<td>Prl. Secretary to Energy</td>
<td>05</td>
</tr>
<tr>
<td>10.</td>
<td>RESCOs</td>
<td>03</td>
</tr>
<tr>
<td>11.</td>
<td>Advisor to Prl. Secretary, Energy</td>
<td>2</td>
</tr>
<tr>
<td>12.</td>
<td>CGRFs</td>
<td>4</td>
</tr>
<tr>
<td>13.</td>
<td>Vidyut Ombudsman</td>
<td>2</td>
</tr>
<tr>
<td>14.</td>
<td>Standing Counsel</td>
<td>2</td>
</tr>
<tr>
<td>15.</td>
<td>Commission’s Office</td>
<td>12</td>
</tr>
<tr>
<td>16.</td>
<td>Stock</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td><strong>350</strong></td>
</tr>
</tbody>
</table>
3) Hence, as shown above, it is proposed to give print order for 350 numbers of APGENCO MYT order for 4th control period in English version.

4) Put up for kind perusal and approval of para no.3.

DD/T.Engg. 10/05/19

Dy. Director/ P&A

SECRETARY/MC

MEMBER/PRM 10/05/19

MEMBER/PR 10/05/19

CHAIRMAN 10/05/19
ERRATA

1. Para No.24 in Page No.9

* Dr. NTTPS-V is considered from December, 2019

** Polavaram HES - 3 units are considered from November 2021 and remaining 9 units are considered with an interval of two months for each unit.

The following shall be included in addition to the above

# The Fixed Cost for RTPP stage IV for the year 2018-19 was not claimed in 2014-19, hence the same was claimed now @25% availability as a prior period cost.

2. Para No.59 in Page No.56

a) Station Heat rate
The station heat rate 2500 kCal/kWh and 2450 kCal/kWh has been considered for all 210MW and 500MW thermal stations respectively as per Clause 11.1.3 of Regulation 1 of 2008.

The Commission has considered 2550 kCal/kWh for all 210 MW units of Dr NTTPS O&M keeping in view the submissions made by APGENCO in this regard.

The following shall be included in addition to the above

However, if the actual is less than 2550 kCal/kWh, the licensees shall consider the station heat rate as per actual for admitting FCA bills. Further, APGENCO is directed for reducing the station heat rate and other things to implement the recommendations of Steag Energy Services India Pvt. Ltd. which conducted the performance test. The action taken in this regard shall be communicated to the Commission.

(By Order of the Commission)

COMMISSION SECRETARY(i/c)
ERRATA

1. Para No.24 in Page No.9

* Dr. NTTPS-V is considered from December, 2019

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The Commission has considered 2550 kCal/kWh for all 210 MW units of Dr NTTPS O&M keeping in view the submissions made by APGENCO in this regard.

The following shall be included in addition to the above

However, if the actual station heat rate is less than 2550 kCal/kWh, the licensees shall consider such lower station heat rate for admitting Fuel Cost Adjustment (FCA) bills. Further, APGENCO is directed to reduce the station heat rate and auxiliary consumption by implementing the recommendations of Steag Energy Services India Pvt. Ltd. which conducted the performance test and submitted its report. The action taken in this regard shall be communicated to the Commission.

(By Order of the Commission)

Sd/-
COMMISSION SECRETARY (I/C)
Sr.,

Sub:- Order on APGENCO Generating Stations Tariffs for 4\textsuperscript{th} Control Period (FY2019-20 to FY2023-24) - Uploading "\textit{Errata}" on Commission's website - Requested – Reg.

***

Hon'ble Commission has approved to upload "\textit{Errata}" of Order on APGENCO Generating Stations Tariffs for 4\textsuperscript{th} Control Period on Commission's website.

A file is placed in the directory: 'webupload/JD(Engg)/ Errata _APGENCO'

It is requested to arrange to upload the above .pdf file on the website of the Commission under the titles:

"\textit{Errata}" - Order on APGENCO Generating Stations Tariffs for 4\textsuperscript{th} Control Period (FY2019-20 to FY2023-24).

Yours faithfully,

DD(T.Engg)
From
The Chief Engineer
Commercial,
APGENCO,Vidyut Soudha,
Vijayawada – 520004.

To
The Commission Secretary,
APERC, 4th floor,
Singareni Bhavan, Red Hills
Hyderabad – 500004.

Lr.No: CE (Comm)/SE (Comm)/DE/RA/Genco-MYT /D.No. 1077/19, dt.27.06.2019

Sir,

Sub: APGENCO- Directions of Hon’ble APERC in O.P.No. 35 of 2018 in maintaining Coal stock – Furnishing stock position- Reg.

***

Hon’ble Commission issued tariff order for APGENCO stations for the 4th control period on 29.04.2019. In the Order at para no. 66 Hon’ble Commission directed APGENCO to maintain minimum 15 days stock at thermal stations and send the compliance report by 10th of every succeeding month commencing from May, 2019.

In this connection, it is to submit that, APGENCO has been sanctioned coal linkages with the coal companies based on 85% PLF of the thermal stations and the linkage materialisation is only around 80%. Hence it is becoming difficult for APGENCO to maintain minimum 15 days coal stocks as per the Hon’ble APERC directions after meeting the demand as per the SLDC instructions.

In view of the above, APGENCO requests Hon’ble APERC to consider the minimum coal stock to be maintained at thermal stations to 7 days instead of 15 days.

Coal stocks at thermal stations as on 31.05.2019 is as tabulated below:
<table>
<thead>
<tr>
<th>Station</th>
<th>Coal stock as on 31.05.2019 (MT)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr NTTPS</td>
<td>2,78,947 (Sufficient for 9 days consumption)</td>
<td>The coal receipts per day to Dr NTTPS are 22000 MT and the average daily consumption for the month of May is 27000 MT. Hence, the coal stocks could not be maintained.</td>
</tr>
<tr>
<td>RTPP</td>
<td>53592 (sufficient for 2 days consumption)</td>
<td>Under flexibility of utilization of domestic coal the nodal agency, APTRANSCO has transferred the 1st quarter linkage quantities to RTPP stage I &amp; III to SDSTPS. For the month of May, the average coal receipts per day to RTPP are 18000 MT and the average daily coal consumption is 21000 MT. Hence, the coal stocks could not be maintained.</td>
</tr>
</tbody>
</table>

Yours faithfully,

Mh | Chief Engineer Commercial
Hon’ble Commission issued tariff order for APGENCO stations for the 4th control period on 29.04.2019. In the Order at para no. 66 Hon’ble Commission directed APGENCO to maintain minimum 15 days stock at thermal stations and send the compliance report by 10th of every succeeding month commencing from May, 2019.

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</tr>
</tbody>
</table>

Yours faithfully,

[Signature]

Chief Engineer
Commercial
Sir,

Sub: APGENCO- Directions of Hon'ble APERC in O.P.No. 35 of 2018 in maintaining Coal stock – Furnishing stock position- Reg.

***

Hon’ble Commission issued tariff order for APGENCO stations for the 4th control period on 29.04.2019. In the Order at para no. 66 Hon’ble Commission directed APGENCO to maintain minimum 15 days stock at thermal stations and send the compliance report by 10th of every succeeding month commencing from May, 2019.

In this connection, it is to submit that, APGENCO has been sanctioned coal linkages with the coal companies based on 85% PLF of the thermal stations and the linkage materialisation is only around 80%. Hence it is becoming difficult for APGENCO to maintain minimum 15 days coal stocks as per the Hon’ble APERC directions after meeting the demand as per the SLDC instructions.

In view of the above, APGENCO requests Hon’ble APERC to consider the minimum coal stock to be maintained at thermal stations to 7 days instead of 15 days.

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<tbody>
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<td>Dr NTTPS</td>
<td>2,78,947 (Sufficient for 9 days consumption)</td>
<td>The coal receipts per day to Dr NTTPS are 22000 MT and the average daily consumption for the month of May is 27000 MT. Hence, the coal stocks could not be maintained.</td>
</tr>
</tbody>
</table>
| RTPP      | 53592 (sufficient for 2 days consumption) | Under flexibility of utilization of domestic coal the nodal agency, APTRANSCO has transferred the 1st quarter linkage quantities to RTPP stage I & III to SDSTPS. 
For the month of May, the average coal receipts per day to RTPP are 18000 MT and the average daily coal consumption is 21000 MT. Hence, the coal stocks could not be maintained. |

Yours faithfully,

[Signature]
Chief Engineer Commercial
From
The Chief Engineer
Commercial,
APGENCO, Vidyut Soudha,
Vijayawada – 520004.

To
The Commission Secretary,
APERC, 4th floor,
Singareni Bhavan, Red Hills
Hyderabad – 500004.

Lr.No: CE (Comml)/SE (Comml)/DE/RA/Genco-MYT /D.No.1109/19, dt.25.07.2019

Sir,

Sub: APGENCO- Directions of Hon’ble APERC in O.P.No. 35 of 2018 in maintaining Coal stock – Furnishing stock position for the month of Jun’19- Reg.

***

In compliance to the directions given by the Hon’ble APERC in O.P.No.35 of 2018 at para no. 66 the coal stock position at APGENCO thermal stations for the month of June, 2019 is placed hereunder.

<table>
<thead>
<tr>
<th>Station</th>
<th>Coal stock as on 30.06.2019 (MT)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr NTTPS</td>
<td>1,62,539 (Sufficient for 5 days consumption)</td>
<td>The average linkage materialisation for the FY 2019-20 (Upto Jun’19) from M/s MCL to Dr NTTPS is 87.14%. M/s SCCL supplied only 207 rakes to Dr NTTPS against premium/e-auction coal under MoU. The average coal receipts per day to Dr NTTPS is 22000 MT and the avg daily coal consumption is 27000 MT. Hence, the coal stocks could not be maintained.</td>
</tr>
<tr>
<td>RTPP</td>
<td>19877 (sufficient for 1 day consumption)</td>
<td>The average linkage materialization for FY 2019-20 (upto Jun’19) from M/s MCL to RTPP is 81.57%. Further, the average linkage materialization for the FY 2019-20 (upto Jun’19) from M/s SCCL to RTPP is 84.43%. Under flexibility of utilization of domestic coal the nodal agency, APTRANSCO has transferred the 1st quarter linkage quantities to RTPP stage I &amp; III (1.88 MTPA) to SDSTPS. Even though the linkage of RTPP I &amp; III is transferred to SDSTPS, the units of both stages are kept in service in order to meet the grid demand.</td>
</tr>
</tbody>
</table>
The average coal receipts per day to RTPP are 18000 MT and the average daily coal consumption is 21000 MT. Hence, the coal stocks could not be maintained.

Further, it is to submit that, M/s SCCL has revised the price notification on 03.06.2019. As per the price notification, APGENCO shall have to pay Rs 0.06/Km more towards surface transportation beyond 20 Km. (Existing rate is Rs 116 plus Rs 3.14 per extra Km beyond 20Km per tonne revised to Rs 116 plus Rs 3.20 per extra Km) and increase of fuel surcharge from Rs 204 per tonne to Rs 210. A copy of the price notification is also enclosed herewith for ready reference.

Encl: As above

Yours faithfully,

[Signature]

Chief Engineer
Commercial
As per the Gazette Notification No. 22021/1/2008-CRC-II, DT. 30.12.2011 issued by Government Of India to switch over from UHV based gradation system to GCV based system and in pursuance of the Colliery Control Order 2000, issued by the Govt. of India on 1st January 2000 in supersession of our earlier Price Notification No.114/2019-20, dt.04.05.2019, Surface Transport Charges and Fuel Surcharges are revised w.e.f. 04.06.2019.

The following are the Grade-wise GCV based Basic prices of Run of Mine (ROM) coal & other sizes of coal of the Singareni Collieries Company Limited excluding statutory levies and other charges.

<table>
<thead>
<tr>
<th>GCV GR</th>
<th>GCV RANGE (Kilo Calories per KG)</th>
<th>BASIC ROM PRICE FOR POWER UTILITIES</th>
<th>BASIC ROM PRICE FOR NON-POWER CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1</td>
<td>Above 7000</td>
<td>4910</td>
<td>4910</td>
</tr>
<tr>
<td>G2</td>
<td>6701-7000</td>
<td>4700</td>
<td>4700</td>
</tr>
<tr>
<td>G3</td>
<td>6401-6700</td>
<td>4610</td>
<td>4610</td>
</tr>
<tr>
<td>G4</td>
<td>6101-6400</td>
<td>4560</td>
<td>4560</td>
</tr>
<tr>
<td>G5</td>
<td>5801-6100</td>
<td>3885</td>
<td>3885</td>
</tr>
<tr>
<td>G6</td>
<td>5501-5800</td>
<td>3780</td>
<td>3780</td>
</tr>
<tr>
<td>G7</td>
<td>5201-5500</td>
<td>3430</td>
<td>3430</td>
</tr>
<tr>
<td>G8</td>
<td>4901-5200</td>
<td>3130</td>
<td>3130</td>
</tr>
<tr>
<td>G9</td>
<td>4601-4900</td>
<td>2450</td>
<td>2450</td>
</tr>
<tr>
<td>G10</td>
<td>4301-4600</td>
<td>2310</td>
<td>2310</td>
</tr>
<tr>
<td>G11</td>
<td>4001-4300</td>
<td>1820</td>
<td>1820</td>
</tr>
<tr>
<td>G12</td>
<td>3701-4000</td>
<td>1600</td>
<td>1600</td>
</tr>
<tr>
<td>G13</td>
<td>3401-3700</td>
<td>1230</td>
<td>1230</td>
</tr>
<tr>
<td>G14</td>
<td>3101-3400</td>
<td>1100</td>
<td>1100</td>
</tr>
<tr>
<td>G15</td>
<td>2801-3100</td>
<td>970</td>
<td>970</td>
</tr>
<tr>
<td>G16</td>
<td>2501-2800</td>
<td>920</td>
<td>920</td>
</tr>
<tr>
<td>G17</td>
<td>2201-2500</td>
<td>830</td>
<td>830</td>
</tr>
</tbody>
</table>

G.M. (Mktg.)
SCCL, Hyderabad
II. Basic prices of Washery Grade coal per tonne:

<table>
<thead>
<tr>
<th>Washery Grades</th>
<th>Power (Rs./T)</th>
<th>Non-Power (Rs./T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WG-G6</td>
<td>4000</td>
<td>4000</td>
</tr>
<tr>
<td>WG-G7</td>
<td>3500</td>
<td>3500</td>
</tr>
<tr>
<td>WG-G8</td>
<td>3300</td>
<td>3300</td>
</tr>
<tr>
<td>WG-G9</td>
<td>2730</td>
<td>3200</td>
</tr>
<tr>
<td>WG-G10</td>
<td>2600</td>
<td>3060</td>
</tr>
<tr>
<td>WG-G11</td>
<td>2130</td>
<td>2550</td>
</tr>
<tr>
<td>WG-G12</td>
<td>1920</td>
<td>2300</td>
</tr>
<tr>
<td>WG-G13</td>
<td>1560</td>
<td>1900</td>
</tr>
</tbody>
</table>

Washery Slurry = Rs. 427
Washery Rejects = Rs. 138 (for non-power sector)
Washery Fines (WG-F) = Rs. 1000

III. Lower Grade coal = Rs. 100/T

IV. i) The following are the mark-up / cost plus price over and above the notified basic price of the relevant grades of coal for despatches from the following mines / CHPs.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Mine / CHP / Project</th>
<th>Declared grade</th>
<th>Mark up price (Rs./T)</th>
<th>Notified ROM prices of the mine (Rs./T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>i)</td>
<td>JK-5 OCP, Yellandu Area / YLD CHP</td>
<td>G9</td>
<td>441.80</td>
<td>2771.80</td>
</tr>
<tr>
<td>ii)</td>
<td>*KTK OC 1/Bhoopalpalli Area</td>
<td>G9</td>
<td>597.29</td>
<td>2927.29</td>
</tr>
<tr>
<td>iii)</td>
<td>RG OC-II Extension project</td>
<td>G9</td>
<td>484.83</td>
<td>2814.83</td>
</tr>
<tr>
<td>iv)</td>
<td>KCHP-CP(MNG OC)</td>
<td>G13</td>
<td>548.04</td>
<td>1708.04</td>
</tr>
<tr>
<td>v)</td>
<td>KCHP-BLENDING COAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vi)</td>
<td>*KTK OC 2 / Bhoopalpalli Area</td>
<td>G9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>vii)</td>
<td>Kasipet-2 Inc., Mandamarri Area</td>
<td>G9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Applicable for G9 and below grades only.

ii) The following are the notified basic prices of the mines dedicated to KPCL w.e.f. 01.10.2018:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the project</th>
<th>Declared grade</th>
<th>Mark up price (Rs./T)</th>
<th>Notified ROM prices of the mine (Rs./T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KK-6 INC</td>
<td>G9</td>
<td>441.80</td>
<td>2771.80</td>
</tr>
<tr>
<td>2</td>
<td>INDARAM OC</td>
<td>G9</td>
<td>597.29</td>
<td>2927.29</td>
</tr>
<tr>
<td>3</td>
<td>SHANTI KHANI</td>
<td>G9</td>
<td>484.83</td>
<td>2814.83</td>
</tr>
<tr>
<td>4</td>
<td>KOYAGUDEM OC III</td>
<td>G13</td>
<td>548.04</td>
<td>1708.04</td>
</tr>
</tbody>
</table>

iii) Pending commencement of the above mines mentioned at point No. ii) the weighted Average price of Rs. 529.49 per tonne will be charged for all grades of coal supplied to Bellary TPS-Unit 3 and Yeramarus TPS belonging to KPCL.

iv) If coal is supplied from cost plus mines mentioned at point IV and washeries as mentioned at II, the notified price of the mine/washery/Basic plus weighted Average price which ever is higher is
V. Basic prices of different grades / sizes of coal for Power & Non-Power sector customers are furnished at last pages separately.

VI. Notes:
1. Run of Mine coal is coal comprising of all sizes which comes out of the mine without any crushing or screening.
2. The fraction of the Run of Mine coal as is retained on a screen when subjected to screening OR is picked out by fork shovel during loading is called Steam coal.
3. The fraction that remains after Steam Coal has been removed from the Run of Mine coal is called Slack coal.
4. When the top size is limited to any maximum limit within the range of 200 – 250 mm through manual facilities or mechanical facilities is called Crushed ROM Coal.
5. Additional Rs.20/- shall be charged for the supply of Slack coal.
6. Additional of Rs.220/- shall be charged for the supply of Steam Coal / Round coal.
7. Where the top size is being limited to any maximum limit within the range of 200 mm – 250 mm through manual facilities of mechanical means, an additional charge of Rs.60/- per tonne will be levied.
8. Additional crushing charges of Rs.28/- per tonne for (-) 100 mm size coal will be levied which would be over and above the existing grade crushing charges for (-) 200 mm size w.e.f. “00.00” hours of 13.05.2018.
9. When coal is loaded either into Indian Railway Services OR into the Purchaser’s own system of transport through high capacity loading system with a nominal capacity of 3500 Tonnes per hour or more, additional charges of Rs.50/- per tonne will be levied for such loading.
10. Where coal is transported from pithead to the loading points surface transport costs, will be collected extra from the purchasers in addition to the notified basic price at the following rates w.e.f. 04.06.2019.

<table>
<thead>
<tr>
<th>DISTANCE</th>
<th>STC RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 3 Km</td>
<td>Rs.17/- per tonne</td>
</tr>
<tr>
<td>Distance more than 3 Km.</td>
<td>Rs.57/- per tonne</td>
</tr>
<tr>
<td>to 10 Km.</td>
<td></td>
</tr>
<tr>
<td>Distance more than 10 Km.</td>
<td>Rs.116/- per tonne</td>
</tr>
<tr>
<td>to 20 Km.</td>
<td></td>
</tr>
<tr>
<td>Distance more than 20 Km.</td>
<td>a) Rs.116/- plus Rs. 3.20 per extra Km beyond 20 Km. per tonne.</td>
</tr>
<tr>
<td></td>
<td>b) Recovery of actual expenditure incurred towards repair &amp; maintenance of road: leading to SCCL loading points.</td>
</tr>
</tbody>
</table>

Mode of transport like Conveyor, Aerial, Ropeway etc., are included for levy of Surface Transport Charges. Surface Transport charges are excluded for Washery Rejects, Washery Slurry and Washery Fines w.e.f. 12.08.2017.

11. The Pit-head / Coal Handling Plants / Coal Screening Plant / Coal Washery prices fixed are exclusive of Royalty, cess, taxes and levy, if any, levied by the Govt., Local authorities or other Bodies.
12. For undertaking special sizing or beneficiation of coal, additional charges as may be negotiated between the Purchaser and SCCL will be realized over and above the notified prices.

13. Additional prices applicable to the concerned dispatch points & grades and other charges like Surface Transport Charges, Additional Transport cost, Fuel Surcharge, Engine Shunting Charges, Facility charges, Lifting charges, Pre-weigh Bin charges etc., and Statutory duties and taxes like Royalty, Forest Permit Fee, Forest Land Adjustment, DMFT, NMET, are chargeable over and above the notified price. In addition to the above, CGST of 2.5% and SGST of 2.5% on sale of coal within State and IGST of 5% on sale of coal outside State are chargeable over and above the Notified price.

14. The following additional charges shall be levied for the coal loaded from the sidings:

<table>
<thead>
<tr>
<th>Siding / Despatch point</th>
<th>Amount (Rs./T)</th>
<th>With effect from</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kondapur UG mine</td>
<td>Rs.8</td>
<td>18.03.2010</td>
<td>Lifting charges</td>
</tr>
<tr>
<td>CCC</td>
<td>Rs.15.36</td>
<td>21.9.2015</td>
<td>Wharf loading</td>
</tr>
<tr>
<td>MNG Washery</td>
<td>Rs.59</td>
<td>26.3.2016</td>
<td>Wharf loading</td>
</tr>
<tr>
<td>RCHP - Road (G7 slack)</td>
<td>Rs.197</td>
<td>29.12.2015</td>
<td>Facility</td>
</tr>
<tr>
<td>GK OC - Road (G7 slack)</td>
<td>Rs.197</td>
<td>30.08.2016</td>
<td>Facility</td>
</tr>
<tr>
<td>Rebbana siding</td>
<td>Rs.39.74</td>
<td>18.01.2018</td>
<td>Wharf loading</td>
</tr>
<tr>
<td>Rechini siding</td>
<td>Rs.36.54</td>
<td>18.01.2018</td>
<td>Wharf loading</td>
</tr>
<tr>
<td>RKP -CHP (For KK OC project coal)</td>
<td>Rs.25</td>
<td>30.09.2017</td>
<td>Rehandling cost</td>
</tr>
<tr>
<td>RG (Global) Washery Rail</td>
<td>Rs.35.75</td>
<td>08.12.2017</td>
<td>Wharf loading</td>
</tr>
<tr>
<td>*RG (Global) Washery Road</td>
<td>Rs.9.99</td>
<td>08.12.2017</td>
<td>Lifting charges</td>
</tr>
<tr>
<td>Tadikalpudi siding</td>
<td>Rs.19.00</td>
<td>25.03.2018</td>
<td>Wharf loading</td>
</tr>
</tbody>
</table>

*Additional charges for Fines, rejects and slurry.

15. The following Additional Transport charges/ Rehandling cost are levied for coal loaded from different dispatch points:

<table>
<thead>
<tr>
<th>Siding / Despatch point</th>
<th>Amount-Rs./T</th>
<th>With effect from</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCC Siding</td>
<td>Rs.55.34</td>
<td>21.09.2015</td>
<td>Additional transport charges</td>
</tr>
<tr>
<td>MNG Washery</td>
<td>Rs.53.87</td>
<td>21.11.2017</td>
<td>Additional transport charges</td>
</tr>
<tr>
<td>*RG (Global) Washery Road</td>
<td>Rs.22.56</td>
<td>08.12.2017</td>
<td>Additional transport charges instead of STC charges</td>
</tr>
<tr>
<td>KCHP Blended coal</td>
<td>Rs.46.46</td>
<td>28.03.2017</td>
<td>Additional transport charges instead of STC charges</td>
</tr>
<tr>
<td>RKP -CHP (For KK OC project coal)</td>
<td>Rs.116</td>
<td>30.09.2017</td>
<td>Additional transport charges instead of STC charges</td>
</tr>
</tbody>
</table>

* Additional transport charges for Fines, rejects and slurry.

16. Land Adjustment @ Rs.40/ Tonne and Forest Permit Fee @ Rs.10/ Tonne will be levied for all grades of coal w.e.f. 07.11.2018. Land Adjustment is excluded for Washery Rejects, Washery Slurry and Washery Fines w.e.f. 07.11.2018.

17. Pre-weigh bin charges @ Rs.50/- per tonne will be levied on all modes of transport for the coal delivered through pre-weigh bins.

18. Engine Shunting charges will be levied @ Rs.50/- per tonne for the customers for whom coal is being despatched through Rail mode.

19. Excise Duty, VAT, CST. Stowing Excise duty, Swachh Bharat Cess and Clean Environment Cess are dispensed with w.e.f. 01.07.2017.
Fuel Surcharge will be levied @ Rs. 210/- per tonne w.e.f. ‘00-00’ hours of 04.06.2019 on all grades. Fuel Surcharge is excluded for Washery rejects, washery slurry and washery fines w.e.f. 12.08.2017.

21. GST Compensation Cess will be levied @ Rs.400/- per tonne w.e.f. ‘00-00’ hours of 01.07.2017 for all grades of coal and also on washery products. Compensatory Yield Charge of Rs. 162.38 will be levied per tonne on washed coal G9 grade w.e.f. 12.08.2017.

22. As per the directive from the Director of Mines & Geology letter dated 13.11.2015, an additional 2% on Royalty is levied w.e.f. ‘00-00’ hours of 12.1.2015 towards National Mineral Exploration Trust (NMET) Fund.

23. As per the directive from the Director of Mines & Geology letter dated 29.1.2016, an additional 30% on Royalty is levied w.e.f. ‘00-00’ hours of 12.1.2015 towards District Mineral Foundation Trust (DMFT).

24. Royalty for Washery Grade coal are applicable as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Grade</th>
<th>Price per tonne for Power</th>
<th>Price per tonne for Non-Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty</td>
<td>WG-G9</td>
<td>Rs.218.13</td>
<td>Rs. 255.82</td>
</tr>
<tr>
<td>Royalty</td>
<td>WG-G11</td>
<td>Rs. 95.65</td>
<td>Rs. 95.65</td>
</tr>
<tr>
<td>Royalty</td>
<td>WG-G13</td>
<td>Rs. 81.67</td>
<td>Rs. 81.67</td>
</tr>
</tbody>
</table>

25. Facility charges shall be Rs.5/- per tonne to all power customers w.e.f. 17.08.2018, & Rs. 12/- per tonne to all Non-Regulated customers who have opted Third party sampling w.e.f 01.09.2018. For the customers who are under Joint sampling protocol Rs. 5/- per tonne shall be charged.

26. Non-FSA premium of 5% of Basic ROM coal shall be collected from Non-FSA customers w.e.f. 9.04.2017. In addition to this, Non-FSA customers are charged premium prices from the following shipping points mentioned below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Shipping point</th>
<th>Shipping point code</th>
<th>Shipp. type</th>
<th>Grade</th>
<th>Premium (% on basic price)</th>
<th>With effect from</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KTK-1, Bhupalpalli</td>
<td>2401 Road G5-ROM</td>
<td>0.30</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>SRP OC2, Srirampur</td>
<td>3411 Road G8-CRR</td>
<td>1.01</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>KTK8 (KLP), Bhupalpalli</td>
<td>2405 Road G5-ROM</td>
<td>0.27</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>GDK OC3-CHP, RG-II</td>
<td>2288 Rail G13-CRR</td>
<td>3.56</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>JVR OC, Sathupalli</td>
<td>1105 Road G13-CRR</td>
<td>2.67</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Yellandu CHP, Yellandu</td>
<td>1290 Rail G13-CRR</td>
<td>20.19</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>RCHP, Kothagudem</td>
<td>1190 Road G13-CRR</td>
<td>8.65</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>KTK-6, Bhupalpalli</td>
<td>2404 Road G5-RND</td>
<td>23.31</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Koyagudem OC, Yellandu</td>
<td>1204 Road G13-CRR</td>
<td>0.89</td>
<td>27.09.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>RCHP, Kothagudem</td>
<td>1190 Road G7-RND</td>
<td>31.55</td>
<td>27.09.2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>RK-7, Srirampur</td>
<td>3403 Road G7-RND</td>
<td>3.42</td>
<td>08.02.2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Following are the detailed BASIC PRICES OF DIFFERENT GRADES / SIZES OF COAL FOR POWER SECTOR CUSTOMERS.

<table>
<thead>
<tr>
<th>GCV Grade of Coal</th>
<th>GCV range(Kilo Calories / per KG)</th>
<th>BASIC PRICE PER TONNE (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ROM Coal</td>
</tr>
<tr>
<td>G1</td>
<td>Above 7000</td>
<td>4910</td>
</tr>
<tr>
<td>G2</td>
<td>6701 to 7000</td>
<td>4700</td>
</tr>
<tr>
<td>G3</td>
<td>6401 to 6700</td>
<td>4610</td>
</tr>
<tr>
<td>G4</td>
<td>6101 to 6400</td>
<td>4560</td>
</tr>
<tr>
<td>G5</td>
<td>5801 to 6100</td>
<td>3885</td>
</tr>
<tr>
<td>G6</td>
<td>5501 to 5800</td>
<td>3780</td>
</tr>
<tr>
<td>G7</td>
<td>5201 to 5500</td>
<td>3430</td>
</tr>
<tr>
<td>G8</td>
<td>4901 to 5200</td>
<td>3130</td>
</tr>
<tr>
<td>G9</td>
<td>4601 to 4900</td>
<td>2450</td>
</tr>
<tr>
<td>G10</td>
<td>4301 to 4600</td>
<td>2310</td>
</tr>
<tr>
<td>G11</td>
<td>4001 to 4300</td>
<td>1820</td>
</tr>
<tr>
<td>G12</td>
<td>3701 to 4000</td>
<td>1600</td>
</tr>
<tr>
<td>G13</td>
<td>3401 to 3700</td>
<td>1230</td>
</tr>
<tr>
<td>G14</td>
<td>3101 to 3400</td>
<td>1100</td>
</tr>
<tr>
<td>G15</td>
<td>2801 to 3100</td>
<td>970</td>
</tr>
<tr>
<td>G16</td>
<td>2501 to 2800</td>
<td>920</td>
</tr>
<tr>
<td>G17</td>
<td>2201 to 2500</td>
<td>830</td>
</tr>
</tbody>
</table>

Following are the detailed BASIC PRICES OF DIFFERENT GRADES / SIZES OF COAL FOR NON-POWER SECTOR CUSTOMERS.

<table>
<thead>
<tr>
<th>GCV Grade of Coal</th>
<th>GCV range(Kilo Calories / per KG)</th>
<th>BASIC PRICE PER TONNE (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ROM Coal</td>
</tr>
<tr>
<td>G1</td>
<td>Above 7000</td>
<td>4910</td>
</tr>
<tr>
<td>G2</td>
<td>6701 to 7000</td>
<td>4700</td>
</tr>
<tr>
<td>G3</td>
<td>6401 to 6700</td>
<td>4610</td>
</tr>
<tr>
<td>G4</td>
<td>6101 to 6400</td>
<td>4560</td>
</tr>
<tr>
<td>G5</td>
<td>5801 to 6100</td>
<td>3885</td>
</tr>
<tr>
<td>G6</td>
<td>5501 to 5800</td>
<td>3780</td>
</tr>
<tr>
<td>G7</td>
<td>5201 to 5500</td>
<td>3430</td>
</tr>
<tr>
<td>G8</td>
<td>4901 to 5200</td>
<td>3130</td>
</tr>
<tr>
<td>G9</td>
<td>4601 to 4900</td>
<td>2450</td>
</tr>
<tr>
<td>G10</td>
<td>4301 to 4600</td>
<td>2310</td>
</tr>
<tr>
<td>G11</td>
<td>4001 to 4300</td>
<td>1820</td>
</tr>
<tr>
<td>G12</td>
<td>3701 to 4000</td>
<td>1600</td>
</tr>
<tr>
<td>G13</td>
<td>3401 to 3700</td>
<td>1230</td>
</tr>
<tr>
<td>G14</td>
<td>3101 to 3400</td>
<td>1100</td>
</tr>
<tr>
<td>G15</td>
<td>2801 to 3100</td>
<td>970</td>
</tr>
<tr>
<td>G16</td>
<td>2501 to 2800</td>
<td>920</td>
</tr>
<tr>
<td>G17</td>
<td>2201 to 2500</td>
<td>830</td>
</tr>
</tbody>
</table>
Sir,

With reference to the tariff filings made, the following information may please be provided on top priority:

1. Annual accounts for the year 2017-18.
2. Provisional accounts for first half-year 2018-19.
4. Additional capitalisation details with justification.
5. Capital cost breakup for new projects and comparison with original estimated costs.
6. Cost certification for new projects and additional capitalisation.
7. Base for interest rate of 10.2% considered in tariff filings.
9. All the documents relating to formation and functioning of master trust, and actual pension commitments of master trust for the years from FY2014-2015 to 2018-19 upto Dec'18 with break up of schedule and over and above schedule.
10. Third party report on Dr NTTPS O&M regarding Station heat Rates.
11. Grade wise/mine wise coal charges by M/s MCL and M/s SCCL and Freight charges thereon with relevant documents.
12. All remarks of C&AG on coal procurement, invoicing, freight charges, coal handling and coal gradation etc., and replies furnished and action taken by APGenco in this regard from the FY2015-16 to FY2017-18.
13. What are the station wise fixed costs & variable costs incurred per unit as per the audited accounts, fixed costs & variable costs per unit as per PPAs claimed and actual fixed costs & variable cost per unit admitted and received against this for FY2015-16 to FY2017-18 and first half of FY2018-19.

Regards

Dy. Director (tariff)

APERC
From
The Chief Engineer
Commercial,
APGENCO, Vidyut Soudha,
Vijayawada - 520004.

To
The Secretary,
APERC, 4th floor,
Singareni Bhavan, Red Hills
Hyderabad - 500004.


Sir,

Sub:- APGENCO - Directions of Hon’ble APERC in O.P.No. 35 of 2018 in maintaining of coal stock - Furnishing stock position- Reg.

***

Hon’ble APERC has issued tariff order for APGENCO stations for the 4th control period on 29.04.2019. In the Order at para no. 66, Hon’ble Commission has directed APGENCO to maintain minimum 15 days stock at thermal stations and send the compliance report by 10th of every succeeding month commencing from May, 2019.

In this connection, it is to submit that, APGENCO has been sanctioned coal linkages with the coal companies based on 85% PLF of the thermal stations and the linkage materialisation is only around 80%. Hence it is becoming difficult for APGENCO to maintain minimum 15 days coal stocks as per the Hon’ble APERC directions after meeting the demand as per the SLDC instructions.

In view of the above, APGENCO requests Hon’ble APERC to consider the minimum coal stock to be maintained at thermal stations to 7 days instead of 15 days.
The Coal stocks at thermal stations as on 30.11.2019 are tabulated as below:

<table>
<thead>
<tr>
<th>Station</th>
<th>Coal stock as on 30.11.2019 (MT)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr NTTPS</td>
<td>2,56,758 (Sufficient for 8.5 days consumption)</td>
<td>The average linkage materialization from M/s. MCL to Dr.NTTPS for the month of November-2019 is 56.28%. M/s SCCL supplied 154 rakes to Dr.NTTPS against premium/e-auction coal under MoU. The average coal receipts per day to Dr.NTTPS is 29,420 MT and the Avg., daily coal consumption is 23,000 MT. Hence, the coal stocks are improving.</td>
</tr>
<tr>
<td>RTPP</td>
<td>2,85,982 (sufficient for 11 days consumption)</td>
<td>The average linkage materialization from M/s. MCL to RTPP for the month of November-2019 is 43.54%. Further, the average linkage materialization from M/s. SCCL to RTPP for the month of November-2019 is 112.65%. Under flexibility of utilization of domestic coal, the nodal agency, APTRANSCO has transferred the 1st, 2nd &amp; 3rd quarter MCL linkage quantities of RTPP stage I, II &amp; III (1.88 MTPA) to SDSTPS. The average coal receipts per day to RTPP are 15,700 MT and the Avg., daily coal consumption is 8,700 MT. Hence, the coal stocks are improving.</td>
</tr>
</tbody>
</table>

Yours faithfully,

[Signature]

Chief Engineer
Commercial
Andhra Pradesh Power Generation Corporation Limited (APGENCO)  

...Petitioner  

And  

APSPDCL & APEPDCL  

...Respondents  

Running Index  

<table>
<thead>
<tr>
<th>Subject</th>
<th>Page Nos.</th>
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<tr>
<td>Objections filed by Respondents along with Annexure</td>
<td>329-378</td>
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</tbody>
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BEFORE THE HON'BLE A.P. ELECTRICITY REGULATORY COMMISSION
AT ITS OFFICE AT IV FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD - 520004

I.A.No. of 2019

in

O.P. No.35 of 2018

In the matter of:

Determination of Tariff for the control period FY 2019-24 under Section 62 of the Electricity Act, 2003 for the electricity supplied by APGENCO to the Distribution Licensees in Andhra Pradesh.

Between:

Andhra Pradesh Power Generation Corporation Limited

.....Petitioner

AND

1) Southern Power Distribution Company of Andhra Pradesh Limited
   (APSPDCL), 19-13-65/A, Kesavayanagunta, Tiruchanoor Road, Tirupati-517 501. Tel: 0877-2284101 Email: cmd@southernpowerap.co.in;

2) Eastern Power Distribution Company of Andhra Pradesh Limited
   (APEPDCL), P & T Colony, Seethammadhara, Visakhapatnam-530 020,Tel: 0891-2582329, Email: cmd@apeasternpower.com;

.....Respondents

Objections filed on behalf of Respondents 1 & 2 on tariff determination of Rayalaseema Thermal Power Station - Stage-IV (1x 600MW)

The Respondents most respectfully submit the following:

1. Respondent APDISCOMs submit that APGENCO filed the MYT Tariff application in respect of Generating Stations Tariffs vide O.P. 35 before Hon'ble Commission by the petitioner's wherein the Capital Cost of Rayalaseema
Thermal Power Station, Stage-IV, (1x600 MW) at Aneeexue-19 of Volume 2 the Petitioner claimed for Rs. 4869.82378 Crores as on CoD i.e., 29.03.2018 which works out to Rs. 8.12 Cr/MW.

2. The present claim made by the petitioner Rs. 4869.82378 Crores is abnormally high, baseless, and contrary to law, when compared with the capital cost of Rs. 3525.00 Cr., contemplated in the PPA dated 22.11.2010. Also the said capital cost is very high when compared to similar capacity of projects established during the relevant period.

3. The respondent APDISCOMs have already submitted their objections in short on the Tariff filings of APGENCO for new stations including RTTP-IV before Hon'ble Commission, and the said demur by APDISCOM was recorded at Para 34 (iv) for capital cost determination for new projects. The said objections of APDISCOMs is filed herewith as Annexure-1.

4. The APDISCOMs submit that the APERC Regulation No. 1 of 2008 covers only the generating units up to 500 MW capacities and there is no specific parameters envisaged in the said Regulations in respect of 600MW. As such, the Respondents/APDISCOMs have considered the norms of CERC (Central Electricity Regulatory Commission) wherever it is applicable. Hence, the Hon'ble Commission may kindly undertake prudent check of the capital cost with reference to the CERC benchmark price for similar configuration of Thermal Power Plant with Coal as fuel.

5. The APDISCOMs submits that the Hon'ble CERC vide its order dated 4th June, 2012, published "Benchmark Capital Cost (Hard cost / Mandatory Package) for Thermal Power Stations with Coal as Fuel". The benchmark/Mandatory package for capital cost has been provided which includes the Steam Generator/Boiler Island, Turbine Generator island, Associated auxiliaries, Transformers, Switchgears, Cables& cable facilities, Grounding & Lighting packages, Control & Instrumentation, Initial Spares for BTG, Balance of Plant including cooling tower, water system, coal handling plant, ash handling plant, Fuel oil unloading & storage, Mechanical miscellaneous package, Switchyard, Chimney,
Emergency DG Set. Further the Mandatory package has excluded the items like Merry-Go-Round (MGR), Railway siding, unloading equipment at Jetty, and rolling stock, locomotive, transmission line till the point at STU (enclosed as Annexure-II).

6. In the said CERC order dated 4th June, 2012 at Para No. 4, it was clearly stated that the financing cost, interest during construction, taxes and duties, right of way charges, cost of Rehabilitation & Resettlement etc. would be additional and were not to be factored in benchmark cost. Further APDISCOMs submit that as per the governing conditions stated under Point 14.0 (A) (3) in the Explanatory Memorandum of CERC for Developing Benchmarks of capital cost of thermal power stations, it was clearly stated that the Benchmark norms of capital cost represent the hard cost of the project, and do not include the cost of land, financing cost, interest during construction, taxes and duties, right of way charges, cost of R&R etc. and the same would be additional. The extract of Explanatory Memorandum of CERC is attached (enclosed as Annexure-III).

7. The respondent APDISCOMs submit that, as per the aforesaid CERC orders, the capital cost claimed excluding the aforesaid components viz cost of land, financing cost, interest during construction, taxes and duties, right of way charges, cost of R&R etc., is as indicated below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Description</th>
<th>Amount (Rs. Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capital cost claimed as per A-19 of RTPP -IV, Unit-6 (1 x 600 MW)</td>
<td>4869.82378</td>
</tr>
<tr>
<td></td>
<td>Less</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>cost of land</td>
<td>27.44</td>
</tr>
<tr>
<td>3</td>
<td>Rehabilitation &amp; Resettlement (R &amp; R) (CSR Works)</td>
<td>14.22</td>
</tr>
<tr>
<td>4</td>
<td>Interest During Construction</td>
<td>1533.75</td>
</tr>
<tr>
<td>5</td>
<td>Total Taxes &amp; Duties</td>
<td>163.18</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>1738.59</td>
</tr>
<tr>
<td></td>
<td>Hard Cost as per the claim of Petitioner</td>
<td>3131.23378</td>
</tr>
<tr>
<td></td>
<td>Hard Cost as per the claim of Petitioner per MW</td>
<td>5.2187</td>
</tr>
</tbody>
</table>
8. Respondent APDISCOMs submit that, under Annexure - II of the CERC Order, 2012 the Benchmark Hard Cost in Rs. Crore per MW with December 2011 indices as base year for 1x 600 MW, Ext type thermal power plant is Rs. 4.47 Cr./MW.

9. Respondent APDISCOMs submit that, as per the Clause No: 1.51 (Project Completion Schedule) of the Amended and Restated RTPP Stage-IV (1 x600 MW) PPA dated 28.01.2019 entered by both parties the date of Financial Closure of the Project is 10.02.2011 and the Scheduled date of CoD is 10.10.2014. However, the actual CoD was achieved on 29.03.2018 with a delay of 41 months from SCod. The said delay on the part of APGENCO is abnormal, and in fact during the delay period only, new project can be constructed.

10. Since the Project was to be commissioned by 10th October, 2014, the applicable benchmark capital cost shall be Rs. 4.88 Cr./MW considering the escalation factor due to inflation for the period from December, 2011 to October, 2014 at a rate of 9.09% considering the WPI and CPI inflation (60% WPI and 40% CPI). Therefore the benchmark, hard cost as per CERC order and by adding the inflation for 1 x 600 MW shall be Rs. 2928 Cr. However, as against said amount of Rs. 2928 Crores the capital cost claimed by the petitioner is Rs. 3131.23378 Cr. The said claim of APGENCO is Rs. 203 Cr. more than the CERC benchmark Price. Hence, Respondent APDISCOMs submit that the additional expenditure incurred due to delay in the execution of the Project beyond the SCOD need to be disallowed by Hon’ble Commission. As such, the claim of the petitioner is not acceptable in the interest of end consumer of the State.

11. The respondent APDISCOMs submit that besides hard cost of the project there is major variation in the cost of component of Interest During Construction, besides the remaining individual components. The said IDC and other components further analysed in following paras.
12. **Interest During Construction (IDC):**

i. The Petitioner Company has claimed the capital cost of Rs. \(4869.82378\) Cr., including the IDC Charges as Rs. 1533.75 Cr. Initially at the time of entering the PPA, the IDC amount of Rs. 400 Crores only. But now there is an increase of IDC of Rs. 1133.75. The petitioner company ought to have completed the project by its Scheduled date of CoD of 10.10.2014. However, the actual CoD was achieved on 29.03.2018 with a delay of 41 months from SCoD. Due to this delay in the execution of the project, there is increase in the IDC component which is not permissible to compute in the determination of capital cost.

ii. The additional capital cost in view of the delay in execution of the project is not tenable as the same are business risk which they should have mitigated by prior anticipation and would have taken corrective steps to avoid such delays in execution of Project. Further Respondent APDISCOMs submit that, although Liquidated Damages clause in the PPAs entered by the various Independent Power Producers (IPPs) whereas the Liquidated Damages clause was not envisaged in respect of PSUs/CGS Stations.

iii. The delays in implementation of the Project due to land acquisition, delay in contract works of BoP, coal handling system, BTG is a business risk which APGENCO should have mitigated by prior anticipation and LD mechanisms. Cost increase due to failure in implementation of the Project due to non-performance of the contractors should not be passed on to the Respondents Since in would cause unjustified burden on end consumers of the State. Therefore, passing on the increased cost due to time overrun owing to non-performance of contractors, is not acceptable.

iv. The reasons that are canvassed by APGENCO could have been mitigated by imposing Liquidated Damages to the contractors as per agreement signed with them. Accordingly, such amount of LDs should be offset against the capital cost that may be determined by the Hon’ble Commission.
Further Respondent APDISCOMs submit that, in the Terms and Conditions of Tariff Regulations, 2014, CERC has noted about IDC and IEDC on account of delay in execution of the project as indicated below:

(A) Interest during Construction (IDC):
(1) Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds up to SCOD.
(2) In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company or the transmission licensee as the case may be, shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds:

(B) Incidental Expenditure during Construction (IEDC):
(1) Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses up to SCOD:
Provided that any revenue earned during construction period up to SCOD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in Incidental expenditure during construction.
(2) In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company or the transmission licensee as the case may be, shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay:
Provided further that where the delay is attributable to an agency or contractor or supplier engaged by the generating company or the transmission licensee, the liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost.
(3) In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contract with supplier or contractor of the generating company or the transmission licensee.

vi. Also, Respondent APDISCOMs submit that the Hon'ble Supreme Court, in its order dated 22.09.2016 in respect of Civil Appeal No 1652 of 2015 between Electricity Department, Port Blair Vs Suryachakra Power Corporation Limited, has set aside the Judgment of the Appellate Tribunal in so far allowing an increase in Interest During Construction (IDC), Financing Charges (FC) and Incidental Expenses During Construction (IEDC) incurred for the delay in the execution of the project against the “funds
tied up” (A copy of Hon’ble Supreme Court order is enclosed as Annexure-IV).

vii. In view of the above, respondent APDISCOMs submit that IDC claimed by the Petitioner, are in excess of Rs.1133.75 Crores (283.44 %) over and above the IDC of Rs. 400.00 Crores due to time overrun beyond SCoD time lines, deserves to be disallowed. Had the plant been completed in scheduled CoD time lines, the incremental cost added to the Capital Cost of the Project would have been avoided. Hence such excess amount of Rs. 1133.75 Cr. needs to be disallowed.

<table>
<thead>
<tr>
<th>Table 4: Excess IDC Claimed</th>
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<tbody>
<tr>
<td>IDC as per PPA dated 22.11.2010 A</td>
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<tr>
<td>Rs.400 Crores</td>
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</table>

13. Taxes & Duties

It is submitted that the Petitioner has claimed Rs. 163.18 Cr. towards taxes and duties in its tariff petition. However, considering delay in implementation of the Project, the APDISCOMs should not be burdened with taxes and duties incurred by the Petitioner after the SCoD time lines of the Units. Hence, it is submitted that amount incurred by the Petitioner after SCoD towards Taxes and Duties head, need to be disallowed.

14. Land

It is submitted that the Petitioner has claimed a land cost of 27.44 Crores against Rs. 5.20 Cr. estimated, as stated at the time of the PPA dated 22.11.2010((enclosed as Annexure-V). The petitioner has not furnished details of the land requirement and associated cost. Hence, it is submitted that the correctness or otherwise of additional amount incurred by the Petitioner towards land cost, and the claim of the petitioner towards R&R (CSR Works) are to be verified by the Hon’ble Commission.
15. **Depreciation**

The Petitioner in their filings at Point 4.1 and the details at Annexure-4 considering the depreciation as per Clause 12.2 of Regulation 1 of 2008 on the historical cost of the assets based on a straight-line method over the useful life of the asset as per the rates prescribed in the Ministry of power notification dated 21.03.1994. As per MoP 1994 notification, the rate of depreciation is around 7.84%. Whereas, CERC in its regulation for the control period for FY2014-2019 provided a depreciation of around 5.28%. Hence, the respondent submit that the Commission may compute the Depreciation in similar lines to SDSTPS Stage-I, (2 x 800 MW) considering the CERC Regulation since the same avoids frontloading of tariff.

16. **O&M Expenses**

The Respondent APDISCOMs submit that, Hon’ble Commission may compute the O&M expenses based on the CERC procedure and its approved regulations.

Further the Respondent APDISCOMs submit that, APPDCL in their filings of Sri Damodaram Sanjeevaiah Thermal Power Station (SDSTPS) Stage-I, (2 x 800MW) informed that APPDCL is a subsidiary of APGENCO...Hence, the expenditure towards the salaries and other incidental expenditure of deputed employees from APGENCO to APPDCL if any may be disallowed by Hon’ble Commission in this application.

17. **Prayer to Hon’ble APERC**

For the reasons stated in the accompanying objections submitted, the Respondent prays that this Hon’ble Commission may be pleased to determine the Capital Cost considering the submissions made by APDISCOMs and also pass appropriate orders in accordance with law.

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Chief General Manager
IPC/APSPDCL

Respondent-2
Chief General Manager
IPC/APSPDCL
Tirupati
BEFORE THE HON'BLE A.P. ELECTRICITY REGULATORY COMMISSION
AT ITS OFFICE AT IV FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD - 520004

I.A.No. of 2019

in

O.P. No.35 of 2018

In the matter of: Determination of Tariff for the control period FY 2019-24 under Section 62 of the Electricity Act, 2003 for the electricity supplied by APGENCO to the Distribution Licensees in Andhra Pradesh.

Between:

Andhra Pradesh Power Generation Corporation Limited

......Petitioner

AND

1) Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL), 19-13-65/A, Kesavayanagunta, Tiruchanoor Road, Tirupati-517 501. Tel: 0877-2284101 Email: cmd@southernpowerap.co.in;

2) Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL), P & T Colony, Seethammadhara, Visakhapatnam-530 020, Tel: 0891-2582329, Email: cmd@apeasternpower.com;

(hereinafter collectively referred to as “DISCOMS”)

......Respondents

AFFIDAVIT

1, K.Santhosha Rao, S/o K.Yosupu, Aged about 57 years having my office at D.No.19-13-65/A, APSPDCL, Raghavendra nagar, Kesavayanagunta, Tiruchanoor Road, Tirupati-517501 do hereby solemnly affirm and state as under:

1. I state that I am working as Chief General Manager, IPC/APSPDCL in the Respondent and have been authorized by the Respondents to sign the objections and the present affidavit, and as such I am well acquainted with
the facts and circumstances of the case. I state that I have read the contents of the objections of to the Petition and understood the same.

2. I state that the contents of the objections of to the Petition are based on the information available with the Respondent in the normal course of business and are true to the best of my knowledge and belief and nothing material has been concealed.

Chief General Manager
IPC/APSPDCL
Tirupati

VERIFICATION:

I, the above named deponent, do hereby verify the contents of this Objections to the Petition as true and correct to my knowledge and that no part of it is false and nothing material is concealed therein.

Verified at Tirupati on this 30th day of December, 2019.

Chief General Manager
IPC/APSPDCL
Tirupati
Comments/suggestions on Tariff filings of APGENCO for new stations (other than those whose PPAs are expiring by 31.03.2019) for FY 2019-24

1. It is observed from the filings that APGENCO selectively adopted certain CERC norms only like norms for O&M expenses, ROE etc. This selective adoption of norms is not acceptable. Hon'ble APERC is requested to consider other CERC norms also such as norms for SHR, Auxiliary Energy consumption, Oil consumption, target availabilities, target PLFs, GCVs of coal on received basis for billing purpose etc while determining the tariff. Further, CERC is likely to issue new Tariff Regulations for FY 2019-24 in Feb'2019. Hence, the latest norms specified in the above Regulation may be considered.

2. APGENCO is not able maintain the coal stock as specified in the working capital. Hence, provision may be made in the tariff order for subsequent triuing up of working capital based on the actual coal stock.

3. The additional capex claimed by APGENCO for FY'2014-19 may be prudently checked. Any liquidated damages, penalties collected from the suppliers, contractors may be deducted from the capex.

4. The capital costs of new projects (whose capital costs are yet to be determined) may be compared to the benchmark capital costs of similar projects while determining the tariff. For delays in the commissioning of the new projects, IDC may be disallowed for the delayed period.

5. APGENCO may be directed to submit FCA every month (instead of for every quarter) along with the regular bills as is being done by NTPC to avoid distortion of merit order system.

6. Since APERC Regulation 1 of 2008 or CERC Tariff Regulations for FY 2014-19 or draft Tariff Regulation for FY 2019-24 do not have a provision for pay revision, the same may be excluded from O&M expenses.

Comments/suggestions on Tariff filings of APGENCO for old stations (whose PPAs are expiring by 31.03.2019) for FY 2019-24

1. The composite PPA for old stations is going to expire by 31.03.2019. APGENCO has proposed to renew the PPA for 5 more years i.e. up to 31.03.2024 and submitted draft composite PPA to DISCOMs a few days back only. The same is under examination. Further, Hon'ble Commission in the order dated 13.12.2017 directed
APDISCOMs not to enter into any fresh Power Purchase Agreements with any power developer using any source or fuel for power generation, without prior intimation to and permission from the Commission until further orders from the Commission depending upon any change of circumstances or exigencies of the power sector in the State. Therefore, the Hon’ble Commission is requested to defer the tariff determination process of old stations for the fourth control period i.e. FY 2019-24 till a decision is taken on the renewal of the composite PPA.
No. L-1/103/CERC/2012
CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Coram: Dr. Pramod Deo, Chairperson
Shri S. Jayaraman, Member
Shri V. S. Verma, Member
Shri M. Deena Dayalan, Member

Date of Hearing: 11.11.2010
Date of Order : 4.6.2012

In the matter of:
Benchmark Capital Cost (Hard cost) for Thermal Power Stations with Coal as Fuel

ORDER

A. BACKGROUND

In exercise of its power under Section 178 read with Section 61 of Act and after previous publication, the Commission has notified the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, (hereinafter referred to as “the 2009 Tariff Regulations”). Regulation 2 of 2009 Tariff Regulations provide that the regulations shall be applicable in cases where tariff for a generating station or unit thereof and transmission system is determined by the Commission under section 62 read with section 79 of the Act.

2. The Central Government in exercise of its power under section 3 of the Act, has notified the Tariff Policy vide Resolution No.23/2/2005-R&R (Vol.III) dated 6.1.2006. Para 5.3 of the Tariff Policy provides for the following among others:
"while allowing the total capital cost of the project, the Appropriate Commission would ensure that these are reasonable and to achieve this objective, requisite benchmarks on capital costs should be evolved by the Regulatory Commissions."

3. Keeping in view the above mandate of the Tariff Policy, first proviso to clause (2) of Regulation 7 of the 2009 Tariff Regulations provides as under:

"Provided that in case of the thermal generating station and the transmission system, prudence check of capital cost may be carried out based on the benchmark norms to be specified by the Commission from time to time:"

4. The Commission initiated the process of determining benchmark cost of 400/765 kV transmission lines, associated substations with 400/765 kV Transmission system and Thermal power units of 500/600/660/800 MW in June 2008. A consortium of consultants {M/s Evonik Energy Services (India) Pvt. Ltd; M/s Power Research and Development Consultants (in short PRDC), and M/s Klynveld Peat Marwick Goerdeler (in short KPMG)} were engaged with the objective of developing benchmark norms for capital cost of thermal power units of 500/600/660/800 MW amongst others. The above objective was to be achieved by collecting reliable available data, analyzing the data, creating a data base, defining Disaggregated Packages of Hard Cost of a Project to be sufficient for benchmarking, recommending appropriate methodology through which a benchmark capital cost of a completed project would be arrived at for the purpose of prudence check and developing financial/pricing model with identified escalation factors assigning due weightage for various materials/factors etc. The financing cost, interest during construction, taxes and duties, right of way charges, cost of Rehabilitation & Resettlement etc. would be additional and were not to be
factored in benchmark cost being developed. The model so developed was to be validated based on the historical data from the database.

5. The Consortium developed a self validating pricing model with escalation formulas. The pricing model along with explanatory memorandum was placed on the website of the Commission, through public notice dated 21.10.2010 for public scrutiny and comments. A public hearing was held on 11.11.2010. The list of participants in the public hearing is enclosed as Annexure – I. Several stakeholders like BHEL, NTPC and one individual made power point presentation during the public hearing. Based on the suggestions and feedback received from stakeholder(s) through their written comments and oral submissions, major issues pertaining to the benchmarking of the capital cost have been analyzed and the Commission’s decisions thereon have been discussed in the succeeding paragraphs.

(B) Issues and Commission’s decisions

Issue No.1

6. Resultant cost can at best be applied only as a prudence check rather than be used to determine the tariff. Model should not replace the price discovery model based on ICB tendering process.

Clarification and decision

6.1 It is pertinent to mention that the model or the benchmark numbers so derived from the model are intended to be used for the purpose of prudence check as provided in 2009 Tariff Regulations. The model is not intended to replace the price discovery based on International Competitive Bidding (ICB) tendering process. Model is broad based for defined boundaries through the variables sheet and does not intend to
replicate the micro detailing which normally is the prerogative of project proponent/manufacturer.

6.2 While carrying out prudence check, the model will be used to identify outliers (considering the deviations in boundaries in actual case and the model) as possible cases for carrying out further/detailed prudence check and assessing the reasonableness of the capital cost. Based on the principle of 'Management by Exception', this process will lead to saving of resource and time spent on conducting prudence check while admitting the capital cost. Model has been kept dynamic so that changes based on fresh inputs/additions can be made as per needs to reflect market trends.

6.3 Ultimate comparable cost for prudence check will be the overall cost and not package wise cost. Optional packages will be accounted separately.

**Issue No.2**

7. Emphasis now is being laid on tariff based competitive bidding; as such this benchmark study may serve limited purpose.

**Clarification and decision**

7.1 No doubt, emphasis now is on tariff based competitive bidding. Even the Commission in its statutory advice to the Central Government had recommended that the deadline of January 2011 for completing the transition to procurement of power through tariff based competitive bidding even from state/central government owned entities should not be extended any further except in case of certain specified projects.

7.2 In spite of the above fact, there may be several projects during the transitory phase
for which PPA's would have been entered into by the project developer prior to deadline date set for transition to competitive bidding. Such cases would have to be dealt with on cost plus basis for which the above model would be useful to carry out the prudence check.

**Issue No 3:**

8. Technological transfer price impact: Impact of advisory issued by CEA in February 2010 regarding incorporation of the condition of setting up of phased indigenous manufacturing facilities in the bids while sourcing supercritical units would require accounting for increase in cost on such issues.

**Clarification and decision**

8.1 Advisory on indigenous manufacturing for the sector is a welcome step from long term perspective. However, looking into the number of committed players already entered/entering in this field, competition thereof amongst participating players and looking into MW capacity addition being envisaged through this technology during coming few years, increase in costs in per MW terms on these count, due to the MW spread expected, should not be substantial. Small deviations on these counts may be expected from station to station. Even then during prudence check of the capital cost of the projects in which such conditions were incorporated during tendering stage issues arising on these count, will be addressed based on details of each case.

**Issue No 4**

9. Sample Size for 600, 660 & 800 MW /Limited data availability for 600/660/800 MW/Extrapolation done to derive costs.
Clarification and decision

9.1 The model has been prepared using reliable available data of 500 MW units and few units of 600/660/800 MW capacity. Co-relation between the two as far as material aspect is concerned is available in explanatory memorandum as well as CEA reports. The main test for benchmarking of cost lies in ultimate tariff at which power will be generated through these units for sale. For construction of Super Critical power plants, it is necessary to reduce investment cost and to bring about an economic optimum between investment cost and efficiency gains. The increase in per unit cost on account of increase in fixed charges due to higher capital cost should be at best equal to savings in per unit variable cost due to increase in efficiency to keep the overall cost of electricity per unit for sale at par with subcritical plant with all other input cost parameters (fuel, environmental compliance etc.) remaining the same. The incremental capital cost associated with a super critical plant as compared to a conventional sub critical plant is not significant (small to negligible) based on findings reported in International Energy Agency -Coal industry advisory board (CIAB) paper titled Industry Perspectives of Increasing the efficiency of Coal Fired Power Generation. Also as per numerous reports it is seen that in countries where supercritical technology is being used since number of years the situation is more or less similar. This is because the capital cost increase specific to the Super Critical Pulverized Fuel plant associated with superior materials and other features should get counter-balanced by cost savings due to the fact that the steam generator and Balance of Plant and ancillary equipments tend to be smaller (for same set of assumptions) as a result of the increased efficiency. The extrapolation done takes into account the reality of the condition that at introductory stage in India there can be certain premium for the technology and has
been factored through trend analysis of available data.

9.2 During the period from the date of public hearing and release of this order, number of orders have been placed by utilities for 660/800 MW based plants. Tenders based on bulk bidding have been opened in recent past by Central Generating Utility. Some data sourced through interaction with some funding agencies by the consultants, has been used internally by them for model testing. Based on variance results obtained it is felt that since the model is for prudence check any further intervention/correction in the model at this stage is not called for.

9.3 Notified Values of Benchmark are median values for Base case as described through Variables Sheet. A small deviation may be expected from station to station for the reasons such as within a particular technology (here supercritical technology) due to change in plant layout or design change (Spiral wound tubing vs vertical tubing) or import content during the period till considerable indigenization is achieved etc.

**Issue No. 5: Civil Works**

10. One of the issues raised is that the cost of civil works of Thermal Power Project cannot be appropriate cost to benchmark as it depends upon site specific details like:

- *Safe grade elevation considering the HFL & topography and the quantum of cutting & filling involved in leveling work.*
- *The seismicity & wind forces specific to site.*
- *Geotechnical data leading to selection of open or pile foundation (dia & length of pile), excavation in rock or soil.*
- *Measures of ground improvement in poor ground conditions (like soft marine condition) or measures to prevent liquefaction.*
- Diversion existing roads & drains as necessary.
- Provision of reservoir which depends on the source of make-up water & its storage capacity and closure period of canal / availability of water in river.
- Intake well location in the water body and the depth of sinking of well as per geotechnical data, water depth and height of well above water level.
- Availability & lead for borrowed soil for site filling / ash dyke/ reservoir construction.
- Provision of liner in ash dyke / reservoir works as per technical requirement & MOEF stipulations (for dyke works).
- Length of approach roads / railway siding works / makeup water pipe lines / ash disposal & recirculation pipe line civil works which will depend upon the relative location w.r.t. main plant and varies from project to project.
- Corrosion protection measures which may be required depending upon the prevailing soil & ground water conditions and location in coastal areas.

Clarification and decision

10.1 As already stated above, broad based modeling has been done in this regard encompassing usual scenarios. Deviation on account of specific issue like pile length etc may be dealt on case to case basis at the time of prudence check.

Issue No.6

11. Indices used for calculation of Escalation do not match with indices used by largest manufacturer (BHEL) and utility (NTPC).

11.1 Indices and their weightages used for calculation of price escalation in the thermal model do not match with those adopted in the Letter Of Awards of NTPC. For example, in case of Steam Generator, escalation formula agreed with BHEL and incorporated in the LOA provides for 15% fixed component, 25% for labour and 60% for base metals & alloys and in case of TG, escalation formula agreed with BHEL provides for 15% fixed
component, 35% for labour and 50% for base metals & alloys. However, the thermal model provides for different set of indices and weightages.

11.2 It may also be mentioned that once awarded, fixed component of 15% is not escalated during the tenure of the specific LOA. However, to calculate the likely cost of similar package for another project, the fixed component needs to be linked to escalation in WPI for the intervening period, which may be provided in the report.

11.3 The weightage given to various indices in Price Variation Clause formula are not commensurate with the prevailing formulas being used by utilities in general which are more rational. The materials used for the Price Variation Clause formula are not commensurate with the actual composition of the equipment. For example the indices used for Turbine generator formula includes non ferrous (18%) which is not true. This needs to be rationalized by taking the opinion of the manufacturers for the various packages.

Clarification and decision

11.4 As already stated in explanatory memorandum that indices used are based on discussions with various stakeholders to arrive at input material and their weightage which drives the cost of package due to absence of any standard PV formulae for mechanical packages. However based on suggestion of BHEL and interaction with them subsequently indices used for turbine generator has been corrected in the final model. It is clarified that deviations on account of indices used and as per model will be factored during detailed prudence check as required.

Issue No.7

12. Scaling down factors in case of Greenfield vs. Brownfield projects/Additional units
at one location.

12.1 In case of expansion projects, where earlier phase was completed long back, resources mobilized for earlier phase were de-mobilized. These resources include developed quarries, already deployed skilled/unskilled manpower, stores, deployed tools and tackles, other miscellaneous enabling works etc which are not available to the contractor (mainly in civil packages) as they were de-mobilized, thereby, making it effectively as costly as a green field work.

12.2 There has been difference in the Boiler Turbine Generator cost for the green field and brown field projects to the tune of 5% which is unreasonable as Boiler Turbine Generator scope remains the same for green field and brown field projects.

**Clarification and decision**

12.3 The difference, as worked out, between the two costs is on account of:

(i) Greenfield project requires totally newly established facilities such as office, canteen, workshop, guest house etc. which is not so in the case of brown field project.

(ii) Greenfield project also requires establishment of construction resources such as water, power, fuel, genset etc. while in the case of brown field project, the existing construction resources are utilized.

(iii) In brown field project, the existing turbine building is extended while in Greenfield project, a new turbine building has to be set.

(iv) In brown field project, the available engineering experience at existing location is utilized thereby reducing the cost while in Greenfield project, these needs to be established anew.
12.4 As such it is felt that there is no need to make any amendment in the model on
this issue at present. Based on actual case/s warranting intervention the same will be
viewed at the time of prudence check.

**Issue No.9**
13. Redundancies and margins have not been considered.

**Clarification and decision**
13.1 The standard redundancies are considered in the model (for example Mills, Boiler
Feed Pump, Condensate Extraction Pump, Circulating Water pump, Raw Water pump
etc). These standard redundancies of the system are described in the technical diary.
Technical diary is prepared as per CEA’s specification.

13.2 The margins as applicable such as capacity, flow, weight, volume of the equipment
considered are based on normal industry practice and CEA specification for 500MW and
above. These margins have been built in to incorporate factor of safety and to
safeguard against equipment / system operating outside range of design parameters
designed for. These margins built in only to achieve 100% MCR to cater to such
eventualities.

**Other Issues**

**Issue No.10**
14. It is not clear whether the project specific Mega/non mega status have been
factored in the analysis of price. Electro Static Precipitator package considered is a part
of Steam Generator package or is excluded. Cost of transportation, insurance,
statutory fees paid towards Indian Boiler Regulations, IR etc is included or otherwise.
Benchmark data for Turbine Generator and Boiler are based on Turbine Inlet parameter as 247 bar, 537/565 deg centigrade. However if any developer goes in for higher parameter e.g. 565/593 deg centigrade suitable factor to be applied over benchmark cost.

Clarification and decision

14.1 Model has been prepared for hard cost of units of sizes 500/660/800 MW. Financing cost, interest during construction, taxes and duties, right of way charges, cost of R&R etc. would be additional and are not factored in benchmark costs.

14.2 ESP package is considered as a part of SG package

14.3 Cost of transportation, insurance, statutory fees paid to IBR, IR etc is included

14.4 Parametric effects have been captured through Boiler efficiency and turbine heat rate. Observations referred above regarding temperature and pressure indirectly affects the boiler efficiency and turbine heat rate.

Issue No.11

15. Benchmark study should also consider units below 500 MW capacities. Since the study is on Thermal Stations Gas based projects should have also been considered in the study. Financing cost, interest during construction, taxes and duties may impact total project cost especially in case of COD delay.

Clarification and decision

15.1 Major percentage of likely additions either Greenfield or extension units will be of capacity rating of 500 MW and above as such study was focused on the same. For Gas
based units Handbooks are available for reference. Interest during construction, financing charges, taxes and duties etc are considered during tariff determination including the impact of COD delay on the project cost through these elements. These costs are utility and project specific.

**Issue No.12**
16. Cost towards erection, testing and commissioning should get indicated separately.

**Clarification and decision**
16.1 These costs constitute minor percentage of total cost and have been factored in.

**Issue No.13**
17 Providing options for dry fly ash disposal (100%), High Concentration Slurry System (100%). Suitable weightage for distance beyond 5 km, lower slabs of Calorific value, price ceiling impact may be considered, Categorization of seismic zone, Type of chimney-single flue/multi flue, consideration of auxiliary boiler etc.

**Clarification and decision**
17.1 As stated above Model is broad based and detailing as desired is prerogative of project proponent, variations on all these counts will have to be factored during prudence checks.

**Issue No.14**
18. Model may not cover all commercial factors affecting cost.

**Clarification and decision**
18.1 Most common commercial variables have been used based on discussions and interactions with manufacturers, suppliers, developers, experts, industry and power
utilities. Due to data limitations, it may not be feasible to capture the impact of all the variables in the model. However, the variables used in the model are considered adequate to provide a reasonable cost figure for "prudence check".

**Issue No.15**

19. Coal Handling Plant / Ash Handling Plant Cost

19.1 These costs largely depend on plant layout, varying coal quantity due to import/indigenous type of coal, storage requirement etc. Benchmarked cost is based on either track hopper or wagon tippler scheme, whereas, depending upon the requirement, at times both the schemes are in use which needs to be considered. Further, in case of Ash Handling Plant Cost, the Commission has considered only 5 km of length, whereas in reality the overall length varies significantly depending on the layout.

**Issue No.16**

20. Change in evacuation voltage level from 400KV to 765KV results in significant increase in switchyard cost i.e. per bay cost almost trebles. While factoring evacuation voltage, Commission report is silent on the following. As per Central Electricity Authority, the power evacuation voltage level has been typically considered as 400KV for 2x500MW, 765KV for 2x660/800MW. However, Power evacuation voltage levels are finalized by CTU/CEA based on present capacity of plant, future capacity addition provisions, location of plant and beneficiaries of projects. Accordingly voltage levels are decided as 765 KV, 400KV or both 765KV and 400KV levels. Accordingly number of lines both at 400KV & 765KV along with associated 765/400KV Inter Connecting Transformers shall have to be considered. Provision of these requirements should be
considered as per project requirement. The base switchyard type taken for thermal project in the CERC report appears to be only of AIS for 400 kV/765 kV. Factors for GIS type switchyard should also be considered as these are being planned based on land availability and environmental conditions. It appears Commission has only considered tie lines (dedicated lines) up to pooling substation as twin conductor for 400KV. Provision of lines with high capacity configurations i.e. quad conductor for 400KV & other variants based on line configurations should also be considered.

**Clarification and decision(Issue 15&16)**

20.1 For the present, no correction is envisaged in the model. Deviations on this count will be considered at the time of prudence based on facts of the case.

**Issue No.17**

21. Packages not Considered in the Report: (a) Certain mandatory packages like Site Leveling, Station Piping, Generator Bus duct, Startup Power cost, Construction Power cost have not been considered in the CERC report.

(b) Few other optional packages like Extra High Voltage cables package (400/220/132KV as per requirement), Gypsum Handling package, Lime Handling package, over head lines/sub-stations for power supply to remote loads outside the plant like makeup water needs to be considered.

(c) Factors like diversions of existing overhead lines from project site to clear the land should also be considered.

(d) Off-late water availability has been a major concern for NTPC projects. Because of
this at times we are required to create a storage capacity for one to three months, which again requires construction of Reservoir / Weir / Annicut / Barrage and these needs to be considered by CERC.

Clarification and decision

21.2 Mandatory packages have been factored. Optional packages and specific issues like diversion of lines, impact due to water availability will be dealt based on facts of case and deviations caused.

Issue No.18 : Corrections in the Model

22. Turbine Heat Rate Sensitivity: As per the thermal model in the report, change in Turbine Heat Rate does not impact TG cost, whereas, at clause no-6.3.5 of the report it is mentioned that better TG heat rate reduces TG cost. For improved (reduced) turbine heat rate, escalation is to be provided rather than reduction as machine with improved turbine heat rate i.e. less heat rate are likely to be costlier because of improved design, material and workmanship.

Clarification and decision

22.2 Model has been rectified to incorporate the above.

Issue No.19

23. Indices used for Turbine Generator Formula.

Clarification and decision

23.1 Formula has been modified based on specific observation of BHEL after discussion.
Issue No.20

With less Cooling Water temperature, condenser size becomes lower hence less costly.

Necessary corrections have been carried out.

Conclusion

24. In view of the forgoing, we approve the benchmark norms as on December 2011 as per Annexure II to this order for capital cost for Thermal Power Station/Unit size(s) 500/600/660/800 MW which shall be taken into consideration while determining the capital cost in accordance with clause (2) of Regulation 7 of 2009 Tariff Regulations. The benchmark cost may be reviewed and updated on 6 monthly basis or at such interval as may be decided by the Commission. We further direct that the generating companies whose tariff is determined by the Commission under Section 62 of the Act shall be required to submit information on the forms attached as Annexure III to this order in addition to the formats being submitted in accordance with 2009 Tariff Regulations.

Sd/-
(M. DEENA DAYALAN)
MEMBER

Sd/-
(V.S.VERMA)
MEMBER

Sd/-
(S.JAYARAMAN)
MEMBER

Sd/-
(DR. PRAMOD DEO)
CHAIRPERSON
**ANNEXURE- I**

List of participants in public hearing on "Benchmarking of Capital cost, of Thermal Power Station" held on 11.11.2010

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>NAME</th>
<th>DESIGNATION</th>
<th>NAME OF COMPANY</th>
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<tbody>
<tr>
<td>1</td>
<td>DEEPAK SHRIVASTAVA</td>
<td>DY. GENERAL MANAGER</td>
<td>M.P. TRADECO</td>
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<tr>
<td>2</td>
<td>R. SURESH</td>
<td>GM/COMMERCIAL</td>
<td>NLC</td>
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<tr>
<td>3</td>
<td>SANDEEP SAHAY</td>
<td>DGM</td>
<td>AES</td>
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<tr>
<td>4</td>
<td>G. P. SINGH</td>
<td>SE</td>
<td>UPRVUNL</td>
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<tr>
<td>5</td>
<td>ANUJ GUPTA</td>
<td>SR. ENGG.</td>
<td>BHEL</td>
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<tr>
<td>6</td>
<td>REVTI RAMAN</td>
<td>AGM</td>
<td>NTPC</td>
</tr>
<tr>
<td>7</td>
<td>C.A MANISH GARG</td>
<td>PARTNER</td>
<td>MADHU GUPTA &amp; CO.</td>
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<td>8</td>
<td>A. Dhar</td>
<td>VP</td>
<td>L &amp; T POWER</td>
</tr>
<tr>
<td>9</td>
<td>P.K. GARG</td>
<td>Sr. GM</td>
<td>L &amp; T POWER</td>
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<td>10</td>
<td>MANESH GUPTA</td>
<td>AGM</td>
<td>L &amp; T</td>
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<td>11</td>
<td>ANKIT AGHWAL</td>
<td>ASST. MANAGER</td>
<td>TATA POWER</td>
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<td>12</td>
<td>SANJIV K. GOEL</td>
<td>CHIEF MANAGER</td>
<td>JAYPEE</td>
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<tr>
<td>13</td>
<td>TANUSHREE BHATTACHARYA</td>
<td>RESEARCH ASSOCIATE</td>
<td>TERI</td>
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<tr>
<td>14</td>
<td>ABHASH MOHANTY</td>
<td>MANAGER COMMERCIAL</td>
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<td>15</td>
<td>SHIYA A</td>
<td>SR. ENGINEER COMM.</td>
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<td>JAYEE POWERGRID</td>
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<td>17</td>
<td>S. SEN</td>
<td>DIRECTOR</td>
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<td>BHARAT SHARMA</td>
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<td>22</td>
<td>ANAND JAIN</td>
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<td>23</td>
<td>N L RAJAH</td>
<td>ADVISORY COMMITTEE</td>
<td>CHENNAI CAG</td>
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## ANNEXURE –II

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<td>Ext</td>
<td>G</td>
<td>Ext</td>
<td>G</td>
<td>Ext</td>
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</table>

| TOTAL HARD COST | 5.08 | 4.71 | 4.48 | 4.34 | 4.92 | 4.53 | 4.87 | 4.54 | 4.32 | 4.01 | 4.47 | 4.19 | 5.37 | 5.01 | 4.67 | 4.37 | 4.95 | 4.67 | 4.96 | 4.79 | 4.59 | 4.44 | 4.63 | 4.44 |

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**Total Hard cost with December 2011 as base for indices includes Steam Generator/Boiler Island, Turbine Generator Island, Associated auxiliaries, Transformers, Switchgears, cables, cable facilities, Grounding & Lighting packages, Control & Instrumentation, Initial Spares for BTG, Balance of Plant including cooling tower, water system, coal handling plant, ash handling plant, Fuel oil unloading & storage, Mechanical miscellaneous package, switchyard, Chimney, Emergency DG Set. This does not include MGR, Railway siding, unloading equipment at jetty, and Rolling stock, locomotive, Transmission line till tie point.**

**GF - Green Field**

**Ext - Extension**
ANNEXURE –III

PART–I
FORM–5
ABSTRACT OF ADMITTED CAPITAL COST FOR THE EXISTING PROJECTS

Name of the Company: ____________________
Name of the Power Station: ____________________

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<tr>
<th>Capital Cost as admitted by CERC</th>
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<td>Capital cost admitted as on________</td>
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<tr>
<td>(Give reference of the relevant CERC Order with Petition No. &amp; Date)</td>
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<td>Foreign Component, if any (In Million US $ or the relevant Currency)</td>
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<td>Domestic Component (Rs. Cr.)</td>
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<td>Foreign Exchange rate considered for the admitted Capital cost</td>
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<td>Hedging cost, if any, considered for the admitted Capital cost</td>
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<tr>
<td>Total Capital cost admitted (Rs. Cr)</td>
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PETITIONER
PART-I
FORM-5A

ABSTRACT OF CAPITAL COST ESTIMATES AND SCHEDULE OF COMMISSIONING FOR THE NEW PROJECTS

Name of the Company: __________________________

Name of the Power Station: __________________________

New Projects

Capital Cost Estimates

| Board of Director/ Agency approving the Capital cost estimates: | 
| Date of approval of the Capital cost estimates: |

| Price level of approved estimates | Present Day Cost | Completed Cost |
| As of End of ________ Qtr. Of the year | As on Scheduled COD of the Station |

| Foreign Exchange rate considered for the Capital cost estimates | 

| Capital Cost excluding IDC & FC | 

| Foreign Component, if any (In Million US $ or the relevant Currency) | 
| Domestic Component (Rs. Cr.) | 
| Capital cost excluding IDC, FC, FERV & Hedging Cost (Rs. Cr.) | 
| IDC, FC, FERV & Hedging Cost | 
| Foreign Component, if any (In Million US $ or the relevant Currency) | 

21
| Domestic Component (Rs. Cr.) |  |
| Total IDC, FC, FERV & Hedging Cost (Rs.Cr.) |  |
| Rate of taxes & duties considered |  |
| Capital cost including IDC, FC, FERV & Hedging Cost |  |
| Foreign Component, if any (In Million US $ or the relevant Currency) |  |
| Domestic Component (Rs. Cr.) |  |
| Capital cost including IDC & FC (Rs. Cr) |  |
| Original Schedule of Commissioning as per the approval of the Board of Directors / agency approving the capital cost estimates |  |
| COD of Unit-I/Block-I |  |
| COD of Unit-II/Block-II |  |
| COD of last Unit/Block |  |

**Note:**
1. Copy of approval letter should be enclosed.
2. Details of Capital cost are to be furnished as per FORM-5B or 5C as applicable
3. Details of IDC & Financing Charges are to be furnished as per FORM-14
## BREAK-UP OF CAPITAL COST FOR COAL/LIGNITE BASED PROJECTS

### Name of the Company: ____________________

### Name of the Power Station: ____________________

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<th>S.N.</th>
<th>Break Down</th>
<th>As per original Estimates</th>
<th>Actual capital expenditure as on COD</th>
<th>Liabilities/provisions</th>
<th>Variation (3−4−5)</th>
<th>Reasons for Variation</th>
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<td>Break Down</td>
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<td>Actual capital expenditure as on COD</td>
<td>Liabilities/provisions</td>
<td>Variation (3–4–5)</td>
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<td>Construction &amp; Pre-Commissioning Expenses</td>
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1. In case of time & Cost overrun, a detailed note giving reasons of such time and cost overrun should be submitted clearly bringing out the agency responsible and whether such time & cost overrun was beyond the control of the generating company.

2. Give breakup of Taxes and duties along with the details of basis of computations


PETITIONER
PART-I
FORM-5D

BREAK-UP OF CONSTRUCTION/SUPPLY/SERVICE PACKAGES

<table>
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<tr>
<th>Name of the Company:</th>
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<td>Scope of works¹ (in line with head of cost break-ups as applicable)</td>
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<td>3</td>
<td>Whether awarded through ICB/DCB/Departmentally/Deposit Work</td>
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<td>Firm or With Escalation in prices</td>
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<td>Sub-total (10+11+12)</td>
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1. The scope of work in any package should be indicated in conformity of Capital cost break-up for the coal/lignite based plants in the FORM-5B to the extent possible. In case of Gas/Liquid fuel based projects, break down in the similar manner in the relevant heads as per FORM-5C.

2. If there is any package, which need to be shown in Indian Rupee and foreign currency(ies), the same should be shown separately along with the currency, the exchange rate and the date e.g. Rs.80 Cr+US$50m=Rs.320Cr at US$=Rs48 as on say 01.04.09.

3. In case of contract packages with escalation clause provide the escalation formula in each package as per the order placed.

PETITIONER
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<td>Distance of Water Source</td>
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<td>MGR</td>
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<td>FGD Plant</td>
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<tr>
<td>Length of Transmission Line till Tie Point (in km)</td>
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PETITIONER
CENTRAL ELECTRICITY REGULATORY COMMISSION

DEVELOPING BENCHMARKS OF CAPITAL COST - MODEL FOR BENCHMARKING CAPITAL COST OF THERMAL POWER STATIONS OF UNIT SIZES 500 MW, 600 MW, 660 MW AND 800 MW.

EXPLANATORY MEMORANDUM

1.0 INTRODUCTION

1.1 The Tariff Policy notified by the Central Government on 6th January, 2006 under Section 3 of the Electricity Act, 2003 provided that when allowing the total capital cost of the project, the Appropriate Commission would ensure that these are reasonable and to achieve this objective, requisite benchmarks on capital costs should be evolved by the Regulatory Commissions.

1.2 While framing the Terms and Conditions of Tariff for 2009-14, it was inter-alia, noted as under:

"- In a cost based regulation capital cost of the project is perhaps the most important parameter. The capital cost on the completion of the project is the starting point as the rate base for deciding the return on the investment made by the generators. Different philosophies and practices have been followed "

" - Prior to 1992 and during the period 1992 to 1997 and 1997 to 2001, the capital cost of the project used to be based on gross book value as per the audited accounts. The changes in the capital cost by the way of capitalization and FERV were also being accounted for and tariff was being adjusted retrospectively. This practice has been followed even during the tariff period 2004-09."

"- While admitting the projected capital expenditure as on COD, prudence check of capital cost shall be carried out based on the applicable benchmark norms to be published separately by the Commission from time to time. This is
11.3 Validation
PV formulae used in the model are based on the formulae being followed by the Central and State Power Generating utilities.

12.0 ACCURACY AND CONFIDENCE LEVELS OF MODEL
12.1 The models that have been developed based on the data available, as also, reworked data indicate that the accuracy level works out to a maximum of ± 5.

12.2 Confidence level of up to 98% can be expected from the results of these models.

13.0 DEVELOPING/REVISION OF DRAFT FORMATS OF PROJECT COSTS
13.1 The existing Forms contained in Appendix I of the CERC (Terms and Conditions of Tariff) Regulations, 2009 have been reviewed and revised. The revised forms will be incorporated at the time of notification of benchmark cost.

14.0 BENCHMARK NORMS OF CAPITAL COST OF THERMAL POWER STATIONS TO BE SPECIFIED IN TERMS OF SUB-CLAUSE 2 OF CLAUSE 7 OF CERC (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2009.

A. The Governing Conditions:
1. The benchmark norms of capital cost of Thermal Power Stations specified below are intended for prudence check of capital cost of thermal power projects as per the requirements of Sub-clause 2 of Clause 7 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.
2. The actual hard cost of the project shall be compared with the benchmark cost. In case of a large variation between the two, the Commission may undertake detailed examination to ascertain the reason and justification for the variation, after accounting for the variables as provided in the model wherever considered applicable.
3. Benchmark norms of capital cost represent the hard cost of the project and do not include the cost of land, financing cost, interest during construction, taxes and duties, right of way charges, cost of R&R etc. and the same would be additional.
4. The cost of erection, testing and commissioning and other incidental expenses including preparation, site supervision etc. are factored into the benchmark norms of capital cost.
REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 1652 OF 2015

THE ELECTRICITY DEPARTMENT, REP. BY ITS
SUPERINTENDING ENGINEER, PORT BLAIR, AND ANR. APPELLANTS
VERSUS
M/S SURYACHAKRA POWER CORPORATION LIMITED. RESPONDENT

JUDGMENT

NARIMAN, J.

1. We have heard Shri Rakesh Khanna, learned senior
counsel appearing for the appellants for quite some time,
and Shri. Gurukrishna Kumar, learned senior counsel
appearing for the respondent in reply. Though Shri Rakesh
Khanna has taken us through the PPA, various documents,
and various orders in great detail, we do not find it
necessary to go into any of these for the reason that we
find that the appellants had set up various expert
committees to go into the bone of contention in this
appeal, namely, project cost and completed cost.

2. We find that M/s. K.P.C.L (M/s. Karnataka Power
Corporation Ltd.) had been appointed by them in order to
determine the project cost which was determined at
Rs.73.40 crores. M/s. Tamil Nadu Electricity Generation and Distribution Corporation Ltd. (TANGEDCO), another expert, arrived at a finding of Rs. 82.11 crores, which was reconfirmed by a subsequent report, and ultimately arrived at a figure of Rs.79.439 crores with other issues which were to be decided separately. A joint exercise between the appellants and respondent, also carried out in April, 2010, where a figure of Rs. 76.14 crores was arrived at, and the balance of Rs. 8.82 crores in respect of IDC, that is, interest during construction and preliminary expenses was left to be examined by the Central Electricity Authority. The Central Electricity Authority also came out with three separate reports in which it arrived at certain figures of project cost. Finally, the administration appointed a five member committee after all these reports, and in 2013, this five member committee ultimately arrived at Rs.70.61 crores as the final project cost. This was as follows:

<table>
<thead>
<tr>
<th>Description of items</th>
<th>Quantum of Expenditure Rs. Crores</th>
<th>Para Ref. of Committee Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Cost</td>
<td>63.14</td>
<td>15,17,29&amp;30</td>
</tr>
<tr>
<td>IDC</td>
<td>(-) 3.00</td>
<td></td>
</tr>
<tr>
<td>Cost excluding IDC</td>
<td>(+) 60.14</td>
<td></td>
</tr>
<tr>
<td>Increase in cost of Establishment due to extended gestation period</td>
<td>(+) 3.30</td>
<td>17</td>
</tr>
<tr>
<td>Increase due to Exchange Rate variation considering only 5.13</td>
<td>(+) 5.67</td>
<td>Allowed as per actual utilization</td>
</tr>
</tbody>
</table>
MUS$ Rs.11.0445 per dollar
Additional Transformer and Black Start DG Set-Work done after COD (+) 0.31 22
Hard Cost excl. IDC 69.42
Proportionate IDC on the hard cost of Rs.69.11 Cr. (+) 4.91 Revised on hard cost
Completed cost including IDC/Project cost 74.33
Liquidated damage @ 5% on Rs.74.33 crores (-) 3.72
Project Completed Cost 70.61

3 Subsequently, it has been stated that the said report of the five member committee has been accepted by the Administration. The Respondent had prayed that the Hon'ble Commission determine the project cost and tariff thereon in accordance with the provisions of PPA/Techno Economic Clearance issued by A&N Administration and the report of the five members committee constituted by the A & N Administration for the purpose of determination of the cost of the project as Rs. 70.61 crores.

JUDGMENT

4 When we pointedly referred to these reports and the figures contained therein, together with the fact that the respondent itself accepted the five member committee report, which is then placed before the commission for acceptance, we find it a little difficult to now allow the respondent to go behind the said report. None of the expert committee reports allow certain amounts to be deducted from the project cost which would, if the
appellants were to succeed before us, amount to a figure of Rs. 18.25 crores as is now argued before us by the appellants. Even the five member committee report, accepted by the Administration, does not include any figures to be minused on account of under utilization of foreign currency component of Rs. 4.149 crores; custom-duty concession of Rs. 2.80 crores; concession in Land Registration Charges availed by the respondent amounting to Rs. 0.3234 crores; and cost for start-up fuel and LUBE oil for trial and test run amounting to Rs. 0.1971 crores.

5. Shri Khanna took us through the memo of appeal filed before the Appellate Tribunal and referred specifically to ground (C) and question of law 8(b)1 which read as follows:

"The JERC has relied upon the reports of the 'experts' which are contrary to the PPA. JERC has erred in giving foreign exchange variation on 7.96 MUSD. Documents submitted by the respondent clearly show that the respondent had utilised only 9472653 DEM (equivalent to 5.13 MUSD) as foreign currency for the purpose of importing the equipment which is mandated by the PPA.

"8(b)1. Whether the JERC has not erred by following recommendations/reports which are in contravention of the provisions of PPA for computation of completed cost."

6. We are afraid that these grounds do not help the appellants' case. Nowhere has it been stated, in any of the grounds that the statement made by the commission
that the five member committee report had been accepted by the Administration is said to be incorrect. On the contrary, the ground sought to be raised in the appeal is that the commission has relied upon these reports, which reports are contrary to the Power Project Agreement. We are thus of the opinion that none of these aspects can be looked into by us in the present appeal. However, we find that the appellants are on solid ground when they contend that an increase in interest during construction, financing charges and incidental expenses incurred for the delay in the execution of the project due to reasons beyond the control of the respondent has been allowed in appeal by the Appellate Tribunal at para 23 and 36 suo moto.

7. Shri Rakesh Khanna has argued before us and shown us the ground taken in the present appeal that the tribunal has directed a suo moto payment of additional IDC, financing cost and incidental expenses during construction even though this was not part of the appeal filed by the appellant M/s. Suryachakra Power Corporation Limited before the Tribunal. This is sought to be answered by the respondent in its counter affidavit in this Court in paragraph (F) which reads as under:

"In the synopsis the appellant has sought to contend that the Tribunal has suo-moto directed payment of additional interest during construction
(IDC), financing cost (FC) and incidental expenses during construction (IEDC) for the period of delay in achieving commercial operation. The appellants have also sought to contend that the said issue regarding additional IDC, FC and IEDC was not a part of the appeal filed before the Tribunal. In this context, it is respectfully submitted that the said contention of the appellants is incorrect and misleading. It is respectfully submitted that the issue regarding the delay in achieving commercial operation and to whom was the delay attributable was pleaded and considered in detail by both the Joint Electricity Regulatory Commission as well as the Tribunal. Additional IDC, FC and IEDC are only consequences that follow the delay in achieving the commercial operation. Both the Courts below have concurrently held that the delay in achieving commercial operation of more than a year was attributable to the appellants themselves as they did not provide the transmission lines to evacuate the power from the project within the time prescribed under the PPA. Therefore the Respondents herein had claimed deemed generation charges for the whole period of delay in achieving commercial operation. It is pertinent to mention that the deemed generation charges is higher than the additional IDC, FC and IEDC. Thus, the Tribunal has granted the Respondents the lower of the two. The deemed generation charges have been awarded only for a period of four months out of the total delay of more than a year in achieving commercial operation. The Respondent is not claiming additional IDC, FC and IEDC for the said period of four months for which deemed generation charges have been granted.”

8. In reply, Shri Gurukrishna Kumar, learned senior counsel appearing for the respondent, points out before us that in any case what was referred to in the commission's judgment in order to arrive at the figure of Rs. 78.29 crores as the project cost in fact started with the figure of Rs. 77.595 crores, being CEA approval as per "funds tied up" basis, which according to the learned senior counsel, would include the aforesaid
expenditure. He argued before us that certain figures which were referred to and relied upon by the CEA to arrive at this figure specifically included the aforesaid. We were not shown any such figures. We, therefore, allow the appeal only to this limited extent and set aside the judgment of the Appellate Tribunal insofar as it allows an increase in interest during construction (IDC), financing charges (FC) and incidental expenses during construction (IEDC) incurred for the delay in execution of the project for reasons beyond the control of the respondent. To this limited extent alone the appeal stands allowed, and on other points it is dismissed.

9 We are also of the view that apart from the above, no substantial question of law is raised in this appeal.

10 For the aforesaid reasons, we dispose of the appeal with no other costs.

JUDGMENT

..........................J.
[KURIAN JOSEPH]

..........................J.
[ROHINTON FALI NARIMAN]

NEW DELHI;
SEPTEMBER 22, 2016
### Annexure-I

**Rayalaseema Thermal Power Project Stage-IV (1X600MW)**

**Cost Estimates**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land</td>
<td>5.20</td>
</tr>
<tr>
<td>2</td>
<td>Preliminary Investigation</td>
<td>0.15</td>
</tr>
<tr>
<td>3</td>
<td>Steam Generator &amp; Steam Turbine with Auxiliaries</td>
<td>1450.00</td>
</tr>
<tr>
<td>4</td>
<td>Mechanical Works</td>
<td>302.60</td>
</tr>
<tr>
<td>5</td>
<td>Electrical, Control &amp; Instrumentation</td>
<td>192.90</td>
</tr>
<tr>
<td>6</td>
<td>Initial spares @3% of equipment cost</td>
<td>46.22</td>
</tr>
<tr>
<td>7</td>
<td>Excise duty &amp; CST on Equipment cost</td>
<td>300.09</td>
</tr>
<tr>
<td>8</td>
<td>Freight &amp; Insurance</td>
<td>75.47</td>
</tr>
<tr>
<td>9</td>
<td>Civil works (railway works, coal handling plant)</td>
<td>390.08</td>
</tr>
<tr>
<td>11</td>
<td>Erection, Testing &amp; Commissioning @8% of Equipment cost</td>
<td>214.05</td>
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<tr>
<td>12</td>
<td>Service Tax @12.24% of Sl.no.11</td>
<td>28.37</td>
</tr>
<tr>
<td>13</td>
<td>Contingency</td>
<td>76.17</td>
</tr>
<tr>
<td>14</td>
<td>Establishment Costs</td>
<td>2.54</td>
</tr>
<tr>
<td>15</td>
<td>Consultancy &amp; Engineering</td>
<td>6.35</td>
</tr>
<tr>
<td>16</td>
<td>Start up fuel</td>
<td>16.27</td>
</tr>
<tr>
<td>17</td>
<td>Operator training</td>
<td>1.00</td>
</tr>
<tr>
<td>18</td>
<td>Development Expenses</td>
<td>3.00</td>
</tr>
<tr>
<td>19</td>
<td>Financial Expenses</td>
<td>2.54</td>
</tr>
<tr>
<td>20</td>
<td>Interest during Construction</td>
<td>400.00</td>
</tr>
<tr>
<td>21</td>
<td>Environmental Expenses</td>
<td>12.00</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>3525.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
From
The Chief Engineer,
Commercial
Vidyut Soudha,
Gunadala
Vijayawada-520004.

To
The Secretary
APERC, 4th floor
Singareni Bhavan
Red Hills
Hyderabad-500 004

Sr.,


Ref:-
2. O.P.No.33/2019, Dt.23.03.2019

***

APGENCO filed a petition vide O.P.No.35/2018 for determination of tariff for RTPP Stg-IV(1x600MW) for 4th control period(2019-24) along with existing stations and APDISCOMS also submitted Power Purchase Agreement(PPA) entered into with APGENCO for the purchase of power from the unit vide O.P.No.33/2019 for the consent of Hon’ble APERC.

In this regard, APDISCOMS have submitted their objects on the tariff petition vide reference 3rd cited.

The response to the objections of APDISCOMS is herewith enclosed for consideration of the Hon’ble Commission.

Yours faithfully,

Chief Engineer
Commercial

Encls: As above.

Copy submitted to
1. The Chief Engineer, IPC&PS, APTransco, Vidyut Soudha, Gunadala, Vijayawada-520004.

As the O.P.No.35/2018 is hearing process before the Honible Commission, this is transmitted to AO for "
APGENCO - Response to the counter filed on 30.12.2019 by APDISCOMS on the tariff determination of Rayalaseema Thermal Power Station - Stage-IV (1x600MW)

1. APGENCO claimed the capital cost of Rs.4869.82378 Crores in the tariff petition O.P.No.35 of 2018 filed for determination of tariff for Rayalaseema Thermal Power Station - Stage-IV (1x600MW).

2. The new unit (1x600MW - Stg-IV) is not an extension unit to the existing power complex for the fixation of tariff since the existing infrastructure facilities are sufficient for the units of Stage-I, II, &III and not meeting the requirements of Stage IV. From land to other infrastructure facilities such as cooling tower, Coal handling, DM water plant and ash handling plant etc., were provided exclusively for this project. Therefore, it should be considered as a Greenfield project undoubtedly.

3. The respondents/APDISCOMs have compared the above capital cost with benchmark Capital Cost (Hard cost/Mandatory Package) notified by Hon’ble CERC vide its order dated 4th June, 2012. The benchmark/mandatory package for capital cost has been provided which includes the Steam Generator/Boiler island, turbine generator island, associated auxiliaries, transformers, switchgears, cables & cable facilities, grounding & lighting packages, control & instrumentation, initial spares for BTG, balance of plant including cooling tower, water system, coal handling plant. Ash handling plant, fuel oil unloading & storage, Mechanical miscellaneous package, switchyard, chimney, Emergency DG set. Further, the mandatory package is excluded the items like merry-go-round(MGR), railway siding, unloading equipment at jetty, and rolling stock, locomotive, transmission line till the point at STU.

4. Further, the above said CERC order also states that the financing cost, interesting during construction, taxes, and duties, right of way charges, cost of rehabilitation & resettlement etc., would be additional and are not to be factored in benchmark cost.

5. The scheduled CoD of the unit is 10.10.2014, which was mentioned in the amended and restated PPA filed for consent of Hon'ble APERC vide O.P. No.33/2019.

6. The respondents/APDISCOMs in their counter, have considered that unit is an extension of the existing plant and accordingly considered the Brownfield Benchmark hard cost as Rs.4.47 Cr.MW for this 600MW unit with December, 2011 indices as base year. Since the unit was to be commissioned by 10th October, 2014, the respondents/APDISCOMs arrived at the benchmark hard cost as Rs.4.88 Cr.MW considering the escalation factor due to inflation for the period from December, 2011 to October, 2014 at a rate of...
9.09% considering the WPI and CPI inflation (60% WPI and 40% CPI). This consideration of the new unit as brownfield by the respondents/APDISCOMS is completely baseless since no infrastructure facilities are available to the new unit for which land and all other infrastructure facilities such as cooling tower, Coal handling, DM water plant and ash handling plant etc., were provided exclusively. Hence, the new unit of 600 MW is to be considered as a Green Field unit and as such, benchmark hard cost is to be considered as Rs.4.87 Crores instead of Rs.4.47 Crores stated by the APDISCOMS with December 2011 indices.

7. Further, the calculation to arrive at the benchmark hard cost for this unit, adopted by the respondents (i.e. considering the escalation factor of 9.09% due to inflation) is completely contradictory to the procedure adopted by APDISCOMS and approved by the Hon'ble Commission for determination of capital cost of Sri Damodaram Sanjeevaiah Thermal Power Station (SDSTPS) Stage-I of APPDCL. In that case, APDISCOMS have adopted annual escalation of at the rate of 5% on the base indices and arrived at the benchmark hard cost based on the scheduled COD of the unit in filing their counterto petition for determination of capital cost of Sri Damodaram Sanjeevaiah Thermal Power Station (SDSTPS) Stage-I of APPDCL for the period from 05.02.2015 to 31.03.2019 in the O.P.No.47 of 2017 and I.A No.28 of 2017 vide page no. 6 of the Order of Hon'ble APERC Dt.02.03.2019. The Hon'ble APERC allowed the same.

8. As per the procedure adopted in the above order, according to the CERC order, the base year is December, 2011and cost per MW is Rs.4.87 Cr. per MW, since the RTPP-IV 600MW is a greenfield project and with an annual escalation of 5%, the benchmark cost works out to Rs.5.64 Cr. per MW since the unit was to be commissioned by October, 2014. Therefore, the benchmark hard of Rs.5.64 Cr/MW should be considered for RTPP Stg-IV 600MW.

9. The comparison of comparison of claimed capital cost and benchmark hard cost is given below.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Description</th>
<th>As per CERC order (In Rs. Crores)</th>
<th>As per APGENCO petition (In Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mandatory package</td>
<td>3384.00</td>
<td>3131.23378</td>
</tr>
</tbody>
</table>

10. The cost of mandatory package cost claimed by APGENCO is less than the cost arrived based on the CERC order Dt.4 June, 2012. Therefore, there shall not be any further curtailment of mandatory cost claimed by APGENCO in the tariff petition.
11. **Interest During Construction (IDC):**

The respondents/APDISCOMs have submitted in the counter that the IDC has increased over Rs.1133.75 (283.44%) Crores against Rs.400 Crores of provision made in the original PPA Dt.22.11.2010. The following is submitted in substantiation of the increase in the IDC, which was resulted due to delay in the completion of the project.

I. The zero date of the project is 10.02.2011. The land acquisition was got delayed by 16 months on account of disputes by local farmers. The delay was due to certain unavoidable reasons such as disputes with land losers / local farmers etc., and a lot of time was lost for amicable settlement of the issues. The site was handed over to the Balance of Plant (BoP) contractor on 14.03.2012. From then, the BoP contractor started the civil works and made civil work front available for the Boiler, Turbine & Generator (BTG) contractor i.e., M/s.BHEL to start erection works. M/s.BHEL commenced the erection works on 04.02.2013. In total, there was delay of 23 months in starting the BTG works, which were critical to the completion of the project.

II. The Balance of Plant (BoP) package contractor (M/s.Tecpro Systems Ltd. Leader of Consortium) stopped the works on 01.04.2013 due to financial crisis. Later the works were commenced by new leader of consortium i.e., M/s.Vatech Wabag Ltd., during July 2014. Subsequently, the National Company Law Tribunal, New Delhi, Principal Bench passed orders admitting a bankruptcy petition against M/s.Tecpro System Ltd. APGENCO encashed a bank guarantee of M/s.Tecpro, of worth Rs.126.88 Crores for delay and slow progress of works.

III. Further, some delay was occurred due to land acquisition for CHP area and re-engineering of Coal Handling System (due to change of contractor) etc.

IV. Notification of new environmental norms also lead to some delay on the part of BTG contractor i.e. BHEL for re-designing of Boiler and ESP.

V. Finally, the unit was synchronised with grid on 02.07.2017. The CoD was declared on 29.03.2018.

VI. The project was delay for 41 months. APGENCO made every effort to complete the project as per schedule. But, could not be completed for reasons beyond the reach of APGENCO.
VII. Therefore, it is requested to allow the IDC of Rs.1533.75 Crores as claimed in the petition as APGENCO paid to the lender for term loan availed for the construction of the project.

12. **Liquidated damages:-**

The respondents / APDISCOMS have requested the Hon'ble Commission that the Liquidated Damages recovered by APGENCO from the contractors for delay in execution is to be deducted from the Capital Cost. In this connection, it is to submit that Hon'ble APERC in its order on APGENCO/APPDCL projects followed two methodologies viz. a) In case of RTPP Stg-II, RTPP Stg-III, Dr.NTTPS Stg-IV admitted full capital cost after adjusting penalties recovered from EPC contractor and BoP contractor. b) In case of SDTPS Stg-I, the commission determined capital cost on normative basis and the liquidated damages were retained by APPDCL to compensate deduction in capital cost to some extent. Hence, Hon'ble APERC has to take appropriate decision in this regard.

13. **Taxes & Duties:**

APGENCO claimed an amount of Rs.163.18 Crores towards taxes and duties in the tariff petition. The taxes and duties are statutory in nature and paid to the contractors for the work done. There is no increase in the tax component on account of delay in CoD since mandatory package cost is a fixed one including taxes and has no impact on the time taken to execute. Therefore, it is requested that taxes and duties shall be allowed as per actuals.

14. **Land:**

APGENCO paid a land cost of Rs.27.44 Crores against Rs.5.20 Cr. Provision in the original PPA Dt.22.11.2010. APGENCO has acquired land for an extent of 514 Acre so far and an extent of 107 Acre is in the process of alienation & acquisition.

15. **Depreciation:**

In the tariff petition, APGENCO claimed the rate of depreciation, in line with the clause 12.2 of Regulation 1 of 2008, as per the rates prescribed in the Ministry of power notification dated 21.03.1994, till repayment of loan and remaining depreciation value shall be spread over the balance useful life of the plant. As per MoP 1994 notification, the rate of depreciation is around 7.84%. CERC in its regulation notified the depreciation rate is around 5.28% which is on par with the company act, 2013. Now, APGENCO has changed its company policy on charging rate
of depreciation from MOP, 1994 notification to Company Act, 2013 and depreciation may be allowed at company act, 2013 rates. On account of this modification, frontloading of tariff is avoided and the end consumers will be benefited.

16. O&M Expenses:

APGENCO claimed O&M expenses as per CERC guidelines and the same shall be allowed.

17. The capital cost break up is as follows.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Description</th>
<th>As per APGENCO petition (In Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mandatory package</td>
<td>3131.23378</td>
</tr>
<tr>
<td>2</td>
<td>IDC and FC to be allowed</td>
<td>1533.75</td>
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<td>3</td>
<td>Land cost</td>
<td>27.44</td>
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<td>4</td>
<td>Taxes and duties</td>
<td>163.18</td>
</tr>
<tr>
<td>5</td>
<td>Rehabilitation &amp; Resettlement (R&amp;R) (CSR Works)</td>
<td>14.22</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>4869.82378</td>
</tr>
</tbody>
</table>
BEFORE THE
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
AT HYDERABAD

O.P. 35 of 2019

In the matter of:

Determination of Tariff for the control period FY 2019-2024 under Section 62 of the Electricity Act, 2003 for the electricity supplied by APGENCO to the Distribution Licensees in Andhra Pradesh from RTPP-IV.

And in the matter of:

Andhra Pradesh Power Generation Corporation Limited Applicant

And

Southern Power Distribution Company of Andhra Pradesh Ltd.

Eastern Power Distribution Company of Andhra Pradesh Ltd. Respondents

ADDITIONAL DOCUMENTS FILED ON BEHALF OF THE APPLICANT

Pursuant to the Record of Proceedings dated 18.02.2020 of the Hon’ble Commission

Running Page Nos 385 to 666 as per Index inside
## INDEX

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Date</th>
<th>Description</th>
<th>Page</th>
</tr>
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<td>1</td>
<td></td>
<td>Affidavit</td>
<td>385-386</td>
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<tr>
<td></td>
<td></td>
<td><strong>Documents relating to Land Acquisition / Possession of Site</strong></td>
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<td>26.06.2007</td>
<td>Note on delay in land acquisition / possession of site</td>
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<td>Letter from District Collector/Kadapa to Secretary to Govt. of AP</td>
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<td>16.10.2010</td>
<td>Letter from District Collector/Kadapa to Principal Secretary to Govt. of AP</td>
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<td>30.10.2010</td>
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<td>Letter from District Collector/Kadapa to Principal Secretary to Govt. of AP</td>
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<td>18.12.2010</td>
<td>Draft Declaration for Land acquisition for Reach I</td>
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<td>18.12.2010</td>
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BEFORE THE
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
AT HYDERABAD

O.P. 35 of 2019

In the matter of:

Determination of Tariff for the control period FY 2019-2024 under Section 62 of the Electricity Act, 2003 for the electricity supplied by APGENCO to the Distribution Licensees in Andhra Pradesh from RTPP-IV.

And in the matter of:

Andhra Pradesh Power Generation Corporation Limited

And

Southern Power Distribution Company of Andhra Pradesh Ltd.

Eastern Power Distribution Company of Andhra Pradesh Ltd.

AFFIDAVIT VERIFYING THE APPLICATION

I, B. Sreedhar, son of Shri B. Konda Reddy, working for gain at Andhra Pradesh Power Generation Corporation Ltd. do solemnly affirm and say as follows:

1. I am the Managing Director of Andhra Pradesh Power Generation Corporation Ltd being a company in the business of generating electricity in Andhra Pradesh. I am competent and duly authorized by Andhra Pradesh Power Generation Corporation Ltd. to affirm, swear, execute and file this affidavit in the present proceedings.

2. At the hearing on 18.02.2020 the Applicant requested time for filing relevant material with respect to the delay in the execution of the project. The Applicant is filing the
herewith the copies of the relevant documents relating to the delay in execution of the project along with notes relevant thereto.

3. The delay in filing the information is due to change of personnel in the concerned departments and due to the time taken to consult with counsel.

4. The Applicant is ready and willing to produce any further records and documents as the Hon'ble Commission may require.

Solemnly affirmed before me at Vijayawada
On this 21st March 2020

B. SREEDHAR, I.A.S.,
MANAGING DIRECTOR
A.P. POWER GENERATION CORPORATION LTD.
VIDYUT Soudha, VIJAYAWADA-520 004,
A.P. INDIA

Notary

VERIFICATION:

I, the above named Deponent solemnly affirm at Vijayawada on this March 2020 that the contents of the above affidavit are true to my knowledge derived from official records, and no part of it is false and nothing material has been concealed there from.

B. SREEDHAR, I.A.S.,
MANAGING DIRECTOR
A.P. POWER GENERATION CORPORATION LTD.
VIDYUT Soudha, VIJAYAWADA-520 004,
A.P. INDIA

NATTA SUDARSANA JYOTHI
M.A., M.L.I.Sc.,B.L.,
ADVOCATE & NOTARY
VIJAYAWADA, A.P., INDIA

Notary
DELAY DUE TO LAND ACQUISITION / POSSESSION OF SITE

NOTE

1. The then Hon'ble Chief Minister of AP, Sri Y.S.Rajasekhara Reddy, during the dedication of Unit-3 of RTPP Stage-II on 24.01.2007 had directed APGENCO to establish one unit of 500 MW at Rayalaseema Thermal Power Project. Accordingly, for setting up of (1X500 + 20%) MW Unit, the land on eastern side of the plant was identified to an extent of 467.17 acres and requisition was submitted to the RDO/Kadapa to initiate the land acquisition on top priority in June 2007.

2. In October 2007, the RDO/Kadapa has requested to deposit an amount of Rs. 6.91 Crore towards compensation to initiate the land acquisition. Since finalisation of Power Purchase agreements with APDISCOMS, allocation of water from Government, Finalisation of Coal linkage, financial closure etc. were under process, APGENCO could not deposit the amount till 13.07.2009. After finalisation of all the above issues, the APGENCO Board accorded approval for depositing the funds with RDO/Kadapa for 467.17 acres and an amount of Rs 5.53 crores (vide D.D.No.286792, dt.13.07.2009), was deposited with RDO/Kadapa on dt.15.07.2009.

3. The Revenue Department initiated land acquisition process after deposit of funds with outsourced personnel, since, the existing staff was over-burdened with the then land acquisition works. The process had taken considerable time for getting approval from Government for each reach before publication. After pursual by the field officers with revenue authorities, the necessary the Draft Notifications and the Draft Declarations were submitted from the District Collector to the Secretariat. After close pursual with the Government, the Draft Notifications and the Draft Declarations of 4 reaches were approved. Thereupon, the revenue authorities were pursed to publish the same. After the
publication, the RDO/Kadapa had conducted award enquiry in the month of February 2011 and the RDO/Kadapa had discussions with the farmers. After the meeting, elections were declared for MLC, MP & MLA.

4. Due to the election duties for MLC elections (Code in force from 08.02.2011 to 21.03.2011) and bye-elections to Kadapa parliamentary constituency (Code in force from 30.03.2011 to 16.05.2011) Revenue authorities were otherwise occupied and the land acquisition activities could not be expedited. In the meantime, before elections, MRO/Yerraguntla was transferred and after the elections, the District Collector and the RDO/Kadapa also were transferred. Hence the land acquisition process was further delayed.

5. In view of the non-availability of revenue employees, and the works being attended to by outsourced personnel Land Acquisition for the project could not be completed. Apart from this due to certain unavoidable issues such as disputes with land losers / local farmers etc. lot of time was lost for amicable settlement of the issues with farmers, which added to the delay of the project.

6. Due to the above reasons, considerable time had taken for acquisition of land. In order to save the delay, APGENCO, with the co-operation of the farmers, had gone ahead with the topographical survey and soil investigation works in the project area. These are required for the evaluation of bearing capacity of soil and to carry out further engineering. The Contractor with the soil investigation data, designed some structures and submitted for approval of Project Consultants. Permission was also given to the Contractor for mobilisation of materials to stack in the Government land (Advance possession was taken).

7. The Possession Certificates were issued by the Revenue Authorities on 16.05.2012m, and the site was handed over to BOP contractor on 17.05.2012.

8. In the meantime, Purchase Orders were placed in anticipation that the land acquisition will be completed expeditiously. The Letter of Intent (LOI) for BOP works was issued on 30.10.2010 and Purchase Orders for BOP package were
placed on 15.12.2010, with zero date as the date of placing the LOI i.e. 30.10.2010.

9. Since the land acquisition could be completed by 16.05.2012, the BOP works were commenced from 17.05.2012 and thus the works got delayed by 18 months 16 days from the date of LOI due to the delay in land acquisition.
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

From
The Superintending Engineer,
Civil Circle,
RTPP,
V.V.Reddy Nagar,
Kadapa Dist.-516312

To
The Land Acquisition Officer and,
Revenue Divisional Officer,
KADAPA,
KADAPA-DIST.


Sub:- APGENCO-RTPP-Stage-IV-Land Acquisition proposals Requisition-submitted - Reg.

As per the Oral instructions of the Land Acquisition officer and Revenue Divisional Officer, KADAPA District. I am here with submitting the Land Acquisition/ Alienation Proposals for patta lands of 254.97 Acres & Assigned lands/DKI Lands of 118.37 Acres and Govt lands of 93.83Acres for acquiring that lands in favour of APGENCO.

It is also requested that the urgency clause may be invoked for giving advance possession of the land to takeup the 1x500MW Rayalaseema Thermal Power Station at Kalamalla Village of Yerraguntla Mandal on war footing as the project is proposed to be taken up on fast track mode.

Encl: Acquisition Proposals

for Patta and Assigned and
Govt. Lands in Quadruplicate

Yours faithfully,

SUPERINTENDING ENGINEER,
CIVIL CIRCLE,
RTPP :: V.V.REDDY NAGAR.

Copy submitted to the Collector and district Magistrate, Kadapa Dist. along with one set of land Acquisition proposal for favour of information.

Copy submitted to the Chief Engineer/Civil /Thermal/APGENCO/VS/Hyderabad along with one set of land Acquisition proposal for favour of information.

Copy submitted to the Chief Engineer O&M/RTPP/APGENCO/ and along with one set of land Acquisition proposal for favour of information.

Copy to the Executive Engineer/Civil/RTPP/ along with one set of land Acquisition proposal for information.

Copy to the Mandal Revenue Officer/Yerraguntla along with one set of land Acquisition proposal for favour of information.
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

ABSTRACT
Rayalaseema Thermal Power Station Stage-IV (1x500+20% MW) - Administrative Approval - Accorded.

G.O.O. No. 492/Commercial/2008

Date: 22-01-2008.

Read the following:

1. The minutes of 71st Board meeting of APGENCO held on 11-01-2008.

PROCEEDINGS:

The Hon'ble Chief Minister, during the dedication programme of Unit-3 of Rayalaseema Thermal Power Project Stage-II on 24.01.2007 has directed APGENCO to establish one unit of 500 MW at Rayalaseema Thermal Power Project.

In the reference cited, APGENCO in its Board meeting held on 11-01-2008, against item No.11 it is resolved to accord Administrative Approval for taking up the works of Rayalaseema Thermal Power Station Stage-IV (1x500+20% MW) at an estimated Project cost of Rs.3028.86 Cr. (Rupees Three Thousand Twenty Eight point Eight Six crores only) including IDC and financing charges as shown in the Annexure.

This Order is issued with the concurrence given by the Board of Directors in the 71st Board meeting of APGENCO held on 11-01-2008.

(By Order and in the Name of the Andhra Pradesh Power Generation Corporation Limited)

Encl: Annexure

AJAY JAIN
MANAGING DIRECTOR

To
The Chief Engineer/ TPC, Vidyut Soudha, HYD.
The Chief Engineer/Civil/Thermal/Vidyut Soudha
The Chief Engineer/Civil/General/Vidyut Soudha
The Chief Engineer/ Commercial
The Chief Engineer/ O&M/RTPP
FA & CCA/ Accounts
FA & CCA/ Resources
Pay Officer/ Vidyut Soudha
PS to MD, APGENCO
SAO to Director (Finance)
PO to Director (Commercial)
ADE/T to Director (Projects)
OSD/T to Director (Thermal)
ADE/T to Director (Hydel)
DE/T to Director (Technical)
Central Record Section/ Vidyut Soudha

FORWARDED BY ORDER

Divisional Engineer (Planning)
Andhra Pradesh Power Generation Corporation Limited

Rayalaseema Thermal Power Project Stage-IV (1X500+ 20% MW)

Cost Estimates

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<tbody>
<tr>
<td>1</td>
<td>Land</td>
<td>5.20</td>
</tr>
<tr>
<td>2</td>
<td>Preliminary Investigation</td>
<td>0.15</td>
</tr>
<tr>
<td>3</td>
<td>Steam Generator &amp; Steam Turbine with Auxiliaries</td>
<td>1050.00</td>
</tr>
<tr>
<td>4</td>
<td>Mechanical Works</td>
<td>300.60</td>
</tr>
<tr>
<td>5</td>
<td>Electrical, Control &amp; Instrumentation</td>
<td>189.90</td>
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<tr>
<td>6</td>
<td>Initial spares @3% of Equipment cost (Sl.No. 3 to 5)</td>
<td>46.22</td>
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<td>7</td>
<td>Excise duty @15.48% &amp; CST @3% on Equipment cost</td>
<td>300.09</td>
</tr>
<tr>
<td>8</td>
<td>Freight @3%, Insurance @1% on Equipment cost incl. Sl.No. 6&amp;7</td>
<td>75.47</td>
</tr>
<tr>
<td>9</td>
<td>Civil works (excluding land &amp; Preliminary Investigation)</td>
<td>389.08</td>
</tr>
<tr>
<td>10</td>
<td>Erection, Testing &amp; Commissioning @10% of Equipment cost</td>
<td>154.05</td>
</tr>
<tr>
<td>11</td>
<td>Service Tax@12.36% of Sl.no.8&amp;10</td>
<td>28.37</td>
</tr>
<tr>
<td>12</td>
<td>Contingency @3% of EPC &amp; Non-EPC cost (Sl.No. 1 to 11)</td>
<td>76.17</td>
</tr>
<tr>
<td>13</td>
<td>Establishment Costs@0.1% of EPC &amp; Non-EPC cost</td>
<td>2.54</td>
</tr>
<tr>
<td>14</td>
<td>Consultancy &amp; Engineering @0.25% EPC &amp; Non-EPC cost</td>
<td>6.35</td>
</tr>
<tr>
<td>15</td>
<td>Start up fuel</td>
<td>6.00</td>
</tr>
<tr>
<td>16</td>
<td>Operator training</td>
<td>1.00</td>
</tr>
<tr>
<td>17</td>
<td>Development Expenses</td>
<td>3.00</td>
</tr>
<tr>
<td>18</td>
<td>Financial Expenses @0.1% of EPC &amp; Non-EPC cost</td>
<td>2.54</td>
</tr>
<tr>
<td>19</td>
<td>Interest during Construction</td>
<td>392.13</td>
</tr>
<tr>
<td></td>
<td>Total Project Completion Cost</td>
<td>3028.86</td>
</tr>
</tbody>
</table>

(Rupees Three Thousand Twenty Eight point Eight Six Crores only)

12/16
From: The Chief Engineer, O&M, RTPP, V.V. Reddy Nagar, Kadapa Dist.-516312

To: The Land Acquisition Officer and, Revenue Divisional Officer, KADAPA.

Lr. No. CE/O&M/RTPP/F.STG IV/ LA/D.No. 5846/07, dt. 25-8-2007

Sir,


Ref: Lr. No. SE/CC/RTPP/F.STG-IV/ LA/D.No. 2441/07, dt. 26-6-2007

In continuation to the letter vide ref. cited, as per the Oral instructions of the Land Acquisition officer and Revenue Divisional Officer, KADAPA District. I am here with submitting the Land Acquisition/ Alienation Proposals for patta lands of 114.84 Acres & Assigned lands/DKT Lands of 34.67 Acres and Govt lands of 16.06 Acres totaling 165.57 Acres for acquiring that lands in favour of APGENCO in the village of India Siddaya Palli, Yerraguntla (M).

It is also requested that the urgency clause may be invoked for giving advance possession of the land to takeup the 1x500MW Rayalaseema Thermal Power Station at Kalamalla Village of Yerraguntla Mandal on war footing as the project is proposed to be taken up on fast track mode.

Encl: Acquisition Proposals for Patta and Assigned and Govt. Lands in Quadruplicate

Yours faithfully,

CHIEF ENGINEER, O&M, RTPP :: V.V. REDDY NAGAR.

Copy submitted to the Collector and district Magistrate, Kadapa Dist. along with one set of land Acquisition proposal for favour of information.
Copy submitted to the Chief Engineer/Civil/Thermal/APGENCO/VS/Hyderabad along with one set of land Acquisition proposal for favour of information.
Copy to the Superintending Engineer/CC/RTPP/APGENCO and along with one set of land Acquisition proposal for information.
Copy to the Executive Engineer/Civil/RTPP, along with one set of land Acquisition proposal for information.
Copy to the Mandal Revenue Officer/Yerraguntla along with one set of land Acquisition proposal for favour of information.
Revenue Department

From
Sri P.V.S. Reddy, M.A., B.L.,
Revenue Divisional Officer,
Kadapa.

To
The Chief Engineer (E&M),
R.T.P.P., V.V. Reddy Nagar,
Kalamalla.

Requisition of patta lands and DKT lands of acres 467-17 for
construction of 1x500 M.W stage III – Sales statistics received –
Request for depositing of funds towards compensation –
Calculation Sheet - Furnished.

Ref: 1. C.E., G&M/RTTP/F/D. No. 3684/07, dated: 10.06.07.
2. Collector’s, Kadapa Ref: G1/2035/07, dated: 16.06.07.

I invite your attention to the reference 1st cited, wherein you have sent
requisition for acquisition of land in S. Nos 211/1, etc, ext. 467-17 acres of lands
at Kalamalla (V) for stage II 1X500 M.W Unit of Kalamalla.

In this connection, I am to inform that as per the statutory provision of
Land Acquisition Rules, the requisition Department has to deposit the required
funds for payment of compensation for proposed land including all the benefits
such as 12 % Additional interest and 30 % solatium before going to taking up the
land acquisition process.

The Tahsildar, Yerraguntla who was asked to furnish the sales statistics of
proposed lands under acquisition has furnished the same.

<table>
<thead>
<tr>
<th>Calculation Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patta Lands</td>
</tr>
<tr>
<td>1. Extent of land proposed for acquisition</td>
</tr>
<tr>
<td>2. Rate per acre recommended by Tahsildar, Yerraguntla</td>
</tr>
<tr>
<td>3. Total value of the land for acquisition 1,20,000X254.97</td>
</tr>
<tr>
<td>4. 12 % Additional Market value for a period of 1 year</td>
</tr>
<tr>
<td>5. 30 % solatium</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

| DKT Lands                      |
| 1. Extent of land proposed for acquisition | 118-37 |
| 2. Rate per acre recommended by Tahsildar, Yerraguntla | 1,20,000-00 |
| 3. Total value of the land 1,20,000X118.37 | 1,42,04,400-00 |
| 4. 30 % solatium | 42,61,320-00 |
| Total | 1,84,65,720-00 |
Govt. Lands

1. Extent of land acquired 89-08 Acres
2. Rater per acre recommended 60,000-00 by Tahsildar, Yerraguntla
3. Total value of the land 60,000X89 08 53,44,800-00

Abstract

1. Patta Lands Rs. 4,42,56,288-00
2. DKT lands Rs. 1,84,65,720-00
3. Govt. Lands Rs. 53,44,800-00
4. Publication Charges Rs. 10,00,000-00

Total Rs. 6,90,66,808-00

I request you to deposit the said amount of Rs. 6.91 Crores immediately
so as to facilitate to initiate the Land Acquisition proceedings

Yours faithfully
Sd/- P.V.S. Reddy
Revenue Divisional Officer
Kadapa.

//t.c.b.o.//
Divn. Administrative Officer

Copy submitted to the District Collector, Kadapa for favour of information.
Copy to Tahsildar, Yerraguntla for information.
December 20, 2008

Dear Krishna Babu,

Sub: Land acquisition for RTPP Stage IV 1 x 600 MW of RTPP.

This is to inform you that APGENCO Board has approved establishment of 1 x 600 MW Thermal Power Station at RTPP. Orders are being placed with M/s. BHEL for main plant package shortly. Some land has to be acquired for this expansion Unit. requisition for which has already been submitted to the Revenue Authorities by RTPP. Therefore, I request that the land acquisition proceedings may kindly be initiated at an early date.

With regards,

Yours sincerely,

(Ajay Jain)

To
Sri Krishna Babu, I.A.S.,
District Collector,
Kadapa District.

CC: Chief Engineer /RTPP With a request to follow up with Revenue Authorities in Kadapa for speedy land acquisition.
From:
The Executive Engineer,

Const. Division-2
Civil Circle; RJP
V.V. Reddy Nagar,
Yerraguntla (M) Kadapa (Dt).

To: The Revenue Officer
Kadapa Division
Kadapa (Dt).

Lett. No. EE / C / CD2 / CC / RJP / T / 12NO 653 / 09 dt. 15-7-09.

SIR,

Sub: - Riff. Stage IV - Land acquisition for Const. of

Stage IV - Definitive Amount with RDO, Kadapa

- Raj.


With reference to the above, as demand

draft for an amount of Rs. 5.53 crores (five crores

fifty three lakhs only) in rs. 286792 dt 13-7-09,

is here with submitted for favorable for the necessary
action please.

Yours faithfully,

Dwarka Ranga

DDNo: 286792 dt 13-7-09.

(Handwritten)

Execution Engineer
Const. Division-2
Civil Circle, RJP
V.V. Reddy Nagar.

From
The Chief Engineer/O&M
RTPP, V.V. REDDY NAGAR
Kadapa Dist-516312.

To
The Collector and District Magistrate,
Kadapa Dist.


Sir,

Sub: RTPP-Stage-IV (1x600MW) - Advance possession of Government lands - Requisition Submitted - Reg.


In continuation to the letter cited (1) & (2) above, it is requested to arrange for advance possession of the Government lands to an extent of 91.51 Acres (Survey No.s enclosed in separate sheet) in the villages of Kalamalla and Indla siddaya pali, Yerraguntla (M) for proposed construction of RTPP-Stage-IV (1x600MW). Further it is to inform that an amount of Rs. 5.53 Crores is already deposited with Revenue Divisional Officer, Kadapa on 15-7-2009 towards compensation of lands indent ed vide ref. cited (2) above.

End: Survey No's of Government lands.

Yours faithfully

CHIEF ENGINEER/O&M,
RTPP, V.V.REDDY NAGAR.

Copy submitted to the Revenue Divisional Officer, Kadapa for favour of information.
Copy to Chief Engineer/Civil/Thermal/APGENCO/VS/Hyderabad for information.
Copy to Chief Engineer/Civil/General Services/APGENCO/VS/Hyderabad for information.
Copy to Superintending Engineer/Civil/Construction/RTPP for information.
Copy to Executive Engineer/Civil/Construction Division/RTPP for information.
Copy to Mandal Revenue Officer/ Yerraguntla for information.
GOVERNMENT OF ANDHRA PRADESH

Land Acquisition - Kadapa District - Kalamalla village - Reach-I, Yerraguntla Mandal - Acquisition of land for construction of 1 x 600 M.W. Rayalaseema Thermal Power Project (Stage-IV) - Extent of land 81.60 Acres in Survey No. 161/3 etc. - Notification under section 4(1) of the land Acquisition Act, 1894 - Approved Publication - Orders - Issued.

ENERGY (PR.IV) DEPARTMENT

G.O.Rt.No.73, Dated:05-06-2010.

Read the following:-


ORDER:

In the circumstances reported by the Collector and District Magistrate, Kadapa District in his letter first read above and based on the Proceedings of Screening Committee on Land Acquisition, Government have decided to accept the proposals of the Collector and District Magistrate for acquisition of land to an extent of 81.60 Acres of patta lands (Reach-I) in Survey Numbers 161/3 etc., in the limits of Kalamalla village of Yerraguntla Mandal for construction of 1 X 600 M.W. Rayalaseema Thermal Power Project (Stage-IV) under section 4(1) of Land Acquisition Act, 1894. Accordingly, the Draft Notification proposals furnished by the Collector, Kadapa District are hereby approved for publication in the Local Gazette.

2. The Government have also accepted that the proposal of acquisition is an urgent one under section 17(4) of Land Acquisition Act, 1894 and direct that provisions under section 5-A of the Land Acquisition Act shall not apply to this case.

3. The Collector & District Magistrate, Kadapa is requested to publish the Notification under section 4(1) of the Land Acquisition Act, 1894 in the locality within (40) days from the date of publication in Local Gazette and local newspapers.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SUTIRTHA BHATTACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Collector & District Magistrate, Kadapa.
Copy to:
The Managing Director, APGENCO, Vidyut Soudha, Hyderabad.
The Secretary to Government, Revenue Department.
The Revenue (LA) Department.
P.S. to Principal Secretary to Chief Minister.
P.S. to Principal Secretary to Government, Energy Department.
Sc/Sf. (C.No.266/Pr.IV/2010)
From: The Chief Engineer,
O&M,
RTPP, V.V. REDDY NAGAR
Kadapa Dist-516312.

To: The land acquisition Officer and,
Revenue Divisional Officer,
Kadapa.
Kadapa Dist.

Sir,

Lr. No. CE/O&M/RTPP/Stage-IV/T/F.L.A./D.No. 744/4/10, Dt. 08-2010

Sub: -RTPP-Stage-IV-(1x600MW) - Revised Land acquisition proposals-Requisition-Submitted- Reg.

2. Lr. No .CE/O&M/RTPP/Stage-IV/T/F.L.A./D.NO. 9478/ 09, Dt. 29-08-2009

****

The land acquisition proposals for Stage-IV (1X600 MW) were submitted to the Revenue Divisional Officer, Kadapa vide reference (1) cited above. But during the field survey some changes (Addition/Deletions) in Survey No’s were found by the Revenue authorities and requested to furnish revised land acquisition proposals. The revised land acquisition proposals were furnished to Revenue Divisional Officer/Kadapa vide reference (2) cited above. In this regard it is to inform that again certain changes in Survey No’s were observed by revenue officials during preparation of reach wise D.N and D.D proposals and requested to furnish revised land acquisition proposals.

Hence the revised land acquisition proposals duly incorporating the changes observed are here with furnished for favour of taking further necessary action please.

Encl: Acquisition Proposals for Patta,
Assigned and Government lands,
in quadruplicate

Yours faithfully

CHIEF ENGINEER/O&M,
RTPP, V.V. REDDY NAGAR.

Copy submitted to the Collector and district Magistrate, Kadapa Dist. Along with one set of land Acquisition proposal for favour of information.
Copy to Chief Engineer/Civil/Thermal/APGENCO/VS/Hyderabad Along with one set of land Acquisition proposal for information.
Copy to Chief Engineer/Civil/General Services/APGENCO/VS/Hyderabad Along with one set of land Acquisition proposal for information.
Copy to Superintending Engineer/Civil/Construction/RTPP for information.
Copy to Executive Engineer/Civil/Construction Division-I/RTPP for information.
Copy to Mandal Revenue Officer/Yerraguntla Along with one set of land Acquisition proposal for favour of information.
ABSTRACT OF LAND DETAILS

DISTRICT: KADAPA
MANDAL: YERRAGUNTLA
VILLAGE.NO: 73
VILLAGE NAME: KALAMALLA

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>CLASSIFICATION</th>
<th>AREA IN ACRES.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PATTA LAND</td>
<td>266.30</td>
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<tr>
<td>2.</td>
<td>DKT LAND</td>
<td>104.14</td>
</tr>
<tr>
<td>3.</td>
<td>GOVT. LAND</td>
<td>81.92</td>
</tr>
<tr>
<td></td>
<td>TOTAL:</td>
<td>452.36</td>
</tr>
</tbody>
</table>

CHIEF ENGINEER/O&M,
RTPP, V.V.REDDY NAGAR.

Signed: [Signature]
Date: 24-9-10
Dear Shashi Bhushan Kumar,  

Sub: RTPP Stage IV - Land Acquisition - Kadapa Dist. - Yerraguntla Mandal - Kalamalla (VI) - DN proposals - Reg.  

Ref: 1. Requisition of the Chief Engineer/0&F/RTPP/Kalamalla  
      Lr. No.CE/0&F/RTPP/F. D.No.3684/07, dt. 10.06.2007.  
4. RDO, Kadapa Ref-G/1498/Reach No.II/07, dt. 26.03.2010.  
6. D.O. Lr. No. MD/CCR 217/ RTPP/ F. LA/ D.No.103/2010-11,  
   Dt.24.05.2010.  
7. G.O. Rt. No. 73, Energy (Pr.IV) Dept., Dt. 05.06.2010. of Govt. A.P.  
8. Memo No. 266/Pr.IV/2010-2, Dated. 05.06.10  
   Dt.24.07.2010.  

I invite your kind attention to the D.O. Letter 9th cited, wherein it was requested to arrange to submit the DN proposals to Government for the balance land of 318.39 acres under Phase-I and 165.57 acres under Phase-II duly informing that BOP contract for RTPP Stage IV is under finalization and the proposed land is to be acquired early to enable the BOP contractor to commence the work immediately on award of work.  

It is also to inform you that M/s PFC is insisting for furnishing the award copies of the land of the project for creation of mortgage within six months of loan sanction. Otherwise, as per the terms and conditions of the loan sanction, APGENCO has to pay additional interest of 1%.  

Hence, in view of the above, it is requested to arrange to submit the DN proposals to Government for the balance land of 318.39 acres under Phase-I and 165.57 acres under Phase-II immediately for acquisition of land.  

With warm regards,  

[Signature]

To  
Sri Shashi Bhushan Kumar, I.A.S.,  
District Collector,  
Kadapa Y.S.R (Dist.)
Revenue Department

From
Sri Shashi Bhushan Kumar, IAS.,
District Collector,
Y.S.R. District.

To
The Secretary to Government,
Energy Department,
A.P. Secretariat,
Hyderabad.


Sir,

Sub: Land Acquisition - Kadapa District - Yerraguntla Mandal - Kalamalla (V) - REACH-I - Acquisition of 81.60 acres in S.No.161/3 etc., of Kalamalla village for construction of 1 x 600 M.W., RTPP (Stage-IV)

Ref: 1. Requisition of the Chief Engineer, O&M, RTPP, Kalamalla
   LR.No.CE/O&M/RTPP Stage-IV/LA/D.No.9478/09, dt.29.8.09.
5. RDO., Kadapa, Ref.G/1498/07, dt.27.8.2010.

I submit that the DN proposals for an extent of 81.60 acres of Patta lands (Reach-I) for construction of 1 x 600 M.W., R.T.P.P., (Stage-IV) in Kalamalla (V) of Yerraguntla Mandal, Y.S.R.District, was approved by the Govt., vide G.O.Rt.No.73, Energy (PR-IV) Dept., dt.5.6.2010 and the same has been published in the District Gazette, locality and in two daily news papers.

The Revenue Divisional Officer, Kadapa in his reference 5th cited has submitted DD proposals for an extent of 81.60 acres of Patta lands (Reach-I) for construction of 1 x 600 M.W., R.T.P.P., (Stage-IV) in Kalamalla (V) of Yerraguntla Mandal, Y.S.R. District. He further reported that after publication of DN, Seven persons have submitted representations for including their names, which are not published in the DN notification. After enquiry, he has included the names in the DD., Accordingly the RDO., Kadapa has submitted DD proposals for 81.60 acres of Kalamalla (V) which is proposed for construction of 1 x 600 M.W., R.T.P.P., (Stage-IV), for approval. The Screening Committee proposals, Extracts of Village Accounts, Sub-Division Records and Combined Sketch were already submitted to the Govt., in the reference 3rd cited along with DN proposals.

In view of the above, I submit herewith the DD proposals in quadruplicate and request that the DD proposals may kindly be approved and communicated to this office at an early date.

Yours faithfully,
Sd/- Shashi Bhushan Kumar,
District Collector,
Y.S.R. District.

Administrative Officer.

Copy submitted to the Chief Commissioner of Land Administration, AP., Hyderabad.
Copy to the Revenue Divisional Officer, Kadapa.
Copy to the Chief Engineer, O&M. R.T.P.P., Kalamalla, Yerraguntla Mandal
From
The Chief Engineer, O&M,
RTPP, V.V. REDDY NAGAR,
Kadapa Dist-516312.

To
The Collector and District Magistrate,
Kadapa,
Y.S.R. Dist.

Sr.,

Sub:- RTPP-Stage-IV-(1x600MW)- Land acquisition-Reg.
3) Energy Department, G.O.R. No.120, Dt.15-09-2010.

It is to submit that, vide ref.(1) cited above, it was requested to arrange for advance possession of Government lands in the villages of kalamalla and Indlasiddaya Palli, Yerraguntla (mandal) for proposed construction of RTPP-Stage-IV(1x600MW) and the same was furnished in the revised indent vide reference (2) cited. Further it is to inform that agency for B.O.P package of RTPP Stage-IV(1x600MW) is almost in finalization stage. Hence, it is once again requested to hand over the Government and DKTLands at an early date.

It is also requested that the urgency clause may please be invoked for Reach-3 and Reach-4 D.N. proposals which are being submitted to Energy Dept for approval and may please be sent at a time in order to pursue the approval with Energy department by our headquarters.

Further it is requested to initiate the action for dispensing enquiry under section-5A for Reach-2 (D.N for which already approved) vide ref (3) cited.

Yours faithfully

[Signature]

CHIEF ENGINEER/O&M,
RTPP, V.V. REDDY NAGAR.

Copy to Revenue Divisional Officer, Kadapa for information.
Copy to Chief Engineer/Civil/Thermal/APGENCO/VS/Hyderabad for information.
Copy to Chief Engineer/Civil/General Services/APGENCO/VS/Hyderabad for information.
Copy to Superintending Engineer/Civil/Construction/RTPP for information.
Copy to Executive Engineer/Civil/Construction Division-1/RTPP for information.
Copy to Mandal Revenue Officer/Yerraguntla for information.
Sub:- Land Acquisition - Kadapa District - Yerraguntla Mandal - Kalamalla (V) - REACH-II - Acquisition of 67.18 acres in S.No.175/1 etc., of Kalamalla village for construction of 1 x 600 M.W., RTPP (Stage-IV) - DN approved - DD proposals submitted - Approval requested -

1. Requisition of the Chief Engineer, O&G, RTPP, Kalamalla
2. RDO., Kadapa, Ref.G/1498-Reach.No.//07,dt.26.03.2010
4. G.O.Rt.No.120, Energy (PR.IV) Dept., dt.15.09.2010
5. RDO., Kadapa, Ref.G/1498-Reach.No.//07,dt.30.08.2010.

I submit that the DN proposals for an extent of 67.18 acres of Patta lands (Reach-II) for construction of 1 x 600 M.W., R.T.P.P., (Stage-IV) in Kalamalla (V) of Yerraguntla Mandal, Y.S.R. District, was approved by the Govt., vide G.O.Rt.No.120, Energy (PR.IV) Dept., dt.15.9.2010 and the same has been published in the District Gazette, locality and in two daily news papers.

The Revenue Divisional Officer, Kadapa in his reference 5th cited has submitted DD proposals for an extent of 67.18 acres of Patta lands (Reach-II) for construction of 1 x 600 M.W., R.T.P.P., (Stage-IV) in Kalamalla (V) of Yerraguntla Mandal, Y.S.R. District. The RDO., Kadapa further informed that the requisition department has given a letter in which it is requested to invoke the urgency clause while submitting the ONE/DD proposals to the Govt. for approval. Accordingly the RDO., Kadapa has submitted DD proposals for 67.18 acres of Kalamalla (V) for approval. The Screening Committee proposals, Extracts of Village Accounts, Sub-Division Records and Combined Sketch were already submitted to the Govt., in the reference 3rd cited along with DD proposals.

In view of the above, I submit herewith the DD proposals in quadruplicate and request that the DD proposals may kindly be approved and communicated to this office at an early date.

Yours faithfully,
Sirs- Shashi Bhushan Kumar
District Collector,
Y.S.R. District.

Copy submitted to the Chief Commissioner of Land Administration, AP, Hyd.
Copy to the Revenue Divisional Officer, Kadapa.
Copy to the Chief Engineer, O&G, R.T.P.P., Kalamalla, Yerraguntla mandal.
Revenue Department

From
Sri Shashi Bhushan Kumar, IAS.,
District Collector,
Y.S.R. District.

To
The Principal Secretary to Government
Energy Department,
A.P. Secretariat,
Hyderabad.


Sir,

Sub:- Land Acquisition - Kadapa District - Yerraguntla Mandal - Kalamalla (V) - (REACH-III) - Acquisition of 61.20 acres in S.No.174/1 etc., of Kalamalla village for construction of RTPP (Stage-IV) - DN&DD proposals submitted - Approval requested - Regarding.

Ref:-
1. Revised requisition of the Chief Engineer, O&M, RTPP,
   Kalamalla Lr.No.CE/O&M/RTPP Stage-IV/T/F.LA/
   D.No.7464/10, dt.21.08.2010.

I submit that the Chief Engineer, O&M, RTPP, Kalamalla, in the reference 1st cited has submitted requisition for acquisition of 92.48 acres of Patta / Govt., lands in S.Nos.174/1 etc., of Kalamalla (V) of Yerraguntla Mandal for construction of R.T.P.P., (Stage-IV).

The Revenue Divisional Officer, Kadapa in his reference 2nd cited has submitted DN&DD proposals for an extent of 61.20 acres of Patta lands (Reach.III) for construction of R.T.P.P., (Stage-IV) in Kalamalla (V) of Yerraguntla Mandal, Kadapa District. He has reported that the lands proposed for acquisition are classified as Govt., Dry lands and all are cultivable lands. He further informed that the Requisition Dept., has requested to invoke urgency clause U/S 17(4) of the L.A.Act dispensing the enquiry U/S 5A of the Act. There are some borewells/structures/trees existing in the proposed lands, which are mentioned in the DN&DD Schedules. The lands under acquisition are not assigned under revised assignment rules. They are not attracted by the Land Ceiling Act. The basic value of the proposed lands are Rs.50,000/- per acre.

In view of the above, I request that the DN&DD proposals (REACH-III) for 61.20 acres of Kalamalla village of Yerraguntla Mandal, Kadapa District for construction of (Stage-IV), Rayalaseema Thermal Power Project, may kindly be approved and communicated to this office at an early date. The DN&DD schedules, Inspection Notes of the Revenue Divisional Officer, Kadapa, Screening Committee proposals, Extracts of Village Accounts, Sub-Division Records and Combined Sketch in duplicate are herewith enclosed for favour of kind approval.

Yours faithfully,
Sd/- Shashi Bhushan Kumar,
District Collector.

//t.c.b.o.//

Superintendent

Chief Land Administration, AP., Hvd.
Revenue Department

From
Sri Shashi Bhushan Kumar, IAS.,
District Collector,
Y.S.R. District.

To
The Principal Secretary to Government
Energy Department,
A.P. Secretariat,
Hyderabad.


Sir,

Sub:- Land Acquisition - Kadapa District - Yerraguntla Mandal - Kalamalla (V) - (REACH-IV) - Acquisition of 56.32 acres in S.No. 224 etc., of Kalamalla village for construction of RTPP (Stage-IV) - DN&DD proposals submitted - Approval requested - Regarding.

Ref:-


I submit that the Chief Engineer, O&M, RTPP., Kalamalla, in the reference 1st cited has submitted requisition for acquisition of 172.80 acres of Patta / DKT/ Govt.,lands in S.Nos.224 etc., of Kalamalla (V) of Yerraguntla Mandal for construction of R.T.P.P., (Stage-IV).

The Revenue Divisional Officer, Kadapa in his reference 2nd cited has submitted DN&DD proposals for an extent of 56.32 acres of Patta lands (Reach.IV) for construction of R.T.P.P., (Stage-IV) in Kalamalla (V) of Yerraguntla Mandal, Kadapa District. He has reported that the lands proposed for acquisition are classified as Govt., Dry and Inam dry lands and all are cultivable lands. He further informed that the Requisition Dept., has requested to invoke urgency clause U/S 17(4) of the L.A.Act dispensing the enquiry U/S 5A of the Act. There are some borewells/structures/trees existing in the proposed lands, which are mentioned in the DN&DD Schedules. The lands under acquisition are not assigned under revised assignment rules. They are not attracted by the Land Ceiling Act. The basic value of the proposed lands are Rs.50,000/- per acre.

In view of the above, I request that the DN&DD proposals (REACH-IV) for 56.32 acres of Kalamalla village of Yerraguntla Mandal, Kadapa District for construction of (Stage-IV), Rayalaseema Thermal Power Project, may kindly be approved with a difference of one day and communicated to this office at an early date. The DN&DD schedules, Inspection Notes of the Revenue Divisional Officer, Kadapa, Screening Committee proposals, Extracts of Village Accounts, Sub-Division Records and Combined Sketch in duplicate are herewith enclosed for favour of kind approval.

Yours faithfully,
Sd/- Shashi Bhushan Kumar,
District Collector.

//t.c.b.o.//

Copy submitted to the Chief Commissioner of Land Administration, AP., Hyd.
SUB: Land Acquisition - Y.S.R. District - Yerraguntla Mandal - Kalamala Village - Reach-I - Acquisition of land to an extent of 86 Acres in Survey No. 1613 etc. of Patta lands for Construction of 1x600 M.W. Rayalaseema Thermal Power Project (Stage-IV) in Kalamala Village, Yerraguntla Mandal, Y.S.R. District - Draft Declaration under section 6 of the land Acquisition Act, 1894 - Regarding.

3. G.O. Rt. No.73, Energy (PR.IV) Deptt., dated 05.06.2010.

****

In pursuance of the orders issued in the G.O. 3rd cited, the Draft Declaration proposals for acquisition of land to an extent of 81.60 (eighty one acres and sixty cents only) in Sy.Nos.1613 etc. under Reach-I of Kalamala village of Yerraguntla Mandal of Y.S.R. District for construction of Rayalaseema Thermal Power Project (Stage-IV) under section 6 of the Land Acquisition Act, 1894 are approved. The approved Draft Declaration proposals in original are returned herewith to the Collector & District Magistrate, Y.S.R. District for publication in the Local Gazette and local newspapers.

2. The Collector & District Magistrate, Y.S.R. District is requested to take further action accordingly.

SUTIRTHA BHATTACHARYA,
PRINCIPAL SECRETARY TO GOVERNMENT

Cc: Chairman & Managing Director, APG & CO,
    ANO. Vidyut Soudha, HYDERABAD.
The Secretary to Government, Revenue Department,
The Revenue (LA) Department,
PS to Pr.Secty. to CM.

//FORWARDED : : BY ORDER//

SECTION OFFICER

408
Sub: Land Acquisition - Y.S.R. District - Yerraguntla Mandal

Kallamalla Village - Reach-II - Acquisition of land to an extent of 67.18 acres in Survey No. 175/1 etc. of land, for construction of 1x600 M.W., Rayalaseema Thermal Power Project (Stage-IV) in Kallamalla Village, Yerraguntla Mandal, Y.S.R. District - Draft Declaration under section 6 of the Land Acquisition Act, 1894 - Regarding.

2. From the Revenue (LA) Department, proceedings of the Screening Committee on the Land Acquisition in C.35011/1LA/1/2010, dated 26.08.2010.

In pursuance of the orders issued in the G.O. cited, the Draft Declaration proposals for acquisition of land to an extent of Ac.67.18 (sixty seven acres and eighteen cents only) in Sy. Nos. 175/1 etc. under Reach-II of Kallamalla village of Yerraguntla Mandal of Y.S.R. District for construction of Rayalaseema Thermal Power Project (Stage-IV) under section 6 of the Land Acquisition Act, 1894 are approved. The approved Draft Declaration proposals in original are returned herewith to the Collector & District Magistrate, Y.S.R. District for publication in the Local Gazette and local newspapers.

2. The Collector & District Magistrate, Y.S.R. District is requested to take further action accordingly.

SUNITHA BHATTACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

To:
The Collector & District Magistrate, Y.S.R. District (we) (DD in original)

Copy to:
The Managing Director, A.Vidyut Soudha, HYDERABAD.
The Revenue (LA) Department, PS to Pri.Secy. to CM, Sc/57.

FORWARDED : BY ORDER/

SECTION OFFICER
GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Land Acquisition - Y.S.R. District - Yerraguntla Mandal - Kalamallu Village - Survey Numbers 174/1 etc. - Patta lands for construction of Rayalaseema Thermal Power Project (Stage-IV) in Kalamallu village, Yerraguntla Mandal, Y.S.R. District - Notification under Section 4(1) of the Land Acquisition Act, 1894 - Approved for Publication - Order issued.

ENERGY (PR.IV) DEPARTMENT


Read the following:


ORDER:

In the circumstances reported by the Collector and District Magistrate, Y.S.R. District in his letter first read above and based on the Proceedings of Screening Committee on Land Acquisition, Government have approved the DN proposals of the Collector and District Magistrate for acquisition of land to an extent of 61.20 Acres of patta lands (Reach-III) in Survey Numbers 174/1 etc., of Kalamallu village of Yerraguntla Mandal of Y.S.R. District for construction of Rayalaseema Thermal Power Project (Stage-IV) under Section 4(1) of the Land Acquisition Act, 1894. The approved DN proposals in original are enclosed for publication in the Local Gazette.

2. The Collector & District Magistrate, Y.S.R. District is requested to publish the Notification under Section 4(1) of the Land Acquisition Act, 1894 in the locality for 40 days from the date of publication in Local Gazette and local newspapers.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SUTIRTHA BHATTACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

The Collector & District Magistrate, Y.S.R. District (we) (DN in original).

Copy to:
- The Managing Director, APGENCO, Vidyut Soudha, Hyderabad.
- P.S. to Principal Secretary to Government, Revenue Department.
- P.S. to Secretary to Chief Minister.
- P.S. to Principal Secretary to Government, Energy Department.
- C.No. 7931/PR.IV(2010)

FORWARDED BY ORDER
GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Land Acquisition - Y.S.R. District - Yerraguntla Mandal - Kalamalia Village - Reach-IV, Acquisition of land to an extent of 56.32 Acres in Survey No. 224 etc. of Patta lands for construction of Rayalaseema Thermal Power Project (Stage-IV) in Kalamalia Village, Yerraguntla Mandal, Y.S.R. District - Notification under Section 4(1) of the Land Acquisition Act, 1894 - Approved for Publication - Orders - Issued.

ENERGY (PR.IV) DEPARTMENT


Read the following:


*****

ORDER:

In the circumstances reported by the Collector and District Magistrate, Y.S.R. District in his letter first read above and based on the Proceedings of Screening Committee on Land Acquisition, Government have approved the DN proposals of the Collector and District Magistrate for acquisition of land to an extent of 56.32 Acres of patta lands (Reach-IV) in Survey Numbers 224 etc., of Kalamalia village of Yerraguntla Mandal of Y.S.R. District for construction of Rayalaseema Thermal Power Project (Stage-IV) under Section 4(1) of Land Acquisition Act, 1894. The approved DN proposals in original are enclosed for publication in the Local Gazette.

2. The Collector & District Magistrate, Y.S.R. District is requested to publish the Notification under Section 4(1) of the Land Acquisition Act, 1894 in the locality within (40) days from the date of publication in Local Gazette and local newspapers.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SUTIRTHA BHATTACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

To:
The Collector & District Magistrate, Y.S.R. District. (we) (DN in original).

Copy to:
The Managing Director, APGENCO, Vidyut Soudha, Hyderabad.
P.S. to Principal Secretary to Government, Revenue Department.
The Revenue (LA) Department.
P.S.to Secretary to Chief Minister.
P.S. to Principal Secretary to Government, Energy Department.
(C.No.7932/PR.IV/2010)

//FORWARDED : : BY ORDER//

SECTION OFFICER
Memo No.7931/PR.IV/2010-2

Dated: 21.12.2010

Sub: Land Acquisition - Y.S.R. District - Yerraguntla Mandal - Kalamalla Village - Reach-III, Acquisition of land to an extent of 61.20 Acres in Survey No. 174/1 etc. of Patta lands for construction of Rayalaseema Thermal Power Project (Stage-IV) in Kalamalla Village, Yerraguntla Mandal, Y.S.R. District - Draft Declaration under section 6 of the Land Acquisition Act, 1894 - Regarding.


In pursuance of the orders issued in the G.O. 3rd cited, the Draft Declaration proposals for acquisition of land to an extent of Ac.61.20 (sixty one acres and twenty cents) in Sy.Nos.174/1 etc. under Reach-III of Kalamalla village of Yerraguntla Mandal of Y.S.R. District for construction of Rayalaseema Thermal Power Project (Stage-IV) under Section 6 of the Land Acquisition Act, 1894 are approved. The approved DD proposals in original are returned herewith to the Collector & District Magistrate, Y.S.R. District for publication in the Local Gazette and local newspapers.

2. The Collector & District Magistrate, Y.S.R. District is requested to take further action accordingly.

SUTIRTHA BHATTACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

To:
The Collector & District Magistrate, Y.S.R. District (we) (DD in original).
Copy to:
The Managing Director,
APGENCO, Vidyut Soudha, HYDERABAD.
The Secretary to Government, Revenue Department,
The Revenue (LA) Department,
PS to Secretary to CM.

//FORWARDED : : BY ORDER//

SECTION OFFICER
Sub: Land Acquisition - Y.S.R. District - Yerraguntla Mandal - Kallamalla Village - Rayalaseema Thermal Power Project (Stage IV) - Acquisition of land to an extent of 56.32 Acres in Survey No. 224 etc. of Patta lands for construction of Rayalaseema Thermal Power Project (Stage-IV) in Kallamalla Village, Yerraguntla Mandal, Y.S.R. District - Draft Declaration under Section 6 of the Land Acquisition Act, 1894 - Regarding.


In pursuance of the orders issued in the G.O. 3rd cited, the Draft Declaration proposals for acquisition of land to an extent of Ac. 56.32 (fifty six acres and thirty two cents only) in Sy.Nos.224 etc. under Reach-IV of Kallamalla village of Yerraguntla Mandal of Y.S.R. District for construction of Rayalaseema Thermal Power Project (Stage-IV) under Section 6 of the Land Acquisition Act, 1894 are approved. The approved DD proposals in original are returned herewith to the Collector & District Magistrate, Y.S.R. District for publication in the Local Gazette and local newspapers.

2. The Collector & District Magistrate, Y.S.R. District is requested to take further action accordingly.

SUTIRTHA BHATTACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

To:
The Collector & District Magistrate, Y.S.R. District (we) (DD in original).
Copy to:
The Managing Director,
APGENCO, Vidyut Soudha, HYDERABAD.
The Secretary to Government, Revenue Department,
The Revenue (LA) Department,
PS to Secretary to CM.
Sc/Sf.

//FORWARDED : : BY ORDER//

SECTION OFFICER
Dear [Name]

Sub: RTFF Stage IV - Land Acquisition - Y.S.R Dist. - Handing over

Ref: (1) Memo No. 719/PR.IV/2010-1 dt. 18-12-2010
(2) Memo No. 794/PR.IV/2010-1 dt. 18-12-2010
(3) GO RL No. 168 dt. 20-12-2010
(4) GO RL No. 161 dt. 20-12-2010
(5) Memo No. 793/PR.IV/2010-2 dt. 21-12-2010
(6) Memo No. 797/PR.IV/2010-2 dt. 21-12-2010
(7) D.O. LR No. MD/CCR 21/ RTFF/ F. LA/ D. No. 434/2010-11 dt. 06.01.2011
(8) D.O. LR No. MD/CCR 21/ RTFF/ F. LA/ D. No. 46/2010-11 dt. 10.02.2011
(10) Minutes of Meeting held on 02.08.2011 at Collector's chamber,
Kadapa on LA cases
(11) Lt. No. CE/0/M/RTPP/DGM(HR) AD/F/D. D./D. No. 241/2011 dt. 17.08.2011 addressed to District Collector.

I invite your kind attention to the D.O. letters 7th and 9th cited, wherein, it was requested for processing of the acquisition of potta land of 266.30 Ac out of total land of 452.36 Ac at Kalamallia (V), Yerraguntla Mandal on priority and to hand over the land to APGENCO for taking up the work. But, the land is yet to be handed over to APGENCO.

In the minutes of meeting held at Collector's chambers, Kadapa on 02.08.2011, the District Collector has instructed RDO, Kadapa to obtain a report from the RTPP authorities on the jobs that they will provide to the laborers.

The Chief Engineer/DHR/RTPP has already furnished the above information as requested by the RDO/Kadapa.

END No. 56/CC/RTTP/F.E./D.O./11 dt. 17.09.11.

Vidhyut Soudha, Kharat Aradhya
Hyderabad - 500 062 A R During

End No. 10/CC/RTFF/F.E./D.O. 11 06.09.11
In this connection, it is to inform that the BTG package was awarded to BHEL on 14-10-2010 and the Balance of Plant (BOP) package was awarded to M/s Tecpro Systems Ltd, Chennai on 30-10-2010. The firm has mobilized the equipment. But, the work could not be taken up due to non-availability of land. The firms are pressurizing APGENCO for handing over the land to enable them to commence the works.

I request you to kindly complete the land acquisition process on priority basis and hand over the lands to APGENCO for taking up the work at an early date.

With Warm Wishes,

Yours sincerely,

(K. VIJAYANARAYAN)

To
Sri V. Anil Kumar, I.A.S.,
The District Collector,
Kadapa, Y.S.R District.

End no: CEG/210 (R) 1112/ P.H/ D. No.103(P)(P)/Kad 02-04-2011

Copy to Secret. I/RPP
Copy to Secret. II/RPP

H. Latha
Secretary

for CEG/210/RPP
Sir,

Sub: -APGENCO-RTPP-Stage-IV-Land Acquisition for construction of Stage-IV Expressing willingness for settlement of the claim by the negotiation committee- submitted.-Reg

Ref: - 1..G/1498/2007 dt.27.08.2011 from RDO Kadapa.

* * * * *

It is to submit that the 600MW Unit is proposed under Stage-IV of RTPP. The Land was identified adjacent to the existing plant. Requisition for required land ( 266.30 Acres of patta land ) was placed with District Collector for Land Acquisition.

I here with furnish my willingness for settlement of the claims by the negotiation committee headed by the District Collector as chairman. It is also requested to complete the process at the earliest and hand over the Lands to take up the works, since The BTG package & BOP packages were already awarded to M/s BHEL & M/s TSL respectively.

Yours faithfully

Encl: Form No V.

Chief Engineer/O&M,
RTPP, V.V Reddy Nagar.

Copy to the Chief Engineer/Civil/Thermal/Vidyuth souda/Hyderabad for information.

Copy to Superintending Engineer/Civil circle-I/RTPP for information and necessary action.

Copy to the RDO / Kadapa for favour of information.
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

From
The Chief Engineer,
O&M,
RTPP, V.V. REDDY NAGAR
Kadapa Dist-516512.

To
The land acquisition Officer and,
Revenue Divisional Officer,
Kadapa.

Lr. No .CE/O&M/RTPP/Stage-IV/T.F.L.A./ D.NO. 7464/10, Dt. 21-08-2010

Sir,

Sub:- AP GENCO-RTPP-Stage-IV - Land acquisition - Reg.

Ref: - 1. Lr. No .CE/O&M/RTPP/Stage-IV/T.F.L.A./ D.NO. 7464/10, Dt. 21-08-2010

****

It is to inform that vide ref (1) & (2) cited above the revised indents were
submitted to the Revenue Divisional Officer/ Kadapa to an extent of 452.30 Acres and 143.02
Acres respectively. In this regard it is requested to expedite the following issues.

1. Proposals for Handing over of DKT lands in Phase-I to the extent of 104.14 Acres at the
earliest.

2. Advance possession of Government lands were given, but so far the lands not
transferred in the name of AP GENCO. Hence it is requested to speed up the alienation
proposals of Government lands.

3. The land acquisition of Phase-II lands i.e. to send DN & DD proposals for Patta land to
Energy Department for approval. It is also requested that the urgency clause may please
be looked for giving advance possession of Patta, DKT and Govt. lands as the works
related to 600MW were already awarded.

Yours faithfully

CHIEF ENGINEER O&M
RTPP, V.V. REDDY NAGAR

I have submitted to the Collector andDistrict Magistrate, Kadapa Dist. for favour of information.

[Signature]

Collector’s Camp

V.S.R. DISTRICT

D 3 FEB 2012
Award No. 33/2012-2013

Ref. No. G/1438-B/R-1/2010

Made by Sri V. Veera Brahmaiah,
Land Acquisition Officer & Revenue Divisional Officer, Kadapa

(Under Section 11 (2) of the Land Acquisition Act i of 1894)

Whereas Consent Award for an extent of 80.74 Acres of land situated in Kalamalla Village of Yerraguntla Mandal and Y.S.R. District registered in the names specified below has been declared by Government for Construction of R.T.P.P., Stage - IV at Kalamalla Village of Yerraguntla Mandal. The undersigned after full enquiry as per Rules specified in Land Acquisition Act makes the following Award under his hand:

1. True area of land in Acres (Reach No.1) : 81.60 Acres
   a. Extent proposed under General Award U/s 11(1) of Land Acquisition Act : Nil
   b. Extent proposed under Negotiations U/s 11(2) of Land Acquisition Act : 80.74 Acres
   c. Balance extent : 0.86 Acres

2. U/s 11(2) of L.A. Act
   a. Consented under Negotiation for 80.74 acres at Rs.3,35,000/- per Acre (Rupees Three lakhs eighty thousand only) including all benefits. (Negotiation proposals were approved by the District Collector, Y.S.R. District, Kadapa in Ref No. G/1/3665/2009, dated: 02.01.2012).
   b. Valuation of structures as per the estimates prepared by the Deputy E.E., (PR), Kadapa.
   c. Valuation of Wells / Bore Wells etc., as per the estimates prepared by the E.E., R.W.S., Kadapa.
   d. Valuation of fruit bearing trees as per the estimates prepared by the A.D., Horticulture, Kadapa.
   e. Cost of cultivation Payable
      i. Amount payable equivalent to pre-bearing years : Rs.1.62,569/-
      ii. Damage Amount payable equivalent to one year net return : Nil
   f. Valuation of non-fruit bearing trees as per the estimates prepared by the D.F.O., Kadapa.
   g. Total ( B+C+D(i)+D(ii)) : Rs.7,57,234/-
   h. 30% surcharge on Item No. f : Rs.2,27,170/-
   i. 12% Additional Market Value from the date of S.H. from 15.08.2010 to Award Date 18.02.2012 for 544 days on Item Nos. No. f
      = 5.5 %
   j. Total Compensation (a+d(iii)+f+g+h) : Rs.2,81,69,615/-

(As per Statement enclosed)

The undersigned certifies that:

(a) Notices have been promulgated or served in accordance with Sec. 9 of the Land Acquisition Act and that evidence of such promulgation or service forms part of the record.

(b) There is before him a combined sketch of the lands to be acquired.
Devtee 9/30/65/01

Pawpaw - Award approved

Rs. @ 81.65/.- (Rupees eighty one rupees only)

Rs. 81,651.- (Rs. eighty one thousand sixty five only)

[Signature]

[Signature]
Revenue Department

From
Mr. K. Anil Kumar, IAS,
District Collector,
Kadapa.

To
The Revenue Divisional Officer,
Kadapa.


Land Acquisition - Kadapa District - Yerraguntla Mandal - Kalamalla (V) - (REACH-I) - Acquisition of 81.60 acres in S.No. 161/3 etc., for construction of RTPP, Stage - IV - Consent award for 80.74 acres - Approved - sent - Regarding.


I send herewith the Consent Award duly approved for Rs.2,81,69,615-00 (Two crores eighty one lakhs sixty nine thousand six hundred and fifteen only) for 80.74 acres (out of 81.31 acres, consented), which are under acquisition for construction of RTPP, (Stage-IV) at Kalamalla Village of Yerraguntla Mandal.

I, therefore, request you to verify the relevant records and confirm the title of the land and disburse the Award amount to the Awardees. I also request you to submit the J-Notification and FCM., and award for the balance extent at an early date.

Yours faithfully,
K. Hirmola,
Joint Collector,
Y.S.R. District.

/\t.c.o./\
From
The Chief Engineer, O&M, RTPP, V.V.REDDY NAGAR

To
The Revenue Divisional Officer, Kadapa Division, Y.S.R.Dist.

**ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED**

**Lr. No .CE/O&M /RTPP/ T /F. /D.No.3r14/12, Dt. 02-02-2012.**

Sir,

**Sub:** - RTPP-Stage-IV-Land acquisition for construction of Stage-IV-Deposition of Rs.5.91 crores with Revenue Divisional Officer, Kadapa - Reg.


***

With reference (1) cited above the Demand Drafts for an amount of Rs.5.91 Crores (Rupees Five crores ninety one lakh only) bearing D.D.Nos 609628 dt. 25-02-2012 for Rs.6,90,000-00 and bearing D.D.Nos 609629 to 609687 dt.25-02-2012 (59Nos) each for Rs.9,90,000-00(Rs.9,90,000-00X59+Rs.6,90,000-00X1=Rs.5.91Crores) towards land acquisition for RTPP Stage-IV are herewith furnished for favour of further necessary action please.

**Encl:-D.D.No. 609628 to 609687(60No's), Dt: 25.02.2012.**

Yours faithfully

Chief Engineer/Civil, O&M, RTPP, V.V.Reddy Nagar.

**Copy to**
The Chief Engineer/Civil/V.S/Hyderabad for favour of information.
The Superintending Engineer/Civil/CC-I/RTPP for information and necessary action.
The Executive Engineer/Civil/CPCD/RTPP for information and necessary action.

Award No. 32/2012-2013

Ref: No. G/14/26-B/R-II/2010

Made by Sri V. Veera Brahmaiah,
Land Acquisition Officer & Revenue Divisional Officer, Kadapa
(Under Section 11 (2) of the Land Acquisition Act of 1934)

Whereas Consent Award for an extent of 65.91 Acres of land situated in Kamalavada Village of Yerraguntla Mandal and Y.S.R. District registered in the names specified below has been declared by Government for acquisition for Construction of R.T.P.P., Stage - IV at Kamalavada Village of Yerraguntla Mandal. The undersigned after full enquiry as per Rules specified in the Act makes the following Award under his hand:-

1. Extent of land in Acres (Reach No. 2) : 67.16 Acres
2. Extent proposed under General Award U/s 11(1) of Land Acquisition Act
3. Extent proposed under Negotiations U/s 11(2) of Land Acquisition Act
4. Balance extent

6. Consent under Negotiation for 65.91 acres at Rs.2,70,79,550/- per Acre (Rupees Two lakhs seventy thousand five hundred only) including all benefits. Negotiation proposals were approved by the District Collector, Y.S.R. District, Kadapa in Ref. No. G/1/280/2012, dated: 11.01.2012.

7. Valuation of structures as per the estimates prepared by the Deputy E.E., (PR), Kadapa.
8. Valuation of Wells / Bore Wells etc., as per the estimates prepared by the E.E., R.W.S., Kadapa.
9. Valuation of fruit bearing trees as per the estimates prepared by the A.D., Horticulture, Kadapa.
10. Cost of cultivation Payable: Nil
11. Amount payable equivalent to pre-bearing years: Nil
12. Damage amount payable equivalent to one year not return
13. Valuation of non-fruit bearing trees as per the estimates prepared by the O.F.C., Kadapa.
14. Total of (6-10): Rs.36,10,887/-
15. 30% Substantiation on Item No. f: Rs.10,83,266/-
16. 12% Additional Market Value from the date of D.N. from 19.10.2010 to Award Date 29.02.2012 for 476 days on Item Nos. No. f: Rs.5,90,980/-
17. Total Compensation (14+15+16): Rs.2,72,64,533/-

(As per statement enclosed)

The undersigned certifies that:
(a) Notices have been promulgated or served in accordance with Sec. 9 of the Land Acquisition Act and that evidence of such promulgation or service forms part of the record.
(b) There is before him a combined sketch of the lands to be acquired.
Cement Award approved for Rs. 2,75,61,923/- (Rupees two crores seventy-five lakhs sixty-one thousand nine hundred and twenty-three only)

Joint Clerk
Award No. 31/2012-2013


Made by Sri V. Veera Brahmaiah,
Land Acquisition Officer & Revenue Divisional Officer, Kadapa
(Under Section 11 (2) of the Land Acquisition Act of 1894)

Whereas Consent Award for an extent of 61.20 Acres of land situated in Kalamalla Village of Yerraguntla Mandal and Y.S.R. District registered in the names specified below has been declared by Government for acquisition for Construction of R.T.P.P., Stage - IV at Kalamalla Village of Yerraguntla Mandal. The undersigned after full enquiry as per Rules specified in Land Acquisition Act makes the following Award under his hand:

- The area of land in Acres: 61.20 Acres
- Extent proposed under General Award U/s 11(1) of Land Acquisition Act: Nil
- Extent proposed under Negotiations U/s 11(2) of Land Acquisition Act: 61.20 Acres

(U/s 11(2) of L.A. Act

- Consented under Negotiation for 61.20 acres at Rs.2,05,02,000/- per Acre (Rupees Two lakhs eighty thousand only) including all benefits. Negotiation proposals were approved by the District Collector, Y.S.R. District, Kadapa in Ref. No. G/1/3970/2010, dated: 06.01.2012.

- Valuation of structures as per the estimates prepared by the Deputy E.E., (PR), Jammalamadugu: Nil
- Valuation of Wells / Bore Wells etc., as per the estimates prepared by the E.E., R.W.S., Kadapa: Rs.11,98,461/-
- Valuation of fruit bearing trees as per the estimates prepared by the A.D., Horticulture, Kadapa: Rs.32,488/-
- Cost of cultivation Payable: Rs.82,979/-
- Amount payable equivalent to pre-bearing years net return: Nil
- Damage amount payable equivalent to one year net return: Nil
- Valuation of non-fruit bearing trees as per the estimates prepared by the D.F.O., Kadapa: Nil
- Total (B+C+D+E+F): Rs.12,31,778/-
Addition Market Value from the date of 18.02.2012 to Award Date 25.02.2012

Total Compensation paid: Rs. 2,22,68,370/-

(As per Statement enclosed)

The undersigned certifies that:

(a) Notices have been promulgated or served in accordance with Sec. 9 of the Land Acquisition Act and that evidence of such promulgation or service forms part of the record.

(b) There is before him a combined sketch of the lands to be acquired.

[Signature]

Land Acquisition Officer & Revenue Divisional Officer, Kadapa.

[Signature]

Joint Collector

[Signature]

Sub:
Award No. 34/2012-2013

Dated: 29.02.2012

Made by Sri V. Veera Brindimal, Land Acquisition Officer & Revenue Divisional Officer, Kadapa (Under Section 11 (2) of the Land Acquisition Act, 1894)

Whereas Consent Award for an extent of 56.32 Acres of land situated in Kalamalla Village of Yerraguntla Mandal and Y.S.R. District registered in the names specified below has been declared by Government for acquisition for Construction of R.T.P.P., Stage - IV at Kalamalla Village of Yerraguntla Mandal. The undersigned after full enquiry as per Rules specified in Land Acquisition Act makes the following Award under his hand:

1. True area of land in Acres 56.32 Acres
   a. Extent proposed under General Award U/s 11(1) of Land Acquisition Act
   b. Extent proposed under Negotiations U/s 11(2) of Land Acquisition Act

2. U/s 11(2) of L.A. Act
   a. Consented under Negotiation for 56.32 Acres at Rs.3,35,000/- per Acre (Rupees Three lakhs thirty-five thousand only) including all benefits. (Negotiation proposals were approved by the District Collector, Y.S.R. District, Kadapa in Ref. No. G/1/3971/2010, dated: 11.01.2012).

   b. Valuation of structures as per the estimates Rs.14,81,336/- prepared by the Deputy E.E., (PR), Jammalamadugu.

   c. Valuation of Wells / Bore Wells etc., as per the estimates prepared by the F.E., R.W.S., Kadapa.

   d. Valuation of fruit bearing trees as per the estimates prepared by the A.D., Horticulture, Kadapa.

      i. Cost of cultivation Payable Rs.6,57,820/-
      ii. Amount payable equivalent to pre-bearing years
      iii. Damage Amount payable equivalent to one year net return Rs.97,307/-
      iv. Valuation of non-bearing fruit trees as per the estimates prepared by the D.F.O., Kadapa.

   e. Total (b+c+d+e+f) Rs.35,98,244/-

   g. 30% solution on item No. f Rs.10,77,647/-
(a) Notices have been promulgated or served in accordance with Sec. 9 of the Land Acquisition Act and that evidence of such promulgation or service forms part of the record.

(b) There is before him a combined sketch of the lands to be acquired.

The undersigned certifies that:

K. I. No. 81/277/10

Consent Award approved on

Rs. 2,41,12,874/- (Rupees two crores twelve thousand eight hundred and forty-one)

Revenue Divisional Officer,
Kadapa.

Joint Collector

[Signature]

[Stamp]
Revenue Department

To
The Revenue Divisional Officer,
Kadapa


Subject: Acquisition - Yerraguntla Mandal - Kalamalla Village
(REACH-III) - Acquisition of 61.20 acres in S.No.174/1 etc., for the construction of RTPP, stage IV - Consent award for 61.20 acres - Approved - Sent - Regarding.


I send herewith the Consent Award duly approved for Rs. 2,22,68,370.00 (Rupees two crores twenty two lakhs sixty eight thousands three hundred and seventy only) for 61.20 acres, which are under acquisition for construction of RTPP, stage IV, at Kalamalla village of Yerraguntla Mandal.

I, therefore, request you to verify the relevant records and confirm the title of the land and disburse the Award amount to the Awardees. I also request you to submit the 13-Notification and FCM., at an early date.

Yours faithfully,

Sdr. F. Kirthi
Joint Collector
Kadapa.

[Signature]

Superintendent

(Stamp)
Ref: G.1/3971/2010, dt. 05.03.2012

Ref: Revenue Department

To

The Assistant Divisional Officer,

Kadapa District,

Subject: Land Acquisition - Yerraguntla Mandal - Kaumalla Village

REACH: (L) - Acquisition of 56.32 acres in S.No. 224, 226 etc., for the construction of RTPP, stage IV - Consent Award for 56.32 acres - Approved Seth - Begumpeta.

Ref: RDO, Kadapa, Ref: G/14x8/AR-V-37 dt. 02.04.2012.

I send herewith the Consent Award duly approved for Rs. 2,41,12,874.00 Rupees two crores forty one lakhs twelve thousand eight hundred and seventy four only for 56.32 acres, which are under acquisition for construction of RTPP (stage IV) at Kaumalla Village of Yerraguntla Mandal.

I, therefore, request you to verify the relevant records and confirm the title of the land and disburse the Award amount to the Awardees. I also request you to submit the 13-Notification and FCM., at an early date.

Yours faithfully,

Mr. K. Narayana
Joint Collector
Kadapa.
**POSESSION CERTIFICATE**

The following lands of Kalamalla Village of Yerraguntla Mandal, in extent of 60.74 acres and 1931.31 acres in Reach-I were acquired by order of Chief Engineer, O&M, RTPP, A.P.Genco for the purpose of RTPP (Stage -IV) at Kalamalla Village of Yerraguntla Mandal, Vide LAO & Revenue Divisional Officer, Kadapa. Award No. 33/2012-13, dated: 18.02.2012 and taken possession on payment of compensation awarded. The lands are handed over to the Chief Engineer, O&M, RTPP, A.P.Genco on 16.05.2012.

**Name of the Village: Kalamalla**

**Reach-I**

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| Page 5 of 5 |

Handed over possession

Taken over possession

Tahsildar,
Verraguntla

CHIEF ENGINEER, O&M
RTPP, APEGNCO
POSSESSION CERTIFICATE

The following Patta lands of Kalamalla Village of Yerraguntla Mandal to an extent of 65.91 acres (out of 67.18 acres) in Reach-II was acquired in favour of Chief Engineer, O&M, RTPP, A.P.GENCO for the purpose of RTPP at Kalamalla Village of Yerraguntla Mandal, Vide LAO & Revenue Divisional Officer, Kadapa, Award No. 32/2012-13, dated: 29.02.2012 and taken possession an extent of 64.87 acres (out of 65.91 acres) on payment of compensation awarded. The lands are handed over to the Chief Engineer, O&M, RTPP, A.P.GENCO on 16.05.2012.

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**Total** 64.870

Handed over possession

Tahsildar,
Yerraguntla

Taken over possession

CHIEF ENGINEER, O&M
RTPP, APGENCO
POSESSION CERTIFICATE

The following Patta lands of Kalamalla Village of Yerraguntla Mandal to an extent of **61.20 acres in Reach-III** was acquired in favour of Chief Engineer, O&M, RTPP, A.P.GENCO for the purpose of RTPP at Kalamalla Village of Yerraguntla Mandal, Vide LAO & Revenue Divisional Officer, Kadapa, Award No.31/2012-13, dated: 29.02.2012 and taken possession on payment of compensation awarded. The lands are handed over to the Chief Engineer, O&M, RTPP, A.P.GENCO on 16.05.2012.

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Handed over possession

Tabanhal,
Yerraguntla

Taken over possession

CHIEF ENGINEER, D&M
RTTP, APGENCO
**POSSESSION CERTIFICATE**

The following Patta lands of Kalamaila Village of Yerraguntla Mandal to an extent of 56.32 acres in Reach-IV was acquired in favour of Chief Engineer, O&M. RTPP, A.P.GENCO for the purpose of RTPP at Kalamaila Village of Yerraguntla Mandal. Vide L&AO & Revenue Divisional Officer, Kadapa, Award No.34/2012-13, dated: 29.02.2012 and taken possession on payment of compensation awarded. The lands are handed over to the Chief Engineer, O&M. RTPP, A.P.GENCO on 16.05.2012.

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Handed over possession

Tahsildar,
Yerraguntla

Taken over possession

CHIEF ENGINEER, O&M
RTPP, APGENCO
DELAY DUE TO LOCAL UNREST

NOTE

1. On 19.12.2012 at around 8.30 AM about 50 numbers of unidentified miscreants of the surrounding villages in the name of land-loosers suddenly rushed to the RTPP Stage-IV work site and stopped the on going works of RTPP Stage-IV by threatening the labour, working at site. The entire labour vacated the work site and all the works were stopped by the land-loosers forcibly.

2. The land losers had pelted stones and damaged glasses. The furniture of the mobile container of M/s Power Mech (Sub contractor of M/s BHEL) and the glasses of the vehicle of M/s Gammon India Ltd were damaged. Afterwards they have ransacked the office of M/s Indu Projects Ltd, the sub-contractor of M/s Tecpro Systems Ltd.

3. They broke the glasses of new office sheds of APGENCO and later they staged dharna before the office of APGENCO and did not allow the offices of APGENCO to be opened.

4. First Information Report was filed, with the Station Officer, Kalamalla Police Station on 19.12.2012 and the copy of the same is put up below for perusal.

5. Due to this panic situation, labour / manpower left the site. After settlement of the issues with the land loosers, man power was re-mobilized and a period of 3 months was lost for remobilization of the manpower and restoration of the woks at site.
# First Information Report

**FORM : 82**

A.P.P.M. Order No. 409 & 416

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<tr>
<td>(i) Act <strong>Indian Penal Code</strong></td>
<td>Sections: 147, 241, 427, 506 r/w 149 IPC</td>
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<td>(ii) Act <strong>S.L.L.</strong></td>
<td>Sections: Sec. 7(1) Criminal law of Amendment Act - 1932</td>
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<td>(iii) Act <strong>S.L.L.</strong></td>
<td>Sections: Sec. 3 of P.D.P.P. Act - 1984</td>
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<td>(iv) Act <strong>S.L.L.</strong></td>
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<tr>
<th>2. a. Occurrence of offence:</th>
<th>Date &amp; Time: 19.12.2012 at 8.30 AM</th>
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<tbody>
<tr>
<td>b. Information received at</td>
<td>Date &amp; Time: 19.12.2012 at 4.30 PM</td>
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<td>P.S.:</td>
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<td>c. General Diary Reference : Entry No. Entered:</td>
<td>Time: 4.30 PM</td>
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<td>3. Type of Information :</td>
<td>Written / Oral / Hospital Intimation:</td>
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<tr>
<td>4. Place of Occurrence :</td>
<td>(Southwest - 3 ½ KM)</td>
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<tr>
<td>(a) Direction and distance from P.S.</td>
<td>Beat No No.</td>
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<tr>
<td>(b) Address: A.P. Genco Sheds, 600 M.W., Kalamalla Village, Yerraguntla Mandal.</td>
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<tr>
<td>(c) In case outside the limits of this Police Station, then</td>
<td></td>
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<tr>
<td>Name of the P.S</td>
<td>Distri ct</td>
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</table>

| 6. Complainant / Informant :  |  |
| a. Name D. Krishna Rao  |  |
| b. Father's / Husband's Name  |  |
| c. Date / Year of Birth  | (d) Nationality: Indian  |
| d. Passport No  | Date of Issue  |
| e. Occupation: Executive Engineer Civil  | Place of Issue  |
| f. Address: RTPP, V.V. Reddy Nagar, Kalamalla (V), Yerraguntla (M).  |  |

| 7. Details of Known / Suspected / Unknown accused with full particulars:  | (Attached separate sheet, if necessary)  |
| Name of the accused:  | 50 unidentified miscreants  |

| 8. Reasons for delay in reporting by the Complainant / Informant  | No delay  |
9. Particulars of properties stolen / involved (Attach separate sheet, if necessary)  
   Nil

10. Total value of property stolen / involved  
    Nil

11. Inquest Report / U.D Case No. if any  
    Nil

12. First information contents (Attach separate sheet. If required):

   **Original complaint of the complainant is herewith enclosed.**

Action taken: Since the above information reveals commission of offence (s) U/S as mentioned at item No.2:

1. Registered the case and took up the Investigation: Registered the case

2. Directed (Name of I.O) to take up the investigation or

3. Refused investigation due to

4. Transferred to P.S Nil

   District Nil

   of Jurisdiction

F.I.R read over to the complainant / informant, admitted to be correctly recorded and a copy given to the complainant / informant, free of cost.

   R.A.O.C

Original statement is here with enclosed.

Signature / Thumb impression of the Complainant / Informant.

Date & Time of dispatch to the Court:

   S.I. OF POLICE  No: 65

Signature of Officer in Charge, Police Station

Name: SYED HASHAM

Rank: S.I. OF POLICE
From
The Executive Engineers,
R.T.P.P., V.V. Reddy Nagar.

To
The Station House Officer,
Kalamalla P.S.,
Kalamalla.

Sir,

Sub:- RTPP - Stage IV- Complaint on the incidents happened on 19-12-2012 at Stage-IV Site - Reg.

*****

It is to inform that, on 19-12-2012 at around 8.30 AM, about 50 Nos. of unidentified miscreants of surrounding villagers in the name of land losers, suddenly rushed to the Stage IV work sites and stopped the works of Stage IV ongoing works by threatening labour working at site. The entire labour vacated the work site and all the works are stopped by them forcefully. They have thrown stones and damaged glasses and furniture of container (mobile) type site office of M/s Powermech (Sub Contractor of M/s BHEL) and also broken the glasses of vehicle of M/s Gammon India. After wards, they have ransacked the office of the M/s. Indu Projects Ltd, Sub-contractor of M/s. Tecpro Systems Ltd, Chennai.

They have broken glasses of new office sheds of M/s APGENCO. Later, they staged Dharna before office sheds of APGENCO and not allowed even to open the office sheds of APGENCO.

They have not come for discussions across table when invited by Executive Engineer/Civil/PHCD and Executive Engineer, Civil, CPCD. They have also not accepted the request of Superintending Engineer, Civil Circle II, RTPP for discussions. Lastly, the Circle Inspector, Yerraguntla involved and pacified the situation.

It is requested to register the complaint and Investigate the case and take suitable action on the calprits.

Yours faithfully,

Executive Engineer, Civil, PHCD, Civil Circle-II/RTPP.

Executive Engineer, Civil, WCSD, Civil Circle-I/RTPP.

Executive Engineer, Civil, CPCD, Civil Circle-I/RTPP.

Divisional Engineer, (Eng) Construction Dn-I/RTPP.
DELAY DUE TO INSOLVENCY OF BoP CONTRACTOR

NOTE

1. The BOP Consortium leader, M/s Tecpro Systems Ltd had stopped the works at site from April 2013 due to their financial problems. Due to non-payment of bills by the Consortium leader, M/s Tecpro Systems Ltd, the Consortium partners M/s Vatech Wabag Ltd & M/s Gammon India Ltd, could not make payments to their suppliers.

2. Since then, all supplies and civil works under the scope of BOP package were stopped. Hence, the labour deployed, for various works at site, from different states of the country had left the site.

3. M/s Tecpro Systems Ltd was addressed through various letters to commence the works and re-mobilizing the manpower, but there was no significant improvement in the progress of works.

4. Several notices were also issued to M/s Tecpro Systems Ltd for restoration of works at site and also informed to furnish the reasons why action may not be initiated against the firm for breach of trust and contract for not adhering to the terms and conditions of the contract.

5. APGENCO Board instructed to change the consortium leader if necessary to move forward the project.

6. After convening several meetings with the high level officials of the Consortium with the Managing Director, APGENCO, the BOP Consortium partners, finally, came up with a proposal to change the Consortium leader from M/s Tecpro Systems Ltd to M/s Vatech Wabag Ltd who was one of the Consortium partner and requested APGENCO to consider their proposal. Accordingly, Consortium leader was changed from M/s Tecpro Systems Ltd to M/s Vatech Wabag Ltd on 31.05.2014.
7. Later, the works were commenced by the new leader of Consortium i.e. M/s Vatech Wabag Ltd, in July 2014, after re-mobilizing the men and material.

8. The civil fronts required for BTG package could not be handed over in time and hence BTG works got badly delayed.

9. Thus, the project works got delayed for a further period of **15 months** from April/2013 to May/2014 due to financial crisis of the original Consortium leader M/s Tecpro Systems Ltd.

10. The correspondence made, Notices issued to the BOP Contractor, Supplementary Amendment to the Consortium agreement and Purchase Orders amendments for change of Consortium leader are annexed for perusal.
The Superintending Engineer,
Civil Circle-II,
R.T.P.P.,
V.V. Reddy Nagar.

M/s. Tecpro Systems Limited,
Tecpro Towers, 11/A17,
5th Cross Road, SIPCT IT Park,
Siruseri, Chennai - 603 103.

Lr.No.SE/CC-II/RTPP/T/F.Tecpro./D.No. 2106 /12, Dt. 21-09-2012.

Sir,

Sub:- RTPP - Stage-IV (1X600MW) - Execution of Boiler & ESP foundations and other works- Poor progress of ongoing works at site and also abrupt stoppage of works on 20-09-2012 - Reg.

Ref:- 1. P.O.No. TCO-880/131/RTPP-IV/F.BOP/D.No.356/2010, Dt: 15-12-2010
2. Lr.No.SE/CC-II/RTPP/T/F.Tecpro./D.No. 1604 /12, Dt: 02-08-2012.

***

Your attention is invited in the reference letter 2nd cited, wherein, you were requested to take up earth work excavation for ESP foundations, Leveling & grading from Chimney to transformer yard & switchyard area, commencement of gate complex, laying of internal roads. But, your progress observed in this regard is far behind with the schedule submitted by you.

In this context, it is to inform that excavation for boiler foundations was started on 28-06-2012 and as per schedule it would have been completed within 10 days. But, you have once again submitted the revised schedule on 22-08-2012 and as per this revised schedule, the excavation for boiler foundations should have been completed by 06-09-2012 and excavation for ESP foundations by 20-09-2012. It is observed that still the excavation works for both Boiler & ESP foundations are not completed.

Besides slow progress of work, the laying of PCC and RCC for ESP & boiler foundations at site was abruptly stopped on 20-09-2012 from 11 AM onwards: Even today i.e. on 21-09-2012, there is no work at site. Further, you have not able to takeup even continuous curing for already laid PCC & RCC.

Hence, you are once again requested to bestow your attention to takeup the above issues on priority and resume the works immediately to avoid further delay in progress of Stage IV works and cope up the delay already occurred. Otherwise, the entire schedule of project is badly delayed. So, appropriate action should be initiated in this regard immediately.

Yours faithfully,

Superintending Engineer
Civil Circle-II/RTPP.

Copy submitted to
The Chief Engineer/Civil/Thermal/APGENCO/V.S/Hyderabad for favor of information:
The Chief Engineer/TPC-II/APGENCO/V.S/Hyderabad for favor of information:
The Chief Engineer/O&M/RTPP for favour of information:
The SE/Technical to Director (Technical) /APGENCO/V.S/Hyderabad for favor of information:

Copy to
The Superintending Engineer, CC-I, RTPP for favour of information
The Superintending Engineer (E&M), RTPP for favour of information

EE/C/PHCD/RTPP for taking necessary action.
Site incharge of M/s Tecpro Systems Ltd.
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

From
The Superintending Engineer,
Civil Circle-II/RTPP;
V.V. Reddy Nagar.

To
TECRO Systems Ltd,
Tech Pro Towers,11-A-17,
5th Cross Road,SIPCOT, IT-PARK
Siruseri,Chennai-603103.

Sub: RTPP - Stage-IV (1X600MW) - Slow Progress in the Boiler and ESP foundations,
Approach roads, Gate Complex etc - Attention is invited-Notice Issued-Reg.

Ref: 1. P.O.No.TCO-860/131/RTPP/IV/F-BOP/D.No.356/2010, Dt.15-12-2010
2. Lr.No.SE/CC-II/RTPP/F/T./D.No. 1324/12, Dt.09-07-2011.
4. Lr.No.SE/CC-II/RTPP/F/T./D.No.1604 /12, Dt.02-08-2012.

Sir,

Your attention is invited in the reference cited above, where in you are requested several times, the necessity to take up and complete the ESP & Boiler Foundations which are to be handed over to the M/s.BHEL for further progress of the work.

The excavation in the Boiler area was started on 28-06-2012 and it would have been completed with in two months as per our schedule i.e., on 30-08-2012. But you have extended the revised schedule for completing the Boiler foundations by 15-10-2012 and ESP Foundations by 15-11-2012 in 5th CCM on 30-08-2012. Even after lapse of two months of your revised schedule, instead of completion of work, you have once again changed your scheduled dates in 6th CCM on 26-09-2012. Finally you have once again change your commitment to complete the Boiler by 18-11-2012 & ESP foundations in all respects by 30-11-2012 in 7th CCM on 30-10-2012. But still the progress is not up to the mark as per your assurance.

Regarding gate complex, you have commenced the excavation on 21-09-2012 and also agreed to complete the columns up to the 1st floor on 30-11-2012. But even after lapse of two months of your commitment the progress is very negligible except by-laying of PCC for some footings only. The progress of the work in this regard is far behind as per schedule.

Regarding approach roads, you have requested to take up this work and also agreed to commence the work by 10-09-2012 in 5th CCM on 30-08-2012, as it is very convenient to approach the locations to be inspected and executed even in rainy season. Even after lapse of two months of your commitment, there is no activity initiated till today.

Regarding leveling & Grading of Switch yard area, you were requested several times to complete the work at the earliest as it has to be handed over to M/s.BHEL for further progress of work. After repeated pursuance, you have committed to complete leveling & grading of switch yard by 30-11-2012 in the 7th CCM on 30-10-2012. But, from that date onwards there is no activity started in this area.

Regarding storage sheds, as per your schedule you have to commence the work by 02-08-2012 which is an isolated item for taking up the work. Even after lapse of two months the initiation in this regard is NIL. Further you have not attended the comments by M/s. DESEIN for approval till today.
Regarding excavation of TG building, the drawings were approved for excavation and also agreed to commence the work on the first week of November. But there is no activity started in this regard. Mean while you are requested to submit the foundation drawings for TG building to avoid delay in further progress of work. But the same was not submitted so far.

Regarding structural work of TG Building, the structural steel of 9409.66MT out of 11000 MT was already received & stocked on 13-11-2011 at temporary storage yard and payment was made. But after lapse of one year, there is no further progress in the submission of drawings either in engineering or in fabrication in this regard. Further, it is observed that there is accumulation of silt on some of the structural steel plates due to the recent rains. It is to be cleaned and maintained with proper care for avoiding the damage due to rusting problems.

Regarding the entire Drainage system of plant, you are requested to submit the drawings in 6th CCM on 26-09-2012 and necessity to take up this work at the earliest for avoiding the probable damage to the execution of works at site, due to the flooding of water while unexpected rain occurs. But there is no Initiation taken place in this regard till today.

Further, you are very frequently slipping the scheduled dates on the completion of works as committed in the CCM’s by easy way. It is not at all appreciable for completion of the project, if not stick on the committed schedule dates, which leads to further problems. It is once again requested to stick on the completion of committed schedules for Boiler by 18-11-2012 & ESP foundations by 30-11-2012 in all respects. If you fail this time to complete the above as per our committed schedule, there is no other way to impose the penalty under LD clause as it is very essential to handed over the required fronts to the M/s.BHEL for further progress.

By observing all the above, your initiative in the progress of the work is not admirable. There is lot of fronts available for speed up the progress of works. But even lapse of 6 months from the date of soil investigation, you are still struggling to set right the things in groove. Because you are delaying in timely procuring of Sand, Cement and Steel etc. It is very painful for me to express such simple things that the work was hampered only for want of cement in the last three days at this critical juncture. Further the coordination between you and your consortium partners is also not giving any effect in speed up the progress of works.

At this juncture, with out much concentration of your attention, the progress of works may not be speed up. Due to lack of advanced planning either at site or in submission of drawings, the entire progress of the works may be badly hampered. The schedule of project was already delayed more than one year due to the so many reasons. Hence, you are once again requested to concentrate your attention & put your sincere efforts on the progress of the project and take up the all the works as per available fronts for avoiding further delay in completion of the project as per committed schedule.

Your early action may be appreciated in this regard.

Yours faithfully,

[Signature]

Superintending Engineer
Civil Circle-II/ RTPP.

Copy submitted to the Chief Engineer/Civil/Thermal/RTPP for favour of Information.
Copy submitted to the Chief Engineer/O&M/RTPP favour of Information.
Copy submitted to SE/Tech to Director (Technical)/APGENCO/VS/Hyd for favour of Information.
Copy to the Superintending Engineer/Civil Circle-I/RTPP for Information.
Copy to Executive Engineer/Civil/PHCD/RTPP for taking necessary action.
Copy to the site in charge/RTPP, M/s.TSL for taking necessary action.
In the said meeting, M/s Tecpro Systems Ltd., had agreed to re-conduct CBR tests of main approach roads through M/s DBM from 2-11-2012. But, the tests have not yet been commenced till to-date. Further, it was also agreed to complete the columns of gate complex upto 1st floor level by 30-11-2012. But till to date, only PCC for foundations are completed. You have agreed to mobilize 50-60 Nos of additional skilled labour for Fuel Oil System by 5-11-2012 and complete Dyke wall by 24-12-12. But, you have not mobilized the additional labour till to-date. The progress of all the works is only at snail's pace and has not improved.

Excavation work of Raw water reservoir was commenced on 10-11-12 and till-to-date about 3500 Cu.m is completed. The work is very slow due to insufficient number of tippers although two pociains were deployed.

M/s Tecpro Systems Ltd., have agreed to submit Ash pipeline routing drawing by 2-11-2012 and drawing of roads with drainage system by 15-11-2012. But, the same are yet to be received.

As per clause No. 5.8 of Volume-IV (Civil & Structural works) of Tender Specification # PCT /R1/2010-11- Construction Tools & materials Supplied by Contractor, the contractor has to establish two (2) batching plants invariably of capacities of 30 Cum/Hr and 60 Cum/Hr clarified at the time of Pre Bid queries. Hence, you have to establish two batching plants of 30 Cu.m and 60 Cum Capacities. But, so far you have established only one batching plant which is not working to its full capacity. Hence, you are requested to establish two more batching plants of 60 cum/hr and 30 cum/hr capacities with necessary pumping arrangements and sufficient length of pipeline immediately.

From the above, it can be inferred that M/s Tecpro Systems Ltd., are not keeping up the promises made and are miserably failing to achieve the required progress besides delay in submission of drawings. In every contract Co-ordination meeting, the dates committed to are not being adhered to and the same are being given for name sake only which is not expected from a firm of your stature. The same may be noted of.

Contd..P.3
From
The Superintending Engineer,
Ct. Circle-II,
R.T.P.P.,
V.V. REDDY NAGAR.

To
M/s. Tecpro Systems Limited,
Tecpro Towers, 11/A17,
5th Cross Road, SIPCT IT Park,
Siruseri, Chennai - 603 103.

// ATTN: SRI G. PALANI KUMAR / ED/M/s Techpro
Lr.No.S/E/CC-II/RTPP/IT/F.Tecpro/D./No.466/1/13/Dt. 2-3-02-2013

Sir,

Sub: RTPP - Stage-IV (1X600MW) - Slow Progress of BOP, Civil works - Concentration in completion of BOP civil works to avoid further delay in schedule of completion of the works - Requested.

Ref- 1. P.O.No. TCO-880/131/RTPP-IV/F.BOP/D.No.356/2010, Dt. 15-12-2010
2. Lr.No.S/E/CC-II/RTPP/IT/F.Tecpro/D./No. 1324 /12, Dt. 09-07-2012

***

It is to inform that as per clause No. 7 of Purchase Order 1st cited, all the works should be completed in advance to complete the contract in all respects duly satisfying all the requirements of performance of BOP within 30 months from the date of LOI.

Due to the various reasons, the commencement of project was delayed and finally the soil investigation in Power Block area of Stage IV was commenced on 14-03-2012. Even after lapse of 11 months, the overall progress of works relating to BOP Civil works at RTPP site is not appreciable.

Further, it is to inform that you are not able to abide on your committed dates on schedule of completion of all the activities taken up till today. In this regard, the following issues are once again brought forward to your notice in the deviation of committed dates.

1. Soil Investigation: The soil investigation in Power block was started on 14-03-2012 and agreed to complete on 05-05-2012 in 1st CCM held on 23-04-2012. But, the investigation was completed on 28-05-2012 and report was submitted on 30-06-2012 with a delay of 1.5 months as committed. But, as per clause No 4.0 of tender specification Vol.VI, the soil investigation report in all respects should be submitted within 30 days only.

2. Boiler Foundations: The Bhoomi Pooja was performed on 24-05-2012 and agreed to complete by 31-05-2012. But the excavation started on 28-06-2012 with a delay of 1 month and extended the commitment dates up to 6th CCM. Finally the foundations were completed by 31-12-12 with a delay of 6 months.

3. ESP foundations: M/s TSL agreed to complete on 31-07-2012 in 1st CCM, but started the excavation on 12-08-2012 and extended the commitment dates up to 6th CCM. Finally, once again extended to complete A & B passes by 31-12-12 and C & D passes by 31-01-2013 in the 6th CCM. But the progress is far behind the schedule at present.

4. Supply of Reinforcement Steel: M/s TSL agreed to procure 600 MT by 15-05-2012 and extended the dates by 07-07-2012 in the 3rd CCM and finally the consignment received at site on 26-07-2012 with a delay of 2 months.

5. Supply of Cement: M/s TSL agreed to procure the cement by 07-07-2012 and extended committed dates up to 31-08-2012 vide 5th CCM held on 30-08-2012 and received first consignment at site on 31-08-2012 with a delay of nearly 1 month.

6. Leveling & Grading in switch yard area: M/s TSL agreed to start on 26-05-2012 and extended the committed dates up to 10-12-2012 vide 8th CCM. But still it is under pending in handing Over to the M/s. BHEL in full shape. But, as per item 53 (b) of Annexure I of Purchase order cited, the area leveling and grading is to be completed within 3 months from the date of finalization of graded levels.

7. Storage sheds: Agreed to submit the programme by 26-05-2012 and extended the committed dates up to 03-09-2012 vide 5th CCM and further postponed starting the excavation on 05-11-2012 in the 7th CCM. But, still there is a pending at the stage of excavation.

AEE/5_g, EEE 26-2-2013
EE/PHCD/C.C.-II/RTPP

Endt.No. EE/C/PHCD/C.C.-II/RTPP/F.No. 1577 /D./No. 26-2-2013
8. Gate Complex: As an important one, the location for Gate Complex is finalized in 2nd CCM on 24-05-2012. M/s TSL agreed to take up the work immediately under security reasons and agreed to commence the excavation by 20-06-2012 in the 4th CCM and extended the dates up to 07-09-2012 in the 6th CCM. Finally, agreed to complete Gate complex up to 1st floor by 30-11-2012 in the 7th CCM. But, till today, the work is not even completed up to plinth level.

9. Approach Road: As a basic requirement for approaching to site, M/s TSL agreed to conduct CBR test and report will be submitted by 15-08-2012 in the 4th CCM and extended up to 10-12-12 in the 6th CCM. But the CBR tests were re-conducted on 04-12-12 with a delay of 4 months. Finally they were submitted test reports and the drawings are yet to be submitted.

10. Structural Steel for TG Building: The structural steel about 9,400 MT required for Power House Building was procured one year back. But, M/s Tecpro is not shown any further developments in submission of structural drawings for fabrication etc. even steel is going to be rusting.

11. T.G Raft foundation: M/s TSL agreed to submit the structural drawings by 08-11-12 in the 7th CCM and extended up to 15-12-2012 in the 8th CCM. After lapse of nearly 3 months, GA drawings were submitted and are yet to be approved.

12. Storm water Drains: As an important one, M/s TSL agreed to submit entire drainage system drawings in the 2nd CCM and extend dates up to 15-12-12 in the 6th CCM held on 29-11-2012. But, the layout for storm water system is submitted recently for approval.

13. Chimney: The excavation for raft foundation was completed long back. But, there is no further activity at Chimney area. After laps of three months, the drawings for Chimney were submitted during January 2013 and are yet to be got approved.

14. Ash Disposal Line Routing: M/s TSL agreed to Depute Team for survey by 05-11-2012 in the 7th CCM. But, till today there is no further progress in this regard.

The above strategy shows that, all the activities are simply postponing from the committed dates without putting any sincere efforts from your side. The concentration in planning and preparation of drawings and co ordination with your consortium partners is not up to the mark. Further, without concentration in completion of BOP civil works, the early supply of equipment, machinery and materials will not affect the early completion of the project.

In view of the above, you are once again requested to concentrate in completion of BOP civil works and also speedup the consortium partners in all respects and submit the revised work schedule for all aspects for avoiding further delay in handing over the front to the respective other agencies. Otherwise, the commissioning of project will be abnormally delayed which leads to so many other problems including imposing LD clause.

Your special attention is solicited in this regard.

Yours faithfully,

Superintending Engineer
Civil Circle-II/RTPP.

Copy submitted to:
The P.S. to Managing Director /APGENCO/V.S/Hyderabad for favor of information.
The SE/Technical to Director (Technical) /APGENCO/V.S/Hyderabad for favor of information.
The A.S. to Director (Projects) /APGENCO/V.S/Hyderabad for favor of information.
The Chief Engineer/Civil/Thermal/APGENCO/V.S/Hyderabad for favor of information.
The Chief Engineer/TPC-II/APGENCO/V.S/Hyderabad for favor of information.
The Chief Engineer/O&M/RTPP for favor of information.

Copy to the SE/CC-II/RTPP for information.
Copy to the SE/E&M/ RTPP for information.
Copy to the EE /PHCD/ RTPP for taking necessary action.
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

From
Chief Engineer/ Civil/ Thermal,
APGENCO, Vidyut Soudha,
Hyderabad - 500 082.

To
M/s. TECPRO Systems Ltd.,
Tecpro Towers,
11- A-17, 5th Cross Road,
SIPCOT, IT Park,
Siruseri,
Chennai - 603103.
Fax No. 044-47443011

//ATTENTION SRI GUHAN GANAPATHY, GM (Projects)- BoP//

Lr. No. CCR 21/ RTPP Stage-IV/F. Tecpro/D.No. 485/2012-13.Dt 12-3-2013

Sir,

Sub: APGENCO-RTPP Stage-IV (1x600 MW)-Slow progress of work-Reg

*****

Your attention is invited to the minutes of meeting held at RTPP site on 28-2-2013. M/s Tecpro agreed to commence balance leveling and grading in marshaling Yard from 1-3-2013 and complete the same in all respects by 30-4-2013. But, the work is not yet commenced. M/s Tecpro informed that they will receive approval of feasibility report of marshaling yard from railways by 1-3-2013 and communicate the same to APGENCO by 2-3-2013. But, the same is also yet to be received. Further, the progress of work is going on at snail's pace.

Till to date, only Boiler Foundations were handed over to M/s BHEL. The ESP foundations are yet to be completed. In the 9th CCM, it was agreed to hand over ESP foundations of 'A' & 'B' passes by 15-3-2013 and 'C' & 'D' by 31-3-2013.

The earth work excavation for Chimney foundation was completed long back. But, for want of drawings, the work could not proceed further. The earth work excavation for Cooling Tower was also commenced. But, due to want of drawings the work is held up. In the meeting held at Vidyut Soudha on 7-3-2013, the GA of Chimney and Raft drawings were finalized. It is requested to resume the Chimney construction works immediately. It was also agreed to submit the revised drawings of NDCT as per comments of M/s Desein on 12-3-2013 for final approval. Further, your consortium partner M/s Gammon agreed to depute their Consultant M/s Spectrum Design Engineers to M/s Desein Office on 15-3-2013 and 16-3-2013 for finalization of drawings of Cooling Tower. It is requested to ensure that the design engineers attend Desein office on the above two days for finalization of designs/drawings of Cooling Tower. Even though approved drawings are available, the Pretreatment Plant works are yet to be commenced.

Endt.No. EE/C/PHCD/CC-II/RTPP/F.No. 06/1/ D.No. 2/18 D 18-03-2013

Contd.. P.2

227/D/RTPP Stage IV/letter from 01-2012

Endt No.SE/CC-II/RTPP/T IF /D.No. 4397/1 Dt 18/03/13

E5/PHCD/C.C-II/RTPP
Though, the works of Gate complex and LDO & HFO tank civil works were commenced long back, they are going of snail's pace. Though the approved drawings are available, the work of Fuel Oil Unloading Pump House is yet to be commenced.

About 9300 MT's of Structural Steel was procured one year back. But, till to date, the structural Steel drawings are not submitted. The drawings of Power House foundations, Bunker House foundations, ID, FD & PA fans are yet to be submitted. The revised STG foundation drawings are yet to be submitted.

You are requested to bestow your personal attention and pull up your consortium partners to rise to the occasion in submission of drawings and arrange to commence the works on all fronts. You are also requested to mobilize additional labour and equipment immediately and improve the progress. Other wise panel action would be initiated as per terms and conditions of the contract.

Yours faithfully,

CHIEF ENGINEER/CIVIL/ THERMAL

Copy to the:

1. Chief Engineer/TPC-II/ APGENCO/ Vidyut Soudha/Hyderabad.
2. Chief Engineer/ O&M/ RTPP/ V.V. Reddy Nagar- 516 312, Y.S.R. Dist.
4. Superintending Engineer/ Civil Circle-II, RTPP, V.V. Reddy Nagar- 516 312, Y.S.R. Dist
BY FAX 044 47443011

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED

From
The Superintending Engineer,
Civil Circle-II,
R.T.P.P.,
V.V.REDDY NAGAR.

To
M/s. Tecpro Systems Limited,
Tecpro Towers, 11/A17,
5th Cross Road, SIPCT IT Park,
Siruseri, Chennai - 603 103.

Lr.No.SE/CC-II/RTPP/T/F.Tecpro./D.No. 173/11, Dt. 2 -04-2013.

Sir,

Sub:- RTPP - Stage-IV (1X600MW) –Request for approval of concreting with CRF - Delay in completion of ESP and TG works - Reg.

Ref:- 1. P.O.No. TCO-880/131/RTPP-IV/F.BOP/D.No.356/2010, Dt. 15-12-2010
2. Lr.No.SE/CC-II/RTPP/T/F.Tecpro./D.No. 1324 /12, Dt. 09 -07-2012,

Please refer to the letter 3rd cited addressed to the CE,TPC-II and copy communicated to the undersigned, wherein, you have requested to accord approval for proceeding with CRF (crushed rock fine) and informed that due to non availability of sand from quarries you will not be able to complete the ESP and TG building foundations as per schedule which will hugely affect the progress of work.

In this regard, it is to inform that M30 Mix design was obtained from JNTU, Hyderabad and the same was submitted to M/s Desin for approval. M/s Desin has approved under E-Category (information furnished noted) instead of A-Category (Approved/ proceeding for fabrication) since the size and percentage of particles in crusher dust (named as CRF) which is generated as a by-product, varies from quarry to quarry and also based on the manufacturing equipment and other factors. This type of material is utilized in concrete only at the extreme conditions by considering the quality of concrete when sand is not at all available under any circumstances for important works.

As discussed in 10th CCM for utilization of CRF in important works like ESP, chimney and TG foundations, we requested the consultants (M/s Desin) to clarify on the approval under category -E instead of Category -A for further proceedings. The reply is awaited for taking further action.

Regarding availability of sand, we have pursued rigorously and got approved from District Collector, Kadapa for lifting of 2,00,000 Cub sand from Gandikota reservoir area exclusively for Stage IV works. Further, sufficient sand is also available at site for the works of ESP foundations and gate complex which are only under progress at present. The rate of concreting for ESP and gate complex is not more than 10 Cum per day since last one month. With this type of progress, how much time will take for completion of entire project. The work is delayed only due to the poor planning and insufficient man power and not in-time submission of drawings etc. but not non-availability of sand or issue of CRF.
The APGENCO has not objected for utilization of CRF by maintaining the proper grading of particles as per relevant Code mentioned in the Mix design without differ in the quality of concrete. It is your right to utilize the suitable material in the construction as per specifications by keeping in view of long life of structure. Further, nobody from M/s TSL is approached properly and not insisted the issue either in the daily construction Meeting or in the work site except some casual requests.

It is regretted to bring your notice that your site team have not at all stick on the committed schedules even for one day programme by causing lot of inconvenience for other agencies for planning of their activities at so many occasions. You have developed habit of postponement of committed dates for completion of schedule of works at many occasions even in Minutes of CCM’s also. Instead of resolving the lapses at site for improving of progress, you are taking a stand on silly causes like permission of CRF even sufficient sand approval is available.

Hence, you are once again requested to bestow your attention on above issues and proceed as per specifications by mobilizing the required men and machinery to avoid further delay in schedule of works even for single day at least from now onwards.

Thanking you and assuring you of best cooperation at all times.

Yours faithfully,

Superintending Engineer
Civil Circle-II/RTPP.

Copy submitted to:
The Chief Engineer/Civil/Thermal/APGENCO/V.S/Hyderabad for favor of Information.
The Chief Engineer/TPC-II/APGENCO/V.S/Hyderabad for favour of Information.
The Chief Engineer/O&M/RTPP for favour of Information.
The SE/Technical to Director (Technical) /APGENCO/V.S/Hyderabad for favor of Information.

Copy to:
The Executive Director, M/s Desen Pvt. Ltd/Hyderabad for information and taking further action on the approval on clarity of utilization of CRF.
The EE/O/PHCD/RTPP for taking necessary.
The Site office of M/s Tecpro Systems Ltd.
From
The Superintending Engineer,
Civil Circle-II,
R.T.P.P.,
V.V. REDDY NAGAR.

To
M/s. Tecpro Systems Limited,
Tecpro Towers, 11/A17,
5th Cross Road, SIPCT IT Park,
Siruseri, Chennai - 603 103.

// ATTN: SRI PALANI KUMAR/

Lr.No.SE/CC-II/RTPP/TIF.Tecpro/D.No. 36/13, Dt. 8-04-2013,

Sir,

Sub:— RTPP - Stage-IV (1X600MW) — Slow Progress of BOP Civil works — Concentration in completion of BOP civil works to avoid further delay in schedule of completion of the works - Requested.

Ref:- 1. P.O.No. TCO-880/131/RTPP-IV/BOP/D.No.356/2010, Dt. 15-12-2010
2. Lr.No.SE/CC-II/RTPP/TIF.Tecpro/D.No. 1324 /12, Dt. 09 -07-2012
3. Lr.No.SE/CC-II/RTPP/TIF.Tecpro/D.No. 1442 /12, Dt. 17 -07-2012

Please refer to the letter 4th cited, wherein, it was requested to concentrate in completion of BOP civil works and also speedup the consortium partners in all respects for avoiding delay in commissioning of project which leads to so many other problems including imposing LD clause.

But, no improvement is observed at site for the last two months. During the 10th CCM held at RTPP, the progress of works was reviewed and it is regretted to inform that the progress is far behind the schedule.

Further, it is to inform that you are not able to abide on your agreed dates at the minutes of CCM. In this regard, the following issues are once again brought forward to your notice to speed-up the progress in all respects (including preparation & submission of drawings) for avoiding further delay in the schedule of completion of BOP works.

1. ESP foundations: M/s TSL agreed to handover C & D passes by 15-04-2013 in the 10th CCM. But, C&D passes are not yet handed over. The Sub contractor of BHEL mobilized men and equipment for erection of ESP and pressurizing to handover C&D passes in full shape at the earliest.

2. ESP Control Room: ESP control room construction is not yet commenced. It may also be noted that light-up of unit was delayed in other projects of APGENCO due to non-completion of ESP Control room. As it is a long lead activity and in order to avoid delay in commissioning as experienced in other projects, it is requested to commence the construction of ESP control room duly submitting the required drawings immediately.

3. Gate Complex: In view of security reasons, the gate complex is to be completed on top priority. After repeated extensions, finally agreed in the 10th CCM to complete the Gate complex in all respects by 05-08-2013. The progress of work is very slow and far behind as per the schedule. Further, the drawings of architectural wing walls up to compound wall constructed by APGENCO on both sides of gate complex are to be submitted for taken up and complete the work immediately for convenience to provide security round the clock.

4. Storage sheds: In the 7th CCM, it was agreed to start the excavation on 05-11-2012. But, it was started on 08-02-2013 and still there is a pending at the stage of excavation. PCC was laid only for one shed and there is no further progress even approved drawings are available.

5. TG Building and TG raft foundation: As it is a very important and bottle neck activity, the excavation was taken up at top priority. After vigorous pursuance the excavation for TG raft foundation was started on 09-04-2013 but stopped from 13-04-2013 onwards without proper reasons even approved drawing are available. It is requested to start the excavation without further delay and also arrangements made to lay raft concrete on or before30-04-20213.
6. Approach Road: As a basic requirement for approaching to site, at least one main approach road is to be laid immediately before onset of monsoon. In this regard, M/s TSL conducted CBR tests twice but M/s DESEIN requested to submit the process of strengthening the sub grade for the obtained low CBR value. But, M/s TSL again conducted CBR tests (third time) during March 2013 and as agreed in the 10th CCM to submit the CBR report by 09-04-2013 & road drawings by 17-04-2013. But, there is no action so far in this regard.

7. Structural Steel for TG Building: The structural steel about 9,400 MT required for Power House Building was procured one year back. M/s Tecpro agreed in 10th CCM to submit list of structural steel drawings by 02-04-2013. But, there is no further development in submission of structural drawings for fabrication etc. even steel is going to be rusting.

8. Storm Water Drains: As a important one and complete the work before onset of monsoon, M/s TSL agreed to submit entire drainage system drawings in the 2nd CCM and extend dates up to 15-12-12 in the 8th CCM held on 29-11-2012. But, the layout for storm water system is submitted recently for approval.

9. Chimney: The excavation and PCG was completed. M/s TSL agreed in the 10th CCM to submit the schedule by 04-04-2013. M/s TSL submitted schedule recently and it is requested to execute the work as per schedule of completion.

10. Ash handling plant: Even though the approved drawings are available for Silos and compressor house, the works are not commenced till now. M/s Tecpro is requested to take-up the work by mobilizing required men and material.

Even though more fronts are available with approved drawings, the civil contractors are not able to mobilize men & machinery for take up the works for avoiding further delay of project. Unless more concentration is to be shown on civil works, the commissioning of project will be delayed abnormally. Further, it is requested to setup one more batching plant of capacity 200 cubic hour in addition to the existing one is 20 cubic hour only, which is not sufficient to meet the requirement of RCC quantity of P.H. Building foundations & TG foundation works. The strength of available Engineers at site is not sufficient. Accordingly, list of engineering staff is to be submitted to the undersigned for approval.

In view of the above, you are once again requested to concentrate in completion of BOP civil works and also speedup the consortium partners in all respects by mobilizing required men and material for avoiding further delay in handing over the fronts to other agencies. Otherwise, the commissioning of project will be abnormally delayed which leads to so many other problems including imposing LD clause.

Your special attention is solicited in this regard.

Yours faithfully,

Superintending Engineer
Civil Circle-IRTPP

Copy submitted to

The P.S. to Managing Director IAPGENCO/V.S/Hyderabad for favor of Information.
The SE/Technical to Director (Technical) IAPGENCO/V.S/Hyderabad for favor of Information.
The A.S. to Director (Projects) IAPGENCO/V.S/Hyderabad for favor of Information.
The Chief Engineer/Civil/Thermal IAPGENCO/V.S/Hyderabad for favor of Information.
The Chief Engineer/TPC-II/IAPGENCO/V.S/Hyderabad for favor of Information.
The Chief Engineer/O&M/RTPP for favor of Information.
Copy to the SE/CC-IRTPP for Information.
Copy to the SE/E&M/RTPP for Information.
FROM
Chief Engineer/ Civil/ Thermal
APGENCO, Vidyut Soudha
Hyderabad - 500 082

TO
M/s. TECPRO Systems Ltd.,
Tecpro Towers,
11- A-17, 5th Cross Road,
SIPCOT, IT Park,
Siruseri,
Chennai - 603103.
Fax No. 044-47443011

//ATTENTION SRI GUHAN GANAPATHY, GM (Projects) - BoP//

Sr. No. CCR 21/ RTPP Stage-IV/F. Tecpro/D.No.32/2013-14 Dt / 4/2013

Sirs,

Sub: APGENCO-RTPP Stage-IV (1x600 MW)-Slow progress of work- Reg


2. Minutes of 10th Co-ordination meeting held at RTPP site.

***

Please refer to the letter cited above, wherein, it was requested to mobilize at least 500 Nos additional man power to tackle all the work fronts. But, no additional man Power is deployed till today.

M/s. Desen approved T.G. Raft and T.G. Building foundations drawings vide their letters dated. 20.04.2013. About 1017 MTs of various diameters of reinforcement steel is required. But it is regretted to inform that the steel required for work is not available at site and is yet to be procured. The foundation drawings of Cooling Tower were also approved. The required C.R. Steel is yet to be procured.

Further your attention is also requested to the minutes of 10th CCM where in you have agreed to complete the Gate complex by 5.08.2014. But the progress is very slow. At this rate of progress the work could not be completed by 5.8.2013. The Fuel Oil Pump House work is also progressing at snail’s pace.

M/s. Tecpro have agreed to commence excavation of track Hopper and Wagon Tippler and filling of marshalling Yard from 6-4-2013. But you have performed Bhoomi Puja on 20-4-2013 for Wagon Tippler excavation and no man power and equipment is deployed till todate. You have also agreed to submit CBR report by 09-04-2013 and revised road and drains drawings by 17-04-2013. But, you have not submitted the CBR report and revised road drawings till date.

Contd..P.2
M/s Tecpro have agreed to submit C.W.Pump House excavation drawing by 10-4-2013, Bunker House Foundations drawing by 15-4-2013, ESP Control Room Drawing by 20-4-2013 and Structural Steel drawings of STG Building from 15-4-2013. But, the same are not submitted till date.

M/s Tecpro has not yet finalized the structural Steel fabrication and erection agency. M/s Tecpro was also requested many times to establish 60 Cu.m capacity batching Plant as 20 Cu.m capacity batching plant established at site is not meeting the requirement. M/s Tecpro has promised to mobilize the same, but not mobilized till date.

The status of approval of feasibility report of marshalling Yard is not known.

You are therefore requested to bestow your personal attention and arrange to furnish drawings without any delay. You are also requested to deploy equipment and at least 500 Nos additional man power to tackle all the work fronts.

Urgent action is requested.

Yours faithfully,

[Signature]

CHIEF ENGINEER/CIVIL/ THERMAL

Copy to the:
1. Chief Engineer/TPC-II/APGENCO/Vidyut Soudha/Hyderabad.
2. Chief Engineer/ O&M/ RTPP/ V.V. Reddy Nagar- 516 312, Y.S.R. Dist.
4. Superintending Engineer/ Civil Circle-II, RTPP, V.V. Reddy Nagar- 516 312, Y.S.R. Dist.
5. SE /Tech to the Director Technical / APGENCO / Vidyut Soudha / Hyd.
6. Sri Hemasundar, Executive Director, M/s. DESEIN PVT LTD, 102, First Floor, 5-9-22, My Home Sarovar Plaza, Opposite Secretariat, Hyderabad 500 083.
From: The Chief Engineer, Thermal Projects Construction-II, APGENCO, Vidyut Soudha, Hyderabad-500 082.
Fax No. 040-2349 9299
Email ID: cetpcrtpp@gmail.com

To: M/s Tecpro Systems Limited, Tecpro Towers, 11-A17, 5th Cross Road, Silcot IT Park, Siruseri-603103, Chennai.
Ph No: 044-37474747, 47443000
Fax: 044-47443011
E-mail: proj.bop.rtpp@tecprosystems.com

Lr. No. CPP/132/RTPP IV/BOP/Tecpro Corres./D.No. 114/13, Dt. 21.06.2013
Sir,
Attn: Sri. G. Phalani Kumar, ED & Sri. V. Hari Prasad, ED

Sub.: RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.

Please refer to the Clause No. 7, Delivery/Completion Period, of the Purchase Order, read with amendments, cited above wherein it was specifically mentioned that all supplies shall be made in advance to complete the contract in all respects duly satisfying all the requirements of performance of each individual equipment/system within 30 months from the date of issue of Letter of Intent and as per Clause 2.3 of Vol.I of Specification. However contractor shall complete all individual equipment/systems covered under BOP scope matching the overall project schedule. In this regards, it is to inform that the works are moving with a very slow pace.

It is to also inform that M/s. Gammon India Limited, Mumbai, vide their letter addressed to M/s Tecpro Systems Limited, marked copies to the SE/Civil Circle – I and SE/Civil Circle – II, where in they have informed that since they have not received the payment against the RA Bills they are unable to make the payments to their suppliers. The suppliers in turn have come to the site and locked the office of M/s. Gammon India Limited and the works are stalled as the labour is not coming to the site. M/s. Gammon India Limited, has there by requested M/s Tecpro Systems Limited to look into the matter seriously and release the payments immediately. The works pertaining to the NDCT and Chimney are stalled and need to be resumed.

As we are aware that there is a grave power crisis in the state of Andhra Pradesh and in the event of any further delay in bringing the unit into service, APGENCO is answerable to the Govt. of Andhra Pradesh for the delay. In view of the above and since lot of time has already been mislaid, it is once again requested to look into the matter for early resolution, early...
commencement of works and to expedite the works of various packages in coordination with consortium partners for early completion of the project.

CC:
1. The Chief Engineer/O&M/RTPP V. V. Reddy Nagar- 516312/Kadapa Dist.
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S/Hyderabad - 500 082
3. The Superintending Engineer/E&M/RTPP-IV/ V.V. Reddy Nagar- 516312/Kadapa
4. The Superintending Engineer/CC-I/RTPP-IV/ V.V. Reddy Nagar- 516312/Kadapa
5. The Superintending Engineer/CC-II/RTPP-IV/ V.V. Reddy Nagar- 516312/Kadapa
From: The Chief Engineer, Thermal Projects Construction-II, APGENCO, Vidyut Soudha, Hyderabad-500 082.
Fax No. 040-2349 9299
Email ID: celpcrtpp@gmail.com

To: M/S Tecpro Systems Limited, Tecpro Towers, 11-A17, 5th Cross Road, SIPCOT IT Park, Siruseri-603103, Chennai.
Ph No: 044-37474747,47443000
Fax: 044-47443011.
E-mail: proj.bop.rtpp@tecprosystems.com

Lr. No. CPP/132/RTPP/IV/BOP/Tecpro Corres./D.No: 147/13, Dt: 07.07.2013

Sir,

Attn: Sri. G.Phalani Kumar, ED & Sri. V. Hari Prasad, ED

Sub:- RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.


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Please refer to the cited correspondence from RTPP site and this office in view of the poor progress of the works where in it was requested to commence the work and to expedite the works for early completion of the project. Also please refer to the minutes of the meeting of the 12th Contract Coordination Meeting held at RTPP site where in it was recorded that all the works will restart by the mid of June 2013.

In this regard, it is highly regretted to inform that the works have not commenced and M/s. Tecpro Systems Ltd., Chennai has failed to adhere to the commitment given during 12th Contract Coordination Meeting. Of late it is observed that M/s. Tecpro Systems Ltd., Chennai had been following the same tendency of committing to do certain works during meetings and tele-conversations and is not adhering to the commitments made, which cannot be appreciated.

It is learnt that certain works like excavation and reinforcement steel tying is in progress, but at a very slow pace. The same need to gain momentum with out which it would be very difficult to catch up with the completion schedule. Also it is learnt that there are certain issues pertaining to the payments which need to be resolved amongst M/s. Tecpro Systems Ltd., Chennai, the consortium partners and the sub vendors. And it
is understood that without settlement of the issues it would be difficult for heading forward with the construction activities.

It may not be out of place to inform that APGENCO was given to understand that the works have come to standstill position for want of cement and reinforcement steel. The works pertaining to TG Building, TG Deck, NDCT and Chimney have been completely stopped.

In respect of Chimney out of 6 segments concrete of raft foundation only one segment is completed. The date of completion of one segment (completed) is 30.05.2013 and the works were stopped later. The same need to be commenced immediately.

In view of the above, it is once again requested to look into the matter for early resolution, early commencement of works and to expedite the works of various packages in coordination with consortium partners for early completion of the project.

Since lot of time has already been lost and APGENCO keeping in view the grave crises in the power sector of Andhra Pradesh is committed to complete the project, requests M/s. Tecpro Systems Ltd., Chennai to commence the works immediately failing which action deemed fit will have to be initiated against M/s. Tecpro Systems Ltd., Chennai for not adhering to the completion schedule of the Purchase Order.

CC: 
1. The Chief Engineer/O&M/RTPP/V.V. Reddy Nagar- 516312/Kadapa Disl. 
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S./Hyderabad - 500 082. 
3. The Superintending Engineer/E&M/RTPP -IV/ V.V. Reddy Nagar- 516312/Kadapa 
4. The Superintending Engineer/CC-I/RTPP -IV/V.V. Reddy Nagar- 516312/Kadapa 
5. The Superintending Engineer/CC-II/RTPP -IV/V.V. Reddy Nagar- 516312/Kadapa
From: The Chief Engineer, Thermal Projects Construction-II, APGENCO, Vidyut Soudha, Hyderabad-500 082.
Fax No. 040-2349 9299
Email ID: cetpcrtp@apgenco.com

To: M/s Tecpro Systems Limited, Tecpro Towers, 11-A17, 5th Cross Road, SIPCOT IT Park, Siruseri-603103, Chennai.
Ph: 044-37474747, 47443000
Fax: 044-47443011.
E-mail: proj.bop.rtpp@tecprosystems.com

Sir,

Attn: Sri. G.Phalani Kumar, ED & Sri. V. Hari Prasad, ED

Sub:- RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.

2. Lr. No. SE/CC-I/RTPP/T/F/DNo.1655/13, Dt: 10.06.2013

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Please refer to the cited correspondence from RTPP site and this office in view of the poor progress of the works where in it was requested to commence the work and to expedite the works for early completion of the project.

In this regard, it is highly regretted to inform that in spite of regular correspondence from site and this office, neither any reply from your end nor any information regarding commencement of work is received to continue the further work.

In this connection, it is to inform that the Director Projects/APGENCO, during his visit on 20.07.2013 to RTPP site was informed that certain drawings enlisted below are not submitted and the same are essentially required.

- Hold released for balance 10 Nos. column foundations in TG area (A.B.C rows). Drawings are to be submitted by M/s. TSL.
- ESP control room drawing.
- Mill and Bunker bay including mills foundations drawings not received.
- PA & FD fan foundations.
- Boiler to ESP ducts foundations drawings.
- ID fan and duct between ID & Chimney foundation drawings.
- Transformer yard drawings.

- Earth mat drawings (earth mat should be completed before taking up the paving work at Boiler & ESP).
- Power House Columns fabrication and detailing drawings.

It is learnt that certain works like excavation and reinforcement steel tying pertaining to Water Systems, being carried out by M/s. VA Tech Wabag is in progress, but at a very slow pace. The same need to gain momentum with out which it would be very difficult to catch up with the completion schedule. Also it is learnt that the majority of works have come to standstill for want of cement and reinforcement steel. The works pertaining to TG Building, TG Deck, NDCT and Chimney have been completely stopped. The site-in-charge, staff, and labour of M/s. Gammon India Ltd. are not available at site and their site offices are locked.

As such the project is running behind schedule in spite of time extension, awarded from this office. In addition to the above it is also to inform that if the works of certain long lead packages like NDCT, Erection of Turbine and Chimney are not immediately commenced, the project will be delayed further. For completion of NDCT at least 26 months are required; 12 months are required for TG Deck and power House Building and after handing over TG Deck along with EOT Crane another 12 Months are required for Turbine Erection and 20 months are required for completion of Chimney. If the works are commenced immediately and the works continue without any further hindrance at least 20 to 22 months are required for completion of works.

In this regard, it is to inform that apart from levying penalty severe action will have to be initiated against M/s. Tecpro Systems Ltd., Chennai for not adhering to the completion schedule as stipulated in the terms and conditions of the purchase order in specific and tender specification in general.

In view of the above, it is once again requested for immediate intervention in this matter for commencement of works and expediting the works for catching up with the completion schedule of the project, failing which APGENCO will be forced to initiate suitable action against M/s. Tecpro Systems Ltd., Chennai.

Matter may be treated as the most urgent.

CC:
1. The Chief Engineer/O&M/RTPP/V.V. Reddy Nagar- 516312/Kadapa Dist.
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S./Hyderabad - 500 082
NOTICE

Attn: Sri. A.K. Bishnoi, CMD

Sub:- KTPP Stage-II Unit-2 (1x600MW) & RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Notice issued - Reg.

Ref: - 1. T.O. P.O. TMO 875, TCO 876, and TCO 877 all Dt: 25.11.2010.  

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Please refer to this office Purchase Orders 1st & 2nd cited above, placed for BOP Package for KTPP Stage-II and RTPP Stage-IV respectively. Also refer to this office correspondence regarding the poor progress of the works where in it was requested to commence and to expedite the works for early completion of the projects.

In this regard, it is highly regretted to inform that in spite of regular correspondence from this office, neither any reply from your end nor any information regarding restoration of the works, is received in this office.

The works pertaining to both the projects KTPP Stage-II and RTPP Stage-IV have come to standstill. It is learnt that the payments to the consortium partners and the sub-contractors are not being made by M/s. Tecpro Systems Ltd., Chennai, due to which the works have been stopped. Further it is also informed from the APGENCO site offices that works are stalled for want of cement and reinforcement steel.

It may be noted that both the projects are running behind schedule and if the works are not restored immediately, the projects will be delayed further. Since lot of time has already been lost and APGENCO keeping in view the grave crisis in the power sector of Andhra Pradesh is committed to complete the projects.
You are hereby requested to initiate immediate restoration of the works, failing which APGENCO will be forced to take up the works on its own and back charge the same to M/s. Tecpro Systems Ltd., Chennai, apart from initiating action deemed fit.

Matter may be treated as most urgent.

CHIEF ENGINEER/TPC-II
20/9/13
Lr. No. CPP/132/RTPP IV/BOP/Tecpro Corr./D.No: 165/13, Dt: 05.06.2013

Attn: Srl. Guhan Ganapathi, GM (Projects) - BOP

Sir,

Sub: - RTPP - Stage-IV, Unit-6 (1x600MW) - Balance of Plant - Poor Progress of works - Reg.

9. TSL/BOP/RTPP/APGENCO/FY13-14/030, Dt: 01.08.2013.

Please refer to your letter 9th cited wherein certain reasons which affected the progress of works were highlighted.

In this regard, the following is informed:

1. Extension of time for Coal Handling Plant:

   During the kick off meeting held on 01.12.2010, M/s. Tecpro Systems Ltd., Chennai was informed that land is available for CHP, FOPH and Marshaling Yard for commencing the leveling and grading works. The firm has commenced the work on 25.10.2011 and taken up only 50% of work and stopped the same in the month of 04/2012 even though the fronts were made available. Permission was granted to M/s. Tecpro Systems Ltd., Chennai on 12.01.2011 to start the Site survey and the survey work was commenced on 20/05.2011. Also M/s. Tecpro Systems Ltd was informed in the 1st Engineering meeting held on 10.05.2011, under pt(2) of Civil MOM that CHP area was handed over on 19.03.2011 and the same was accepted by the firm. In view of the above and since the delay is solely attributed to M/s. Tecpro Systems Ltd., Chennai, the request for approval for extension of time for Coal Handling Plant, FOPH and Marshaling yard is not acceptable to APGENCO. It may not be out of place.
to inform that since the delay in commencement of works pertaining to the BOP packages other than Coal Handling Plant, FOPH and Marshaling yard was not attributed to M/s. Tecpro Systems Ltd., Chennai an extension of time for a period of 16 months and 14 days was accepted and accordingly an amendment to the purchase order was issued vide this office letter dated 20.04.2013.

2. Clause "K":
Approval for Civil Broad Billing Breakup was issued on 21.05.2011 wherein clause "K" was mentioned, but non-acceptance of the clause was not informed to this office. Subsequently approval was accorded for detailed billing break up, vide this office letter dated 24.04.2013, duly incorporating clause "K" since the clause was already existing in the civil broad billing breakup. However the same was deleted based on the request made from M/s. Tecpro Systems Ltd., Chennai vide this office letter dated 27.05.2013.

3. Non-submission of the progressive bills:
The cash flow to the project was severely affected since the progressive bills were not submitted due to the decision taken by M/s. Tecpro Systems Ltd., Chennai and APGENCO cannot be held responsible for the company's financial position.

Also a conditional assurance given by M/s. Tecpro Systems Ltd., Chennai that the progress will be in the fast track once APGENCO awards extension of time for Coal Handling Plant and release of the withheld LD amount is highly regretted.

In this connection, it is to inform that the request for time extension for Coal Handling Plant is hereby rejected and it is requested for restoration of the works at RTPP site and completion of the project as per the terms and conditions of the purchase order.

In view of the above, it is once again requested to commence the works with immediate effect, failing which APGENCO will be forced to initiate suitable action against M/s. Tecpro Systems Ltd., Chennai.

Matter may be treated as the most urgent.

CHIEF ENGINEER/TP&DC

CC:
1. The Chief Engineer/O&M/RTPP/V.V. Reddy Nagar- 516312/Kadapa Dist.
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S/Hyderabad - 500 082
Lr. No. CPP/132/RTPP IV/BOP/Tecpro Corres./D.No: 186/13, Dt: 28.08.2013

Attn: Sri. G.Phaiani Kumar, ED & Sri. V. Hari Prasad, ED

Sr,

Sub:- RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.

Ref: -

Please refer to this office correspondence cited in reference above wherein it was requested to restore the works with immediate effect, failing which APGENCO will be forced to initiate suitable action against M/s. Tecpro Systems Ltd., Chennai.

In this regard, it is highly regretted to inform that in spite of regular correspondence from this office, there is no response from your end and such negligent behavior staged by the BOP contractor, M/s. Tecpro Systems Ltd., Chennai can not be imperceptible. The works are completely stopped since last 4 months and the works are yet to resume even on this day. It is brought to the understanding of APGENCO that the payments to the consortium partners and the sub-contractors are not being made by M/s. Tecpro Systems Ltd., Chennai, due to which the works have been stopped and the primarily required material like cement and reinforcement steel is also not available at site. It may be noted that the project is running behind schedule and if the works are not restored immediately, the project will be delayed further.

It may not be out of place to inform that the situation prevailing seems to be quite alarming to APGENCO and taking into consideration the power crisis prevailing in
Andhra Pradesh, APGENCO will be left with no other alternative other than initiating stringent action against the BOP contractor, M/s. Tecpro Systems Ltd., Chennai for not adhering to the terms and conditions of the Purchase Order and the Specification.

APGENCO treating this act as a breach of trust, will be forced to find alternatives for completing the project apart from initiating action against M/s. Tecpro Systems Ltd., Chennai such as encashment of the Bank Guarantees.

Matter may be treated as most serious.

CHIEF ENGINEER/ITPC-11

CC:
1. The Chief Engineer/O&M/RTPP/V.V. Reddy Nagar- 516312/Kadapa Dist.
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/N.S./Hyderabad - 500 082
Lr. No. CPP/132/RTPP IV/BOP/Tecpro Corres./D.No: 191/13, Dt: 04.09.2013

Attn: Sri. G. Phalani Kumar, ED & Sri. V. Hari Prasad, ED

Sir,

Sub:- RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.

Ref: -
10. TSL/BOP/RTPP/APGENCO/FY13-14/030, Dt: 01.08.2013.

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Please refer to this office letter 11th cited in reference above wherein it was informed that APGENCO will be left with no other alternative other than initiating stringent action against the BOP contractor, M/s. Tecpro Systems Ltd., Chennai for not adhering to the terms and conditions of the Purchase Order and the Specification. It was also informed that APGENCO treating this act as a breech of trust, will be forced to find alternatives for completing the project apart from initiating action against M/s. Tecpro Systems Ltd., Chennai such as encashment of the Bank Guarantees.

Also please refer to your letter 12th cited wherein it was informed that the payment to the Consortium Partners like M/s. Gammon India Limited & M/s. Indu Projects Limited are being arranged through LC Payments and about organizing certain quantity of cement duly assuring that the progress will be in a fast track to complete the project in time.

In this regard, it is to inform that your letter does not contain any dates or schedules as to when the payments are being arranged and when the material like cement is reaching the site. It is also to inform that APGENCO fails to understand as to how the progress will be in the fast track and how M/s. Tecpro Systems Ltd., Chennai will catch up with the schedule to complete
the project in time with 5000 bags (250MT) of cement alone.

In view of the above, it is requested to submit a tentative schedule of dispatch of material to RTPP site and recommencement of works, with in 3 days of receipt of this letter. However, it may not be out of place to inform that APGENCO is committed to complete the project and if M/s. Tecpro Systems Ltd., Chennai fails to adhere to the assurances given, APGENCO's exploration for alternatives for completion of the project will have to be sped up, apart from initiating action against M/s. Tecpro Systems Ltd., Chennai for breach of contract and trust.

Matter may be treated as most serious.

CC:
1. The Chief Engineer/O&M/RTPP/V.V. Reddy Nagar- 516312/Kadapa Dist.
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S./Hyderabad - 500 082
From:
The Chief Engineer,
Thermal Projects Construction-II,
APGENCO, Vidyut Soudha,
Hyderabad-500 082.
Fax No. 040-2349 9299
Email ID: cetpctcpp@gmail.com

To:
M/s Tecpro Systems Limited,
Tecpro Towers,11-A17,
5th Cross Road, SIPCOT IT Park,
Siruseni-603103,Chennai.
Ph No: 044-37474747,47443000
Fax: 044-47443011.
E-mail: proj.bop.rtpp@tecprosystems.com

Lr. No. CPP/132/RTPP IV/BOP/Tecpro Corres./D.No: 210/13, Dt: 25.09.2013

Notice

Sir,
Sub:- RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.
9. TSL/BOP/RTPP/APGENCO/FY13-14/030, Dt: 01.08.2013.

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Please refer to this office Purchase Order 1st cited above for Supply, Erection and Commissioning including Civil works of BOP Package for RTPP stage IV, Unit 6 (1X600MW). Also please refer to this office correspondence cited in reference above and regular tele­conversations had regarding poor progress of works at RTPP site.

In this regard, it is to inform that in spite of regular correspondence and telephonic conversation had with the Executive level officials of M/s. Tecpro Systems Ltd., Chennai regarding restoration of the RTPP site works, which have been stalled since last 3 to 4 months, neither any reply nor any information regarding commencement of work is received till date. It is also to inform that as per the terms and conditions of the-Purchase Order certain civil works and certain data for finalizing the drawings for the construction works which are in the scope of work of M/s. Tecpro Systems Ltd., Chennai need to be handed over to the BTG contractor, M/s. BHEL for carrying out various construction activities. But the same are not handed over as per schedule and the data is yet to be furnished to M/s. BHEL, due to which the progress of works at site, pertaining to M/s. BHEL is also getting hampered. As informed earlier that there is a grave power crisis in the state of Andhra Pradesh and in the event of delay in bringing the unit
into service, APGENCO is answerable to the Govt. of Andhra Pradesh for the delay.

In view of the above and since lot of time has already been mislaid, with lot of distress it is to inform that APGENCO is left with no other alternative other than initiating stringent action against the BOP Contractor, M/s. Tecpro Systems Ltd., Chennai for not adhering to the terms and conditions of the Purchase Order and the Specification. Although, such an act of breach of trust and contract is not expected from a reputed agency like M/s. Tecpro Systems Ltd., Chennai, APGENCO is forced to find alternatives for completing the project apart from initiating action against M/s. Tecpro Systems Ltd., Chennai. APGENCO intends to initiate action such as encashment of the Bank Guarantees, stoppage of all pending payments, black listing M/s. Tecpro Systems Ltd., Chennai under intimation of the performance to the power utilities in India.

M/s. Tecpro Systems Ltd., Chennai shall therefore furnish a rationalizing reply as to why action may not be initiated against M/s. Tecpro Systems Ltd., Chennai for breach of trust and contract and for not adhering to the terms and conditions of the Purchase Order and the Specification, well with in the stipulated time of 21 days from the date of issue of this letter. The reply shall invariably reach this office on or before the stipulated time and in the event of failure of receipt of the same, instant action will be initiated.

Matter may be treated as most serious.

CC:
1. The Chief Engineer/O&M/RTPP/V.V. Reddy Nagar- 516312/Kadapa Dist.
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S./Hyderabad- 500 082
From
The Superintendent Eng.,
Civil Circle-II,
R.T.P.P.
V.V.Reddy Nagar.

To
Ms. Tecpro Systems Limited,
Tecpro Towers, 11/A17,
5th Cross Road, SPIC IT Park,
Siruseri, Chennai - 603 103

Lr. No. SE/CC-II/RTPP/T/F/2.17 No. 153/2/13, Dt. 25-09-2013

Sir,

Sub:- RTPP - Stage-IV (1X600MW) - The Progress of BOP Civil works at RTPP runs at snail's pace and finally halted at present - Immediate action to be taken- Reg.


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It is to inform that as per purchase order cited above, all the works of BOP should be completed within 30 months from the date of LOI. Due to various reasons, the commencement of the project was delayed accordingly time extension period for completion of works was granted for 72 weeks in addition to LOI period for power block area. The half of extended period is also over, but the progress of BOP civil works of power block area at site is far behind the schedule and finally halted from the last two months.

Further, it is to inform that you are not able to abide by your agreed dates at the minutest of CCM. In this regard, the following issues are once again brought to your notice to speed up the progress in all aspects including preparation & submission of drawings for avoiding damage and delay in the schedule of completion of BOP civil works.

1. **Gate Complex**: In view of security reasons, the gate complex is to be completed on top priority. Even after repeated extensions, finally agreed in the 10th CCM to complete Gate Complex in all respects by 05-08-2013 but no work at site from 15-07-2013 to till date.

2. **TG Building**: As it is a very important activity in power block area, after vigorous pursuance, excavation for TG building completed. RCC for 36Nos & RCC for 27 Nos for TG building column foundations completed and casting was done on 10-07-2013. Finally no work at site from 10-07-2013 onwards due to non procurement of required quantity of cement, reinforcement steel, bolts & nuts and sleeves. In this regard, you are requested to mobilize required men & materials to complete balance column footings and total pedestals of A row, B row, C row, D row & E row of Power house Building columns and bring the structure up to ground level immediately to avoid rusting of reinforcement etc due to rain water. Otherwise the reinforcement steel will have to replace with fresh one.

3. **TG Raft**: As it is a very bottleneck activity, the PCC only completed on 22-05-2013 and work stopped due to lack of required reinforcement steel. After vigorous pursuance cutting & bending started on 21-06-2013, even after completion of 3 months the cutting & bending, placing & tying at site is completed 280 MT out of 524 MT. At present no work at all in TG from 10-09-2013 and only dewatering is going on. From the important activity point of view, you should complete TG raft immediately by procuring required reinforcement steel & cement other wise there is possibility of displacement & rusting of steel which is already tied at site due to monsoon rains and cleaning of reinforcement will be difficult. Hence, you are requested to take immediate steps to resume the work with a week days otherwise already tied reinforcement will be rusted and will have to replace with fresh one.

4. **Approach Roads**: The basic requirement for approaching at site at least one main approach road is to be laid immediately before completion of monsoon. But M/s TSL agreed in 10th CCM to submit road drawings by 17-04-2013 M/s and M/s TSL conducted CBR tests 3 times as site and no action so for in this regard for submission of road drawings till to date. In this regard you are requested to establish one hygienic & smooth main approach road for easy movement of men & machinery into plant area for other working contractors like M/s BHEL, M/s. Vatech Webug Ltd etc.
5. **Plant Drainage System:** Due to lack of proper drainage system in the plant area, the entire foundation trenches of TG building & TG raft trenches are submerged during recent rains and works are disturbed and finally no work at all due to stagnation of water and facing much difficulties to enter into all the working areas. In this regard you are requested to submit plant drainage system drawings and provide temporary drainage arrangement immediately for proper draining of rain water from entire plant area.

6. **Structural Steel for TG Building:** The structural steel about 9409 MT was procured for power house building one & half year back and stacked on low lying area. MV. TSL agreed in 10th CCM to submit list of structural steel drawings by 02-04-2013. But there is no further development for submission of drawings in this regard. Now, you are requested to shift the entire structural steel to your allocated fabrication yard area and stack properly otherwise the structural steel is going to get rusted and there is a possibility to replace with fresh one.

7. **Chimney:** RCC for base raft for 1st segment completed on 30-05-2013 and work stopped. There is no work at all at site from 30-05-2013. During monsoon, water is entering in to Chimney foundation trenches and you are requested to arrange proper dewatering as early as possible otherwise the steel is going to be rusted. It is requested to resume the work immediately otherwise the steel will get rusted and to be replaced with fresh one.

8. **Ash handling Plants:** Even though the approved drawings are available from 30-05-2013 onwards for silos and compressor house, these works are not yet commenced till now. MV. TSL is requested to take up the works by mobilizing the required men & materials. Even though more fronts are available with approved drawings, you are not showing any interests to mobilize men & materials and machinery to take up the works for avoiding further damage and delay of project.

   Now, you are requested to concentrate more at least on balance segment of chimney raft, column foundations for TG building and TG raft concreting by procuring required reinforcement steel, cement, Bolts & nuts and mobilize men & machinery immediately without delay. Otherwise the tied reinforcement of TG raft & TG column foundations raft is going to be rusted and the same will be replaced with fresh one.

   In view of the above, you are once again requested to concentrate in resume of BOP civil works and also to initiate the consortium partners in all aspects by mobilizing required men, materials & machinery for avoiding further delay in handing over the fronts to other agencies otherwise the commissioning of project will be abnormally delayed which leads to so many other issues like imposing LD.

Yours faithfully,

Superintending Engineer
Civil Circle-II/RTPP.

Copy submitted to:
The P.S. to Managing Director /APGENCO/V.S./Hyderabad for favor of information.
The SE/Technical to Director (Technical) /APGENCO/V.S./Hyderabad for favor of information.
The A.S. to Director (Projects) /APGENCO/V.S./Hyderabad for favor of information.
The Chief Engineer/Civil/Thermal/APGENCO/V.S./Hyderabad for favor of information.
The Chief Engineer/TPC-II/APGENCO/V.S./Hyderabad for favor of information.
The Chief Engineer (O&M), RTPP for favor of information.

Copy to the EE /PHCD/ RTPP for taking necessary action.
Copy to RCM, M/s Tecpro at RTPP site for necessary action.
From: The Chief Engineer,
Thermal Projects Construction-II,
APGENCO, Vidyut Soudha,
Hyderabad-500 082
Fax No. 040-2349 9299
Email ID: cefpcrtpp@gmail.com

To: M/s Tecpro Systems Limited
Tecpro Towers,11-A17,
5th Cross Road, SIPCOT IT Park,
Siruseri-603103, Chennai.
Ph No. 044-37474747, 47443000
Fax: 044-47443011
Email: proj.bop.tpp@tecprosystems.com

Lr. No. CPP/132/RTPP/IV/BOP/Tecpro Corres./D.No: 294/13, Dt: 01.10.2013

Sir,

Sub:- RTPP - Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.


Please refer to this office Purchase Order 1st cited above for Supply, Erection and Commissioning including Civil works for BOP Package for RTPP stage IV, Unit 6 (1x600MW). Also please refer to RTPP site office correspondence cited 17th above wherein it was requested to concentrate in resuming the BOP works. (A copy of the letter is here with enclosed for ready reference)

In this regard, it is requested to take necessary action immediately. It is also requested to furnish a tentative schedule for completion of the various packages mentioned in the letter.

Matter may be treated urgent.

CC:
1. The Chief Engineer/O&M/RTPP/V. Reddy Nagar- 516312/Kadapa Dist.
2. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S/Hyderabad - 500 082

CHIEF ENGINEER (T/P-11)
01/10/13
Notice - 2

Sr. No. CPP/132/RTPP/IV/BOP/Tecpro Corres./D.No: 240/13, Dt: 08.11.2013

Sir,

Sub: RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.

10. Lr. No. TSL/BOP/RTPP/APGENCO/FY13-14/030, Dt: 01.08.2013.

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Please refer to your letter 18th cited wherein certain reasons which affected the progress of works were highlighted.

In this regard, the following is informed:

1. Please refer to this office letter 10th cited above wherein it was informed that the request for time extension for Coal Handling Plant was rejected. It may please be recalled that during the kick off meeting held on 01.12.2010, M/s. Tecpro Systems Ltd., Chennai was informed that land is available for CHP, FOPH and Marshaling Yard for commencing the leveling and grading works. The firm has commenced the work on 25.10.2011 and taken up only 50% of work and stopped the same in the month of 04/2012 even though the fronts were made available. Permission was granted to M/s. Tecpro Systems Ltd., Chennai on 12.01.2011 to start the Site survey and the survey work was commenced on 20/28.05.2011. Also M/s. Tecpro Systems Ltd was informed in the 1st Engineering meeting held on 10.05.2011, under pt(2) of Civil MOM that CHP
area was handed over on 19.03.2011 and the same was accepted by the firm. Also, during the kickoff meeting APGENCO requested M/s. Tecpro Systems Ltd., Chennai to furnish tentative dates for commencement and completion of soil investigation and a schedule for conducting geo-technical investigation and the contractor accepted to furnish bore hole location drawing by 04.12.2010. The soil investigation work was commenced on 02.05.2011 in CHP area and was stopped on 07.07.2011. However, the work was completed before end of July 2011 but the engineering of CHP has not been completed till to date.

2. The contention that the engineering of CHP was delayed due to delayed approval of the drawings is not correct. In this regard it is to inform that had M/s. Tecpro Systems Ltd., Chennai taken up the works as per the schedule the delay could have been minimized. Also it is to inform that had the drawings been submitted with in scheduled time and had the engineering wing of M/s. Tecpro Systems Ltd., Chennai worked well while preparing the drawings duty avoiding mistakes, frequent revisions could have been avoided. Also it may be noted that approval of Marshaling yard from south central railway is very essential for going ahead with the CHP works and the same is not obtained by M/s. Tecpro Systems Ltd., Chennai till to date. In view of the above and since the delay is solely attributed to M/s. Tecpro Systems Ltd., Chennai, the request for approval for extension of time for Coal Handling Plant, FOPH and Marshaling yard is not acceptable to APGENCO. It may not be out of place to inform that since the delay in commencement of works pertaining to the BOP packages other than Coal Handling Plant, FOPH and Marshaling yard was not attributed to M/s. Tecpro Systems Ltd., Chennai an extension of time for a period of 16 months and 14 days was accepted and accordingly an amendment to the purchase order was issued vide this office letter dated 20.04.2013. However, once again it is to inform that your appeal for extension of time for CHP is hereby rejected.

3. During kickoff meeting and first Engineering meeting held at Vidyut Soudha on 01.12.2010 and 10.05.2011 respectively APGENCO requested M/s. Tecpro Systems Ltd., Chennai to finalize the layout of Marshaling Yard under consultation with M/s. RITES. Although M/s. Tecpro Systems Ltd., Chennai accepted to finalize the same by 11.05.2011 the consultancy with RITES was finalized on 25.08.2011 and the feasibility report (Rev.0) was submitted on 20.03.2012. Several meetings were conducted at Vidyut Soudha for discussions on incorporation of certain points and after various revisions the feasibility report was submitted by M/s. Tecpro Systems Ltd., Chennai on 25.10.2012. M/s. Tecpro Systems Ltd., Chennai was requested to obtain approval from south central railway authorities. The approval for the same is not obtained till to date. As per the terms and conditions of the purchase order and the tender specification it is the responsibility of the contractor to get required approvals from the competent authorities. The delay in obtaining approvals from the South Central Railway is solely attributed to M/s. Tecpro Systems Ltd., Chennai. Proper follow up and timely persuasion from your end could have helped in achieving the required
approvals.

4. Time and again APGENCO had been informing M/s. Tecpro Systems Ltd., Chennai that as per the terms and conditions of the Purchase Order 1st cited above the prices are FIRM during the contract execution period and shall not be subject to any variation on account of material or labour on any grounds. It is also to inform that repeated requests for the already replied issues like price escalation shall not be entertained henceforth.

The points raised by M/s. Tecpro Systems Ltd., Chennai regarding delay in handing over of site for CHP, Marshaling Yard, FOPH and dozer shed area are baseless. Even after completion of 2 years from the commencement of leveling and grading of Coal Handling plant area, M/s. Tecpro Systems Ltd., Chennai has not yet completed the leveling and grading in full shape.

Please refer to this office notice cited 16th above wherein it was informed that M/s. Tecpro Systems Ltd., Chennai shall furnish a rationalizing reply as to why action may not be initiated against M/s. Tecpro Systems Ltd., Chennai for breech of trust and contract and for not adhering to the terms and conditions of the Purchase Order and the Specification, well with in the stipulated time of 21 days from the date of issue of this letter. The reply shall invariably reach this office on or before the stipulated time and in the event of failure of receipt of the same, instant action will be initiated.

In this regard, it is to bring to the understanding of M/s. Tecpro Systems Ltd., Chennai that in the letter dated 04.10.2013 and mailed on 08.10.2013, there was neither any mention of restoration of works at site nor any mention of tentative program/Schedule for going ahead with the construction activity. It may not be out of place to mention that APGENCO was brought to the understanding, through certain letters received from your Consortium partners and the Sub-vendors, that M/s. Tecpro Systems Ltd., Chennai is running through some financial crunch and in spite of receiving regular payments from APGENCO, is unable to make the payments to the Consortium partners and the Sub-vendors, which has resulted in stalling of the works in RTPP site.

It is highly regretted to inform that the reasons for stalling of works at site, as mentioned by M/s. Tecpro Systems Ltd., Chennai, do not seem to be justified. The problem is else where and M/s. Tecpro Systems Ltd., Chennai is trying to creep away from the responsibility, duly presenting untenable reasons, which are not acceptable to APGENCO.

In view of the above and since lot of time has already been lost, with lot of anguish it is to inform that APGENCO will be left with no other alternative other than initiating stringent action against the BOP Contractor, M/s. Tecpro Systems Ltd., Chennai.

In spite of the above, APGENCO is still considerate enough to provide a further period of 15 days from the date of issue of this letter for submission of a justified reply as to why action may not be initiated against M/s. Tecpro Systems Ltd., Chennai for breech of trust and contract and for not adhering to the terms and conditions of the Purchase Order and the Specification and in the event of non-receipt of a coherent reply the Bank Guarantees shall be en-cashed, the pending payments shall be stopped and M/s. Tecpro Systems Ltd., Chennai
shall be black listed under intimation of the performance to the power utilities in India.

Matter may be treated as the most urgent.

CC:
1. PS to Managing Director/APGENCO/VS/Hyderabad.
2. AS to Director (Projects)/APGENCO/VS/Hyderabad.
3. Dy.CCA to Director (Finance)/APGENCO/VS/Hyderabad.
4. The Chief Engineer/O&M/RTPP/V. V. Reddy Nagar - 516312/Kadapa Dist.
5. The Chief Engineer/Civil/Thermal/APGENCO/2nd Floor/V.S/Hyderabad - 500 082
APGENCO Rayalaseema Thermal Power Project Stage IV, Unit – 6 (1x600MW)
Balance of Plant

Minutes of Meeting held at Vidyut Soudha on 03.12.2013 between APGENCO and Tecpro System Ltd along with the consortium partners.

Members Present

APGENCO

Sri. K. Vijayanand
Sri. C. Redhakrishna
Sri. M. Seshi Venkata
Sri. K. Reidaboopu
Sri. R. Revinad Kumar
Sri. T. Narayana
Sri. G Prabhaker
Sri. B. Hema Sundar (Desgin)

Tecpro consortium

Sri. A. K. Bishnoi (TSL)
Sri. G. Phatami Kumar (TSL)
Sri. Rajiv Milal (VATech)
Sri. R. B. Sainani (Gammon)
Sri. A. B. Desai (Gammon)
Sri. Uday Praveen (GIL)
Sri. Bhaskar Reddy (IPL)
Sri. Bharat Reddy (IPL)
Sri. Rangan (Flithner)
Sri. D K Gupta (Gammon)

APGENCO expressed unhappiness over abrupt stoppage of BOP works since June 2013 at site by the consortium.

1. Tecpro consortium raised two issues for early restoration and completion of the BOP works:
   a) Time extension of 24 months from today, i.e., 03.12.2013.
   b) Cost over run and price escalation due to delay in handling over of site to BOP contractor.

2. APGENCO suggested to compress the completion period so that the Unit synchronization is achieved by March 2016. Tecpro consortium assured that they will be able to complete the work by August 2015 as best effort schedule and will submit a detailed schedule for achieving the same. The schedule shall be submitted by 09.12.2013.
   - Tecpro agreed to hand over the TG Deck along with 5 bays of TG Building with floors and 125 T EOT Crane in 8 months i.e., by end of July 2014 for TG erection.
   - Coal handling system along with marshalling yard will be completed in 18 months.
   - NDCT will be completed by August 2015.
3. The consortium have requested for price escalation since handing over of site was delayed by 16 months. APGENCO has directed them to submit a detailed proposal regarding price escalation with due justification for examination as per agreement.

4. APGENCO requested the consortium to post senior personnel at site from each organization to monitor the progress at site and interact with APGENCO.

5. Consortium requested for direct payments as per BBU in respect of supplies and services. The payments will be made as per BBU to the vendors proposed by the consortium partners. They will submit a proposal to APGENCO for consideration APGENCO assured that the proposal will be examined.

APGENCO DESEIN TECPRO SYSTEMS LTD.

VATECH WABAG GAMMON INDIA LTD INDU PROJECTS LTD

FITCNER

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TECPRO SYSTEMS LIMITED
RAYALASEEMA THERMAL POWER PROJECT
STAGE - IV, UNIT #6, (1 X 600 MW), KADAPA
SCHEDULE FOR COMPLETION OF WORKS

<table>
<thead>
<tr>
<th>S No.</th>
<th>DESCRIPTION</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Raw Water System - Civil works</td>
<td>Sep-14</td>
</tr>
<tr>
<td>2</td>
<td>Raw Water Pump House</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Pre-Treatment Plant - Civil works</td>
<td>Sep-14</td>
</tr>
<tr>
<td>4</td>
<td>CW system</td>
<td>Dec-14</td>
</tr>
<tr>
<td>5</td>
<td>DM Plant system</td>
<td>Aug-14</td>
</tr>
<tr>
<td>6</td>
<td>CPU Systems</td>
<td>Feb-15</td>
</tr>
<tr>
<td>7</td>
<td>ETP Systems</td>
<td>Jan-15</td>
</tr>
<tr>
<td>8</td>
<td>Piping - Civil works</td>
<td>Sep-14</td>
</tr>
<tr>
<td>9</td>
<td>Pipe rack - Civil works</td>
<td>Oct-14</td>
</tr>
<tr>
<td>10</td>
<td>Turbine Building</td>
<td>Sep-14</td>
</tr>
<tr>
<td>11</td>
<td>TG Deck</td>
<td>JUN-14 and further requested to minimise the completion time</td>
</tr>
<tr>
<td>12</td>
<td>Mill &amp; Bunker foundations</td>
<td>Jul-14</td>
</tr>
<tr>
<td>13</td>
<td>ESP Control Room</td>
<td>Dec-14</td>
</tr>
<tr>
<td>14</td>
<td>ID, FD, PA Fan Foundations</td>
<td>Sep-14</td>
</tr>
<tr>
<td>15</td>
<td>Fuel Oil Pumping System</td>
<td>Aug-14</td>
</tr>
<tr>
<td>16</td>
<td>Transformer Yard</td>
<td>Aug-14</td>
</tr>
<tr>
<td>17</td>
<td>CHP - Track Hopper complex</td>
<td>Feb-15</td>
</tr>
<tr>
<td>18</td>
<td>Wagon Tippler Complex</td>
<td>Feb-15</td>
</tr>
<tr>
<td>19</td>
<td>Conveyor, Crusher House, Stacker reclaimer, etc.m</td>
<td>Nov-14</td>
</tr>
<tr>
<td>20</td>
<td>Ash Handling System Including HCSD Pump House</td>
<td>Nov-14</td>
</tr>
<tr>
<td>21</td>
<td>Ash Silos - Civil works</td>
<td>Apr-15</td>
</tr>
<tr>
<td>22</td>
<td>Mill Reject System - Civil works</td>
<td>Dec-14</td>
</tr>
<tr>
<td>23</td>
<td>Air Washer, compressor house &amp; DG Building</td>
<td>Nov-14</td>
</tr>
<tr>
<td>24</td>
<td>Paving &amp; Trenches</td>
<td>Apr-15</td>
</tr>
<tr>
<td>25</td>
<td>Gate Complex</td>
<td>Mar-14</td>
</tr>
<tr>
<td>26</td>
<td>Parking Shed</td>
<td>Jan-15</td>
</tr>
<tr>
<td>27</td>
<td>Canteen Building</td>
<td>Feb-15</td>
</tr>
<tr>
<td>28</td>
<td>Service Building</td>
<td>Jul-15</td>
</tr>
<tr>
<td>29</td>
<td>Levelling &amp; Grading</td>
<td>Jun-14</td>
</tr>
<tr>
<td>30</td>
<td>Marshalling yard</td>
<td>Jun-15</td>
</tr>
<tr>
<td>31</td>
<td>Dozer Shed</td>
<td>Apr-15</td>
</tr>
<tr>
<td>32</td>
<td>Misc. Finishing &amp; Debris Cleaning</td>
<td>Aug-15</td>
</tr>
</tbody>
</table>
TECPRO SYSTEMS LIMITED
RAYALASEEMA THERMAL POWER PROJECT
STAGE - IV, UNIT #6, (1 X 600 MW), KADAPA
SCHEDULE FOR COMPLETION OF WORKS

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<td>Pre Treatment Plant</td>
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<td>ACW System</td>
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</tr>
<tr>
<td>5</td>
<td>CW Pump House</td>
<td>May-15</td>
</tr>
<tr>
<td>6</td>
<td>Compressed Air System</td>
<td>4/20/2015</td>
</tr>
<tr>
<td>7</td>
<td>Cooling Tower (NDCT)</td>
<td>Jul-15</td>
</tr>
<tr>
<td>8</td>
<td>Chimney</td>
<td>4/20/2015</td>
</tr>
<tr>
<td>9</td>
<td>Fire Detection, Alarm &amp; Protection System</td>
<td>Apr-15</td>
</tr>
<tr>
<td>10</td>
<td>Coal Handling System</td>
<td>Jul-15</td>
</tr>
<tr>
<td>11</td>
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</tr>
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<td>13</td>
<td>Air Conditioning System</td>
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</tr>
<tr>
<td>14</td>
<td>Ventilation System</td>
<td>Jul-15</td>
</tr>
<tr>
<td>15</td>
<td>Control &amp; Instrumentation System</td>
<td>Apr-15</td>
</tr>
<tr>
<td>16</td>
<td>TG Deck</td>
<td>Jul-14</td>
</tr>
<tr>
<td>17</td>
<td>TG Building</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 Bays with EOT should complete at the time of TG Deck completion.</td>
</tr>
<tr>
<td>18</td>
<td>ID/FD/PA/ Seal Air Fan Foundation Civil Works</td>
<td>Sep-14</td>
</tr>
<tr>
<td>19</td>
<td>Bunker Bay Building</td>
<td>Apr-15</td>
</tr>
<tr>
<td>20</td>
<td>Mill Building</td>
<td>Apr-15</td>
</tr>
<tr>
<td>21</td>
<td>Transformer yard</td>
<td>Feb-15</td>
</tr>
</tbody>
</table>

Boiler Light Up 30.04.2015
Unit Synchronisation 31.07.2015
Commercial Operation Date 31.08.2015
APGENCO expressed dissatisfaction over the poor progress of the BoP Works both at KTPP Stage-II and RTPP Stage-IV. M/s. Tecpro Systems limited, Chennai and their Consortium Partners informed that they are committed to carry forward both the Projects. The Managing Director/APGENCO has informed that the APGENCO Board has authorized the Managing Director to change the Consortium Leader, if necessary.

During the discussions M/s. Tecpro Systems limited, Chennai and their Consortium Partners raised the following issues to complete both the Projects without any further delay.

1. They requested for Extension of Time without levying LD for both the Projects as they have cash flow problem.
2. Waiver of Interest on Advance during April, 2013 to November, 2013 in case of KTPP Stage-II
3. Waiver of Interest on Advance during October 2010 to March 2012 and Price Escalation in case of RTPP Stage-IV.
4. In case of KTPP Stage-II, to make Direct Payment to the Consortium Partners and Sub-Contractors as per the approved BBU for the respective supplies/works executed.

5. KTPP Stage-II extension of Time shall be granted as per revised schedule to be finalized on 17.02.2014. The Consortium also requested for non-levy of Intermediate milestone LD.

The above issues were discussed at length and the following were resolved:

1. The request of M/s. Tecpro Systems Ltd., Chennai and their Consortium Partners for extension of Time without LD, waiver of milestone LDs and release of already recovered LDs and interest waiver on advance for both KTPP-II & RTPP-IV and Price escalation for RTPP Stage-IV will be examined by APGENCO.

2. M/s. Tecpro Systems Ltd., Chennai and its Consortium Partners shall furnish revised Project completion Schedules in consultation with APGENCO on 17.02.2014. The Revised Schedule shall be signed by all the Consortium Partners. All the Consortium Partners shall strictly adhere to the Schedule. The Progress of works will be reviewed in the Monthly Co-ordination Meetings. APGENCO shall also review the Progress of Works in the meeting with the Management Level officials of M/s. Tecpro Systems Ltd., Chennai and Consortium Partners, once in every Two months. If at any stage, it is felt by APGENCO that the progress of works is poor, APGENCO will initiate action deemed fit as per the terms and conditions of the Purchase Order, without any consultation meeting with M/s. Tecpro Systems Ltd., Chennai and Consortium Partners.

3. Regarding release of Payments of the bills, the progress of works will be reviewed on 14.03.2014 and upon satisfactory progress, the payments shall be released. The time extension on both KTPP-II & RTPP-IV will be examined without imposing LD.
From:
The Chief Engineer,
Thermal Projects Construction-II,
APGENCO, Vidyut Soudha,
Hyderabad-500 082.
Fax No. 040-2349 9269.
Email ID: cetpcrtpp@gmail.com

To:
The Chief Engineer,
Operation & Maintenance,
RTPP, V.V. Reddy Nagar,
Kadapa – 516 312.
Fax No. 08563 – 232 102, 232301, 232145

Sir,
Sub:- RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Break up of payments to be made directly to the consortium partners and sub Contractors/Vendors MOM and schedule of completion of works - Transmitted - Reg.


****

Please refer to the letter 2nd cited where in M/s. Tecpro Systems Ltd., Chennai has requested for direct payments to the consortium partners and sub Contractors/Vendors duly enclosing in annexure providing the break up of the payments to be made. (A copy of letter from M/s. Tecpro Systems Ltd., Chennai along with the annexure is here with enclosed for ready reference).

In this regard it is also to inform that during a meeting between APGENCO and M/s. Tecpro Systems Ltd., Chennai along with their consortium partners, held on 15.02.2014, the BOP contractor had accepted to show progress in certain areas and a schedule of completion of works was given to APGENCO. (A copy of the same is here with enclosed for ready reference) It was also agreed upon that regarding release of payments of the bills, the progress of the works will be reviewed on 14.03.2014 and upon satisfactory progress, the payments shall be released and if at any stage, it is felt by APGENCO that the progress of the works is poor, APGENCO will initiate action deemed fit as per the terms and conditions of the Purchase Order with out any consultation meeting with M/s. Tecpro Systems Ltd., Chennai and consortium partners (A copy of the MOM is here with enclosed for ready reference).

This is for favour of information and for taking further necessary action.

Encl: As above.

Chief Engineer/TPC-II: 6/3/14
1. The Chief Engineer/Civil/Thermal/APGENCO/VS/Hyd-82.
2. The Superintending Engineer/E&M-I/RTPP -IV/V.V. Reddy Nagar- 516312/Kadapa Dist.
3. The Superintending Engineer/E&M-II/RTPP -IV/V.V. Reddy Nagar- 516312/Kadapa Dist.
4. The Superintending Engineer/CC-I/RTPP -IV/V.V. Reddy Nagar- 516312/Kadapa Dist.
5. The Superintending Engineer/CC-II/RTPP -IV/V.V. Reddy Nagar- 516312/Kadapa Dist.
7. The FA & CCA (Resources)/APGENCO/VS/Hyderabad.
Sr.,

Sub: RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.

3. Minutes of Meeting held at Krishnapatnam, Nellore on 29.03.2014.

It may be recalled that M/s Tecpro Systems Ltd, Chennai and consortium partners have stalled all the works at RTPP site for almost more than one year due to some financial problems. As per the request of all the consortium partners, certain issues were considered in order to enable the BOP Contractor to restore the works in RTPP Site.

In this regard, it is to inform that as per request of all the consortium partners, the following issues were considered for approval.

1) Direct payments to the consortium partners, Sub Contractors/Vendors who were working in the RTPP site.
2) Payments were released on Priority.
3) Time Extension without Penalty.
4) Change of consortium leader from M/s Tecpro Systems Ltd, Chennai to M/s Vatech WABAG Ltd.

In spite of the considerate attitude articulated by APGENCO while according approvals for the above mentioned requests made, the BOP Contractor is not adhering to the assurances & promises made during the meetings held for resolving the issues and to take the project ahead.

M/s Tecpro Systems Ltd, Chennai and its consortium partners have agreed to take up certain works immediately apart from taking up of the works as per the mutually agreed schedules of completion of works, which are as follows:

1. To complete the entire scope of BOP works by August, 2015.
2. To hand over the TG Deck along with 5 Bays of TG Building with floors and 125 T EOT crane by the end of July 2014 for TG Erection.
3. To complete the CHP along with Marshalling Yard by July-2015.
4. To complete the NDCT by July-2015.
Further, it is highly regretted to inform that certain issues, which were stipulated below, need to be attended to, on priority, but, the BOP Contractor does not seem to be earnest:

- The batching plant of Gammon India Ltd, Mumbai is out of order since long time and not repaired till to date. The representatives of M/s. Gammon India Ltd., had been making all false promises that the batching plant will be repaired in 3-4 days since last few months, but it is not repaired till to date. It is very unfortunate to inform that the concreting works are not being taken up for want of batching plant.
- The strength of the labour in the site is very meager. The labour deployed is just 40 to 60 Nos.
- In spite of lapse of almost more than one month, submission of certain documents pertaining to the change of Consortium Leader from M/s. Tecpro Systems Ltd., Chennai to M/s. VATech Wabag Ltd., is still pending.
- As per the advise of the Legal cell of APGENCO, M/s. Tecpro Systems Ltd., Chennai, was informed that in the Bank Guarantees submitted towards Performance and Advance "M/s. Tecpro Systems Ltd., Chennai" wherever appears, it shall have to be replaced with "M/s. VATech Wabag Ltd., Chennai". The same was informed vide this office letter dt. 15.04.2014. But the same not received in this office till to date.
- The consortium had assured to follow up with M/s. Fichtner Consulting Engineers (India) Pvt. Ltd., Chennai for submission of certain drawings pertaining to the TG Building which are urgently required for procurement of Foundation Bolts and Structure Fabrication.

In view of the above and since lot of time has already been lost, it is requested to take immediate steps to increase the pace of the works at RTPP site and with lot of anguish it is to inform that in the event of non-adherence of the same, APGENCO will be left with no other alternative other than initiating stringent action against the BOP Contractor.

Matter may be treated serious and urgent.

CC:
1. M/s Tecpro Systems Limited, Tecpro Towers, 11-A17, 5th Cross Road, SIPCOT IT Park, Siruseri-603103, Chennai
2. M/s. Gammon India Ltd, Gammon House, Veeravakkar Marg, PO Box No. 9129, Prabhadevi
Mumbai 400.025
Sir,

Sub: RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Reg.

10. Lr. No. TSL/BOP/RTPP/APGENCO/FY13-14/030, Dt: 01.08.2013.
15. Email from M/s. BHEL, PEM, Noida, Dt : 03.09.2013.
20. Minutes of Meeting held at Krishnapatnam, Nellore on 29.03.2014.

****

Please refer to this office Purchase Order 1st cited above for Supply, Erection and Commissioning including Civil works of BOP Package for RTPP stage IV, Unit 6 (1X600MW).

Also please refer to this office correspondence cited in reference above and regular teleconversations had regarding poor progress of works at RTPP site.

In this regard, it is to inform that in spite of regular correspondence and telephonic conversation had with the Executive level officials of Consortium Partners regarding restoration of the RTPP site works, which were stalled since last 6 months, neither any reply nor any information regarding commencement of work is received till to date. The existing Batching Plant is under repair and the rectification works have not been taken up and the other Batching Plant of M/s. Gammon India Ltd is yet to be erected. It is very unfortunate to learn that the
concreting works at the site completely stalled due to non-availability of the batching plant.

It may be recalled that the Consortium had assured to follow-up with M/s. Fichtner Consulting Engineers (India) Pvt. Ltd., Chennai for submission of certain drawings which are urgently required for taking forward the Project. But, the drawings particularly TG Building which are urgently required for procurement of Foundation Bolts and Structure Fabrication are yet to be submitted by M/s. Fichtner Consulting Engineers (India) Pvt. Ltd., Chennai.

In view of the above and since lot of time has already been lost, it is requested to take immediate steps to increase the pace of the works at RTPP site and to arrange the Drawings through M/s Fichtner Consulting Engineers (India) Pvt. Ltd., Chennai.

Matter may be treated serious and urgent.

CC:
1. M/s Tecpro Systems Limited, Tecpro Towers, 11-A17, 5th Cross Road, SIPCOT IT Park, Siruseri-603103, Chennai.
From:
The Chief Engineer,
Thermal Projects Construction-II,
APGENCO, Vidyut Soudha,
Hyderabad-500 082.
Fax No. 040-2349 9299.
Email ID: cetpcrtpp@gmail.com.

To:
M/s Tecpro Systems Limited,
Tecpro Towers,11-A17,
5th Cross Road, SIPCOT IT Park,
Siruseri-603103,Chennai.
Ph No: 044-37474747,47443000.
Fax: 044-47443011.

FINAL NOTICE

Lr. No. CPP/132/ RTPP IV/BOP/D.No: 52 /14, Dt: 28.05.2014.

Sir,

Sub:- RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress of works – Final Notice issued - Reg.

Ref: -
9. Email from M/s. BHEL, PEM, Noida, Dt: 03.09.2013.
15. Minutes of Meeting held at Krishnapatnam, Nellore on 29.03.2014.

Please refer to this office Purchase Orders 1st cited above, placed for BOP Package for RTPP Stage-IV. Also refer to this office correspondence, regarding the poor progress of works, where in it was requested to restore the works and to expedite the works for early completion of the Projects.

In this connection, it may be recalled that M/s.Tecpro Systems Ltd., Chennai and their Consortium had requested APGENCO to consider certain issues viz. Extension of Time for completion of the Project, Direct Payments to certain Sub-Contractors/Sub-Vendors apart from the Consortium Partners, Releasing Payments on Top priority, accepting to consider to change the Consortium Leader from M/s.Tecpro Systems Ltd., Chennai to M/s. VA Tech Wabag Ltd, Chennai, considering the same Bank Guarantees submitted towards Performance and Advance till the existing validities etc.

APGENCO was considerate enough to accept the proposals and certain approval letters were issued and the balance approval letters could not processed due non-submission of certain documents from M/s.Tecpro Systems Ltd., Chennai and their Consortium Partners.
In view of the above and since lot of time has already been lost, with lot of anguish it is to inform that APGENCO is left with no other alternative other than initiating stringent action against the BOP Contractor, M/s. Tecpro Systems Ltd., Chennai and the Consortium for breach of trust and contract and for not adhering to the terms and conditions of the Purchase Order and the Specification.

In this regard, it is requested to restore the works immediately. It is hereby directed to arrange the following:

- Confirmation of readiness of both the Batching Plants at site.
- Deployment of workers (Not less than 1000 Nos.) within 3 days from today.
- Arrangement of Site-in-Charges representing all the Consortium partners within one week from today.
- Submission of drawings immediately.
- Commencement of works pertaining to Coal Handling, Ash Handling and Marshalling Yard immediately.
- Arrangement of steel and cement required for taking up the works of NDCT, Chimney, TG Deck.

Finally, it is to inform that this letter may be treated as a 21 days Final Notice. (The time period allowed is 21 days from the date of issue of this letter till 17.06.2014) as to why action deemed fit should not be initiated against M/s. Tecpro Systems Ltd., Chennai and the Consortium partners for not adhering to the terms and conditions of the Purchase Order, breach of trust and Contract. During these 21 days the performance will be closely monitored and in the event that the works are not moving in a good pace the Bank Guarantees shall be encashed, all the pending payments if any, shall be stopped and M/s. Tecpro Systems Ltd., Chennai along with the Consortium partners shall be black listed under intimation of the performance to the power utilities in India.

Matter may be treated as the most urgent.

CC:
BY REGISTERED POST WITH ACKNOWLEDGEMENT DUE / IN HAND

To
The Chief Engineer,
Thermal Projects Construction –I,
APGENCO, A- Block,
Vidyut Soudha, Khairthabad,
Hyderabad – 500 082

Sub: - Change of Consortium Leader as agreed between Consortium Partners

Ref: - Rayalseema TPP Stage –IV, Unit – 6 ( 1 x 600 MW) – Balance of Plant Contract

Dear Sirs,

We would refer to prior correspondences and our meeting held on 29th March, 2014 at APGENCO’s office at Krishnapatnam. Pursuant to the said meeting, the parties of the Consortium agreement had a meeting on 1st April 2014 at Chennai and have agreed on the following points:

1. Going forward, during the execution of the Project, VA Tech WABAG Limited ("WABAG") shall be as the leader of the Consortium, in place of M/s. Tecpro Systems Ltd., ("Tecpro"), as agreed in the Consortium Agreement dated 17.08.10.

2. The Parties have agreed that M/s. Tecpro Systems Ltd., shall continue to raise the invoices for the Project on M/s. APGENCO and all Consortium Partners will submit their bills to M/s. TSL as is being done now. However Mr. S. Venugopalan of M/s. Tecpro Systems Limited shall verify and sign all the invoices and the same shall also be signed by one Mr. K. Sridhar, Sr. Manager – Projects of M/s. VA Tech Wabag Ltd., Mr.K.Sridhar shall be authorized to sign all the documents, invoices, receive payments, execute receipts and do necessary acts, as may be required for smooth execution of the project.

3. To give effect to the point no.2 above, M/s. Tecpro Systems Ltd., shall execute a Power of Attorney in favour of Mr.K. Sridhar, Sr. Manager – Projects of M/s. VA Tech Wabag Ltd., for ratifying the acts of the Attorney.

4. The parties have agreed that going forward, all the payments towards the invoices raised by M/s. Tecpro Systems Ltd., as stated in clause no.2 above shall be made directly by M/s. APGENCO to each Consortium Partners as per the Billing Break-up. However, in the interest of completing the job, the lead Consortium Partner, M/s. VA Tech Wabag Ltd., may have to support the Consortium Partners (CPs) in the form of LC / Cash. In such cases, VA Tech Wabag Ltd., will submit a proposal to APGENCO duly agreed by the respective Consortium Partner for
recovery of such advances from the subsequent due payments of the respective Consortium Partners.

5. The Parties shall execute necessary documents to give effect to the above understanding and shall provide the same to you for your records and necessary action.
AMENDMENT TO CONSORTIUM AGREEMENT

This Amendment Agreement is executed at this day of April 2014 at Chennai.

BETWEEN

TECupro SYSTEMS LIMITED, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 106, Vishwadeep Tower, Plot No. 4, District Centre, New Delhi – 110 058 (hereinafter referred to as “Tecpro”) represented by its Chairman and Managing Director, Mr. Ajay K. Bishnoi, of the First Part;

AND

GAMMON INDIA LIMITED, a company incorporated under the provisions of the Companies Act, 1956 having its registered Office at Gammon House, Veer Savarkar Marg, Prahadavi, Mumbai – 400 025 (hereinafter referred to as “Gammon”) represented by its Project Manager, Mr. Madhusudhana Dasu, of the Second Part;

AND

VA TECH WABAG LIMITED, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at No. 17, 200 Feet Radial Road, S. Kolathur, Chennai -
WHEREAS

A. The Andhra Pradesh Power Generation Corporation Limited (APGENCO) (hereinafter referred to as "Purchaser", which expression shall include its successors, administrators, executive and assigns), had invited Bids for Design, Engineering, Manufacture, Procurement, Supply, Delivery, Transportation to the site, transit and site storage insurance, storage, construction, erection, testing, commissioning and handling over of the specified works for Balance of Plant including civil works, training of operation and maintenance personnel, including guarantee period of three hundred and sixty five days from the date of completion of trial operation of complete coal fired Rayalaseema Thermal Power Project, Stage –IV, Unit #6 (600 MW), on EPC basis at V. V. Reddy Nagar near Kalamalla village, Proddatur Taluk, Kadapa District, Andhra Pradesh (hereinafter referred to as "Project").

B. The Parties had entered into a consortium agreement dated 17.08.2010 ("Consortium Agreement") to bid for the Project and if the Bid is accepted by APGENCO to execute the Project.

C. Due to financial constraints, the parties have now agreed to make the following changes to the Consortium Agreement.

1. AMENDMENT:

The first sentence of Clause 2(a) which read as “Tecpro Systems Limited shall be the Leader of the Consortium” shall be replaced and now read as “VA Tech Wabag Limited shall be the Leader of the Consortium”.

After the first sentence of Clause 2 (a), the following sentence shall be included:

“Wherever the word(s) “Leader”, “Lead Bidder”, “Leader of the Consortium” appears in the Consortium Agreement shall be construed to be referring to Wabag and not to Tecpro”.

2. INCORPORATION OF TERMS:

Unless a contrary indication appears, all other terms and conditions of the Consortium Agreement and letter dated 04.04.2014 shall apply to this Agreement as if set out in it.
3. VALIDITY:

This agreement shall be co-existent and co-terminus with the Consortium Agreement.

IN WITNESS THEREOF, Tecpro, Gammon and Wabag have caused this Agreement to be duly executed in Chennai on the date first mentioned as evidenced by the signature of their authorized representatives.

Agreed and accepted for and on behalf of M/s. Tecpro Systems Limited

Agreed and accepted for and on behalf of M/s. Gammon India Ltd

Agreed and accepted for and on behalf of M/s. Wabag Limited

Witness 1: A. Mohamed Rafi
Address: No. 6/3, Jalahkhan Street, Fort, Salem.

Witness 2: B. Udaya Prasen
Address: N16-36, Vuda Phase-III
Near Rajinaguru
Kurmannapalem
Visakhapatnam - 530016
SUPPLEMENTARY AMENDMENT TO CONSORTIUM AGREEMENT

This Amendment Agreement is executed at this 17th day of May 2014 at Chennai.

BETWEEN

TECPRO SYSTEMS LIMITED, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 106, Vishwadeep Tower, Plot No.4, District Centre, New Delhi – 110 058 (hereinafter referred to as “Tecpro”) represented by its Chairman and Managing Director, Mr. Ajay K. Bishnoi, of the First Part;

AND

GAMMON INDIA LIMITED, a company incorporated under the provisions of the Companies Act, 1956 having its registered Office at Gammon House, Veer Savarkar Marg, Prahadevi, Mumbai – 400 025 (hereinafter referred to as “Gammon”) represented by its Project Manager, Mr. Madhusudhana Dasu, of the Second Part;

AND

VA TECH WABAG LIMITED, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at No.17, 200 Feet Radial Road, Korattur, Chennai -
WHEREAS

A. The Andhra Pradesh Power Generation Corporation Limited (APGENCO) (hereinafter referred to as “Purchaser”, which expression shall include its successors, administrators, executive and assignees), had invited Bids for Design, Engineering, Manufacture, Procurement, Supply, Delivery, Transportation to the site, transit and site storage insurance, storage, construction, erection, testing, commissioning and handling over of the specified works for Balance of Plant including civil works, training of operation and maintenance personnel, including guarantee period of three hundred and sixty five days from the date of completion of trial operation of complete coal fired Rayalaseema Thermal Power Project, Stage - IV, Unit #6 (600 MW), on EPC basis at V. V. Reddy Nagar near Kalamalla village, Prudatur Taluk, Kadapa District, Andhra Pradesh (hereinafter referred to as “Project”).

B. The Parties had entered into a consortium agreement dated 17.08.2010 (“Consortium Agreement”) to bid for the Project and if the Bid is accepted by APGENCO to execute the Project.

C. Due to financial constraints, the parties have now agreed to make the following changes to the Consortium Agreement.

1. AMENDMENT:

The Bank guarantee for ADVANCE and PERFORMANCE submitted by the consortium partners M/s. Tecpro Systems Limited, M/s. VA Tech WABAG Limited and M/s. Gammon India Limited on behalf of the consortium shall be valid till their expiry.

Before expiry of the said bank guarantees, M/s. Tecpro Systems Limited, M/s. Gammon Limited and M/s. VA Tech WABAG Limited will extend their respective bank guarantees submitted by them with an amendment to include “M/s. VA Tech WABAG Limited as Leader of Consortium” instead of “M/s. Tecpro Systems Limited as Leader of consortium”.

2. INCORPORATION OF TERMS:

Unless a contrary indication appears, all other terms and conditions of the Consortium Agreement and letter dated ______ shall apply to this Agreement as if set out in it.
3. VALIDITY:

This agreement shall be co-existent and co-terminus with the Consortium Agreement dated 17.08.2010 and revised consortium agreement dated ________.

IN WITNESS THEREOF, Tecpro, Gammon and Wabag have caused this Agreement to be duly executed in Chennai on the date first mentioned as evidenced by the signature of their authorized representatives.

Agreed and accepted for and on behalf of

M/s. Tecpro Systems Limited

M/s. Gammon India Ltd

M/s. Wabag Limited

Witness 1:

A. MOHAMED RAFE
17, 200 Feet Road,
S. Kolathur,
Chennai-117.

Witness 2:

K. Joseph Amuence
17, 200 Feet Road
S. Kolathur
Chennai-117
Amendment No. 6 to Supply PO

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED
(A Govt. Of A P Undertaking)
Vidyut Soudha, Hyderabad - 500082.
Phone: 040 – 23499 211 Fax: 040 – 23499 299

From:
The Chief Engineer,
Thermal Projects Construction-II
APGENCO, TPC Wing, 3rd Floor,
A – Block, Vidyut Soudha,
Khairathabad, Hyderabad – 500 082.
Fax No. 040 – 2349 8299
E Mail ID: cetpcrtpp@gmail.com

To:
M/s. VATech Wabag Ltd.,
"Wabag House",
No. 17, 200 Feet radial Road,
S.Kalathur, (near Kamakshi Hospital),
Chennai - 600 117. India.
Phone:044-39232253, 044-39232324,
Fax: 044-39232324.
E Mail ID: k_sridhar@wabag.com

Lr.No. CPP/132/RTPP/TMO 878/D.No. 58 /14 Dt: 31.05.2014.

Sir,

Sub: Rayalaseema Thermal Power Project– Stage-IV (1x600MW) - Design, Engineering, Manufacture, Procurement, Testing at manufacturer's works, Transit Insurance, Supply and transportation to site of Balance of Plant equipment including Mandatory Spares and tools & tackles for the project – Amendment No. 6 to the PO – Issued - Reg.

Ref: 1. T.O.P.O.TMO 878/ CPP/131/RTPP-IV/BOP/ID.No. 354/10, Dt: 15.12.10
2. Lr.No. CPP/131/RTPP/TMO 878/D.No. 427/11 Dt: 31.01.2011 (Amend No.1)
3. Lr.No. CPP/131/RTPP/TMO 878/D.No. 268/11Dt: 20.10.2011 (Amend No.2)
4. Lr.No. CPP/131/RTPP/TMO 878/D.No. 457/12 Dt:11.01.2013 (Amend No.3)
5. Lr.No. CPP/131/RTPP/TMO 878/D.No. 31/13 Dt: 20.04.2013(Amend No.4)
6. Lr.No. CPP/131/RTPP/TMO 878/D.No. 304/13 Dt: 04.03.2014(Amend No.5)

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This has reference to the Purchase Order, 1st cited, read with Amendment No.1 to 5, cited above, for Design, Engineering, Manufacture, Procurement, Testing at Manufacturer's works, Transit insurance, Supply and Transportation to site of Balance of Plant equipment including Mandatory Spares and Tools & Tackles for the Balance of Plant works of RTPP-Stage-IV.

As per the request of M/s. Tecpro Systems Ltd., Chennai along with the consortium partners, M/s. VATech Wabag Ltd, Chennai and M/s Gammon India Ltd, Mumbai, to change the consortium leader from of M/s. Tecpro Systems Ltd., Chennai to M/s. VATech Wabag Ltd, Chennai, is hereby accepted and certain clauses viz., the Name and address of the Purchase Order, Clause No. 7, Delivery/Completion Period, Clause No. 30, Consortium formalities & Responsibilities and the BOP schedule for Liquidated Damages against Annexure-II (Mile stones) of Supply, Purchase Order Dt: 15.12.2010, read with Amendments, are here by amended to read as follows:

I. Name and Address of the Purchase Order:

The existing Name and address of M/s. Tecpro Systems Ltd., Chennai shall be replaced with the following:
II. **Clause 7, Delivery/Completion Period:**

The existing clause is amended to be replaced with the following:

All supplies pertaining to the entire BoP Package shall be made in advance to complete the contract in all respects duly satisfying all the requirements of performance of each of these packages on or before 31.08.2015 from the date of issue of Letter of Intent, without levying Liquidated Damages. However the Contractor shall complete all individual equipment / systems covered under BOP scope matching the overall project schedule. To achieve this, the contractor shall work in close coordination with the BTG contractor i.e., M/s BHEL.

III. **Clause 30, Consortium formalities & Responsibilities:**

In the third and the last line of the existing clause, "M/s. Tecpro Systems Ltd." shall be replaced with "M/s. VATech Wabag Ltd."

IV. **BoP Schedule for Liquidated Damages against Annexure-II (Mile stones):**

The Annexure II stands deleted.

**Note:**

1) This Schedule of completion of works enclosed herewith as ANNEXURE is for monitoring the Progress of Works.

2) M/s. Tecpro Systems Ltd., Chennai shall continue to raise the invoices for the Project on M/s. APGENCO and all Consortium Partners will submit their bills to M/s. Tecpro Systems Ltd., Chennai as is being done now. Sri S.Venugopalan of M/s. Tecpro Systems Ltd., Chennai shall verify and sign all the invoices and the same shall also be signed by Sri K. Sridhar of M/s. VATech Wabag Ltd. is authorized to sign all the documents, invoices, receive payments, execute receipts and do necessary acts, as may be required for smooth execution of the Project.

3) All the Payments towards the invoices raised by M/s. Tecpro Systems Ltd., Chennai shall be made directly to each Consortium Partner as per the Billing Break Up.

4) M/s. VATech Wabag Ltd., Chennai the lead Consortium Partner may have to support the Consortium Partners in the form of LC/Cash. M/s. VATech Wabag Ltd. will submit a proposal to APGENCO, duly agreed by the respective Consortium Partner for recovery of such advances from the subsequent due payments of the respective Consortium Partner.

5) Certain Payments against the invoices furnished by the Consortium Partner shall have to be released to M/s. VATech Wabag Ltd., Chennai the lead
Consortium Partner. Such Payments shall be released only after receipt of a consent letter from such Consortium Partner.

6) This Amendment supersedes the earlier Amendment pertaining to the Direct Payment to be made to the Consortium Partners and Sub-Contractors/Sub-Vendors. The Direct Payments shall be made to the Consortium Partners only.

All other terms and conditions of the subject purchase order read with subsequent Amendments remain unaltered.

This is registered as Amendment No.6 to the P.O.TMO 878, Dt:15.12.2010.

It is requested to acknowledge the receipt of this amendment.

Copy Communicated to:

1. PS to Managing Director/APGENCO/VS/Hyderabad.
2. Dy. CCA to Director(Finance & Commercial)/APGENCO/VS/Hyderabad.
3. ADE/T to Director (Thermal)/APGENCO/VS/Hyderabad.
4. The Chief Engineer/O&M/RTPP/VV. Reddy Nagar – 516 312/Kadapa
5. The Chief Engineer (TPC-I)/ APGENCO/VS/Hyderabad.
6. The Chief Engineer (Civil)/Thermal/APGENCO/VS/Hyderabad.
8. The FA & CCA (Resources)/APGENCO/VS/Hyderabad.
9. The Superintending Engineer/E&M-I/RTPP/VV. Reddy Nagar – 516 312/Kadapa
10. The Superintending Engineer/E&M-II/RTPP/VV. Reddy Nagar – 516 312/Kadapa
11. The Superintending Engineer/CC-I/RTPP/VV. Reddy Nagar – 516 312/Kadapa
12. The Superintending Engineer/CC-II/RTPP/VV. Reddy Nagar – 516 312/Kadapa
13. The Superintending Engineer/CC-III/RTPP/VV. Reddy Nagar – 516 312/Kadapa
15. The Pay Officer/APGENCO/VS/Hyderabad.
From:
The Chief Engineer,
Thermal Projects Construction-II
APGENCO, TPC Wing, 3rd Floor,
A - Block, Vidyut Soudha,
Khairathabad, Hyderabad - 500 082.
Fax No. 040 - 2349 9299
E Mail ID: cetpcapgenco@gmail.com

To:
M/s. VATech Wabag Ltd.,
"Wabag House",
No. 17, 200 Feet radial Road,
S.Kalathur, (near Kamakshi Hospital),
Chennai - 600 117. India.
Ph:044-39232253, 044-39232324,
Fax : 044-39232324.
E Mail ID: k_sridhar@wabag.com

Lr.No. CPP/132/RTPP/TCO 879/D-No. 59 /14, Dt: 31.05.2014

Sir,

Sub: Rayalaseema Thermal Power Project – Stage-IV (1x600MW) - Unloading, taking delivery at site, handling at site, intra site transportation and handling, Insurance, Erection, Supervision, Inspection at site, testing & commissioning and carrying out Performance Guarantee Tests of Balance of Plant equipment – Amendment No.5 to the PO – Issued - Reg.

Ref: 1. T.O.P.O.TCO 879/ CPP/131/RTPP-IV/BOP//D.No. 355/10, Dt:15.12.10
2. Lr.No. CPP/131/RTPP/TCO 879/D.No. 428 /11 Dtd:31.01.2011 (Amend No. 1)
3. Lr.No. CPP/131/RTPP/TCO 879/D.No. 458 /12 Dtd:11.01.2013 (Amend No. 2)
5. Lr.No. CPP/131/RTPP/TCO 879/D.No. 305/13 Dt: 04.03.2014.(Amend No. 4)

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This has reference to the Purchase Order, 1st cited, read with Amendment No.1 to 4, 2nd & 5th cited above, for Unloading, taking delivery at site, handling at site, intra site transportation and handling, Insurance, Erection, Supervision, Inspection at site, testing & commissioning and carrying out Performance Guarantee Tests of Balance of Plant equipment of RTPP Stage IV (1X600MW).

As per the request of M/s. Tecpro Systems Ltd., Chennai along with the consortium partners, M/s. VATech Wabag Ltd, Chennai and M/s Gammon India Ltd, Mumbai, to change the consortium leader from of M/s. Tecpro Systems Ltd., Chennai to M/s. VATech Wabag Ltd, Chennai, is hereby accepted and certain clauses viz., the Name and address of the Purchase Order, Clause No. 7, Delivery/Completion Period, Clause No. 28, Consortium formalities & Responsibilities and the BOP schedule for Liquidated Damages against Annexure-II (Mile stones) of Erection & Commissioning Purchase Order Dt: 15.12.2010, read with Amendments, are here by amended to read as follows:

1. **Name and Address of the Purchase Order:**

The existing Name and address of M/s. Tecpro Systems Ltd., Chennai shall be replaced with the following:
M/s. VATech Wabag Ltd.
"Wabag House", No. 17, 200 Feet radial Road,
S. Kalathur, (near Kamakshi Hospital),
Chennai - 600 117. India.

II. **Clause 7. Delivery/Completion Period:**
The existing clause is amended to be replaced with the following:
All supplies pertaining to the entire BoP Package shall be made in advance to complete the contract in all respects duly satisfying all the requirements of performance of each of these packages on or before 31.08.2015 from the date of issue of Letter of Intent, without levying Liquidated Damages. However the Contractor shall complete all individual equipment / systems covered under BOP scope matching the overall project schedule. To achieve this, the contractor shall work in close coordination with the BTG contractor i.e., M/s BHEL.

III. **Clause 28. Consortium formalities & Responsibilities:**
In the third and the last line of the existing clause, "M/s. Tecpro Systems Ltd." shall be replaced with "M/s. VATech Wabag Ltd."

IV. **BoP Schedule for Liquidated Damages against Annexure-II (Mile stones):**
The Annexure II stands deleted.

**Note:**

1) This Schedule of completion of works enclosed herewith as ANNEXURE is for monitoring the Progress of Works.

2) M/s. Tecpro Systems Ltd., Chennai shall continue to raise the invoices for the Project on M/s. APGENCO and all Consortium Partners will submit their bills to M/s. Tecpro Systems Ltd., Chennai as is being done now. Sri S. Venugopalan of M/s. Tecpro Systems Ltd., Chennai shall verify and sign all the invoices and the same shall also be signed by Sri K. Sridhar of M/s. VATech Wabag Ltd. is authorized to sign all the documents, invoices, receive payments, execute receipts and do necessary acts, as may be required for smooth execution of the Project.

3) All the Payments towards the invoices raised by M/s. Tecpro Systems Ltd., Chennai shall be made directly to each Consortium Partner as per the Billing Break Up.

4) M/s. VATech Wabag Ltd., Chennai the lead Consortium Partner may have to support the Consortium Partners in the form of LC/Cash. M/s. VATech Wabag Ltd. will submit a proposal to APGENCO, duly agreed by the respective Consortium Partner for recovery of such advances from the subsequent due payments of the respective Consortium Partner.
5) Certain Payments against the invoices furnished by the Consortium Partner shall have to be released to M/s. VATEch Wabag Ltd., Chennai the lead Consortium Partner. Such Payments shall be released only after receipt of a consent letter from such Consortium Partner.

6) This Amendment supersedes the earlier Amendment pertaining to the Direct Payment to be made to the Consortium Partners and Sub-Contractors/Sub-Vendors. The Direct Payments shall be made to the Consortium Partners only.

All the other terms and conditions of the Purchase Orders read with subsequent amendments remain unaltered.

This is registered as Amendment No.5 to the P.O.TCO 879, Dt:15.12.2010

It is requested to acknowledge the receipt of this amendment.

Copy Communicated to:

1. PS to Managing Director/APGENCO/VS/Hyderabad.
2. Dy. CCA to Director(Finance & Commercial) /APGENCO/VS/Hyderabad
3. ADE/T to Director (Thermal)/APGENCO/VS/Hyderabad.
4. The Chief Engineer/O&M/RTPP/VV. Reddy Nagar – 516 312/Kadapa
5. The Chief Engineer (TPC-I)/ APGENCO/VS/Hyderabad.
6. The Chief Engineer (Civil)/Thermal/APGENCO/VS/Hyderabad.
8. The FA & CCA (Resources)/APGENCO/VS/Hyderabad.
9. The Superintending Engineer/E&M-I/RTPP/VV. Reddy Nagar – 516 312/Kadapa
10. The Superintending Engineer/E&M-II/RTPP/VV. Reddy Nagar – 516 312/Kadapa
11. The Superintending Engineer/CC-I/RTPP/VV. Reddy Nagar – 516 312 /Kadapa
12. The Superintending Engineer/CC-II/RTPP/VV. Reddy Nagar – 516 312 /Kadapa
13. The Superintending Engineer/CC-III/RTPP/VV. Reddy Nagar – 516 312 /Kadapa
15. The Pay Officer/APGENCO/VS/Hyderabad.
From:
The Chief Engineer,
Thermal Projects Construction-II
APGENCO, TPC Wing, 3rd Floor,
A - Block, Vidhyut Soudha,
Khairathabad, Hyderabad – 500 082.
Fax No. 040 – 2349 9299
E Mail ID: cetpcrestpp@gmail.com

To:
M/s. VATech Wabag Ltd.,
“Wabag House”,
No. 17, 200 Feet radial Road,
S.Kalathur, (near Kamakshi Hospital),
Chennai - 600 117. India.
Ph:044-39232253, 044-39232323,
Fax : 044-39232324.
E Mail ID: k_sridhar@wabag.com

Lr.No. CPP/132/RTPP/TCO 880/D.No. 60 /14 Dt: 31.05.2014

Sir,

Sub: Rayalaseema Thermal Power Project – Stage-IV (1x600MW) - Dessein, Construction of civil works including supply of all materials, labour, Tools, Plants and equipment, Transportation, Fabrication, Supervision, modification works as needed for completion of Balance of Plant(BOP) Civil works – Amendment No.4 to the PO – Issued - Reg.

2. Lr.No. CPP/131/RTPP/ TCO 880/D.No. 429 /11 Dt: 31.01.2011 (Amend No. 1)
4. Lr.No. CPP/131/RTPP/TCO 880/D.No. 306/13 Dt: 04.03.2014. (Amend No. 3)

*****

This has reference to the Purchase Order, 1st cited, read with Amendment No.1 to 3, 2nd, 3rd & 4th cited above, for Dessein, Construction of civil works including supply of all materials, labour, Tools, Plants and equipment, Transportation, Fabrication, Supervision, modification works as needed for completion of Balance of Plant(BOP) Civil works

As per the request of M/s. Tecpro Systems Ltd., Chennai along with the consortium partners, M/s. VATech Wabag Ltd, Chennai and M/s Gammon India Ltd, Mumbai, to change the consortium leader from of M/s. Tecpro Systems Ltd., Chennai to M/s. VATech Wabag Ltd, Chennai, is hereby accepted and certain clauses viz., the Name and address of the Purchase Order, Clause No. 7, Delivery/Completion Period, Clause No. 27, Consortium formalities & Responsibilities and the BOP schedule for Liquidated Damages against Annexure-II (Mile stones) of Civil Purchase Order Dt: 15.12.2010, read with Amendments, are hereby amended to read as follows:

I. **Name and Address of the Purchase Order:**
The existing Name and address of M/s. Tecpro Systems Ltd., Chennai shall be replaced with the following:
M/s. VATech Wabag Ltd.
"Wabag House",No. 17, 200 Feet radial Road,
S.Kalathur, (near Kamakshi Hospital),
Chennai - 600 117. India.
II. **Clause 7, Delivery/Completion Period:**
The existing clause is amended to be replaced with the following:
All supplies pertaining to the entire BoP Package shall be made in advance to complete the contract in all respects duly satisfying all the requirements of performance of each of these packages on or before 31.08.2015 from the date of issue of Letter of Intent, without levying Liquidated Damages. However the Contractor shall complete all individual equipment / systems covered under BOP scope matching the overall project schedule. To achieve this, the contractor shall work in close coordination with the BTG contractor i.e., M/s BHEL.

III. **Clause 27, Consortium formalities & Responsibilities:**
In the third and the last line of the existing clause, "M/s. Tecpro Systems Ltd." shall be replaced with "M/s. VATech Wabag Ltd."

IV. **BoP Schedule for Liquidated Damages against Annexure-II (Mile stones):**
The Annexure II stands deleted.

**Note:**
1) This Schedule of completion of works enclosed herewith as ANNEXURE is for monitoring the Progress of Works.
2) M/s. Tecpro Systems Ltd., Chennai shall continue to raise the invoices for the Project on M/s. APGENCO and all Consortium Partners will submit their bills to M/s. Tecpro Systems Ltd., Chennai as is being done now. Sri S. Venugopal of M/s. Tecpro Systems Ltd., Chennai shall verify and sign all the invoices and the same shall also be signed by Sri K. Sridhar of M/s. VATech Wabag Ltd. is authorized to sign all the documents, invoices, receive payments, execute receipts and do necessary acts, as may be required for smooth execution of the Project.
3) All the Payments towards the invoices raised by M/s. Tecpro Systems Ltd., Chennai shall be made directly to each Consortium Partner as per the Billing Break Up.
4) M/s. VATech Wabag Ltd., Chennai the lead Consortium Partner may have to support the Consortium Partners in the form of LC/Cash. M/s. VATech Wabag Ltd. will submit a proposal to APGENCO, duly agreed by the respective Consortium Partner for recovery of such advances from the subsequent due payments of the respective Consortium Partner.
5) Certain Payments against the invoices furnished by the Consortium Partner shall have to be released to M/s. VATech Wabag Ltd., Chennai the lead Consortium Partner. Such Payments shall be released only after receipt of a consent letter from such Consortium Partner.
6) This Amendment supersedes the earlier Amendment pertaining to the Direct Payment to be made to the Consortium Partners and Sub-Contracts/Sub-
Vendors. The Direct Payments shall be made to the Consortium Partners only.

All the other terms and conditions of the Purchase Orders read with subsequent amendments remain unaltered.

This is registered as Amendment No.4 to the P.O.TCO 880, Dt:15.12.2010

It is requested to acknowledge the receipt of this amendment.

Copy Communicated to:

1. PS to Managing Director/APGENCO/VS/Hyderabad.
2. Dy. CCA to Director(Finance & Commercial) /APGENCO/VS/Hyderabad
3. ADE/T to Director (Thermal)/APGENCO/VS/Hyderabad.
4. The Chief Engineer/O&M/RTPP/VV. Reddy Nagar – 516 312/Kadapa
5. The Chief Engineer (TPC-I)/ APGENCO/VS/Hyderabad.
6. The Chief Engineer (Civil)/Thermal/APGENCO/VS/Hyderabad.
8. The FA & CCA (Resources)/APGENCO/VS/Hyderabad.
9. The Superintending Engineer/E&M-I/RTPP/VV. Reddy Nagar – 516 312/Kadapa
10. The Superintending Engineer/E&M-II/RTPP/VV. Reddy Nagar – 516 312/Kadapa
11. The Superintending Engineer/CC-I/RTPP/VV. Reddy Nagar – 516 312 /Kadapa
12. The Superintending Engineer/CC-II/RTPP/VV. Reddy Nagar – 516 312 /Kadapa
13. The Superintending Engineer/CC-III/RTPP/VV. Reddy Nagar – 516 312 /Kadapa
15. The Pay Officer/APGENCO/VS/Hyderabad.
**DELAY DUE TO RE-ENGINEERING OF ESP FIELDS**

**NOTE**

1. The works of the BTG package was awarded to M/s BHEL on nomination basis and the LOI was placed on M/s BHEL on 14.10.2010.

2. After placing the LOI, Ministry of Environment & Forests (MoE&F), GOI issued Environmental clearance vide letter dated 21.10.2010. The MoE&F clearance/permission was awarded with a condition that the Particle Emission shall be 50 mg/Nm³.

3. But as per the LOI placed on M/s BHEL, the particle emission was 100 mg/Nm³. In order to meet the MoE&F norms, M/s BHEL was addressed to re-design the ElectroStatic Precipitators for reducing the particle emission from 100 mg/Nm³ (earlier design) to 50 mg/Nm³ and the BTG Contractor, M/s. BHEL, had to do re-engineering, due to which again certain time was lost.

4. An additional amount of Rs. 14.11 Crs to be incurred for redesigning the ESP fields and connected Ash Handling system to meet the MOEF norms had to be considered by APGENCO and the Purchase Orders placed on M/s BHEL were amended to that effect on 30.03.2012.

5. Since the re-designing was inevitable, a period of 3 months for re-engineering of ESP fields and the connected Ash Plant equipment was lost, which added to the delay of the project.

6. The copies of the MoE&F norms, LOI and Amendments to the BTG Purchase Orders are placed below for perusal.
From: The Chief Engineer, Thermal Projects Construction-I, APGENCO, TPC Wing, 3rd Floor, A-Block, Vidyut Soudha, Khairatabad Hyderabad-500 082. Fax No. 040-2349 9299 Email : cetpcapgenco@gmail.com


LOI. Lr.No.CPP/111/RTPP-IV/ F.BHEL/D.No. 280/10, Dated: 14.10.2010

Dear Sirs,

Sub: APGENCO – RTPP, Stage-IV-Unit-6 (1x600 MW) - Design, Engineering, Manufacture, Supply, Erection, Testing and Commissioning of BHEL manufactured equipment for complete BTG package of 1X600MW Coal Fired Thermal Unit including CW pumps with motors, 400KV Switch yard with civil works duly excluding the BTG mandatory spares and BOP works like Coal & Ash Handling Plants, Water Treatment Plant and Civil Works – Letter of Intent Issued – Regarding.

Ref:
1. T.O. Lr No. CPP/111/RTPP-IV/F.PS-M/D. No 579/09, dated 01.01.2009 requesting technical proposal from BHEL submitting Coal Analysis.
3. BHEL’s Lr No MS-1-09-E-0006 dated 09.06.09 regarding coal analysis.
4. T.O. Lr No. CPP/111/RTPP-IV/F.PS-M/D. No 115/09, dated 11.06.2009 requesting additional scope for Rayalaseema-IV(1X600 MW) over and above KTPP stage-II(1X600 MW) and furnishing final coal analysis for design of SG package.
5. BHEL’s Lr No MS-1-09-E-0006 dated 04.07.09 forwarding Technical Offer.
7. T.O. Lr No. CPP/111/RTPP-IV/F.PS-M/D. No 196/09, dated 06.08.09.
8. BHEL’s revised Technical offer Submitted Vide MS-01-09-E-0006 dated 10.11.2009
11. BHEL’s Technical Clarification submitted vide MS-01-09-E-0006 dated 04.01.2010.
13. BHEL’s Email Dt: 21.01.10 regarding information for Cooling Water System.
14. BHEL’s Lr dated 22.01.10 regarding GCB.
17. BHEL’s commercial offer for GCB based Electrical Scheme Submitted vide MS-01-09-E-0006 dated 10.02.2010.
19. T.O. Lr No. CPP/111/RTPP-IV/F.PS-M/D. No 035/10, dated 24.04.10 regarding HBD’s and Data sheets required for Steam Generator, PA, FD,ID etc.
20. BHEL’s supplementary technical offer for 400KV switchyard submitted vide MS-01-09-E-0006 dated 12.05.2010.
21. BHEL’s supplementary technical offer for PADO, CW Pumps and Motors submitted vide MS-01-09-E-0006 dated 21.05.2010.
22. BHEL’s submission of Performance guarantees and HBDs vide MS-01-09-E-0006 dated 01.06.2010.
23. Discussions between APGENCO and BHEL at APGENCO’s office at Vidyut Soudha, Hyderabad on 04.06.2010.
24. BHEL Revised Techno-Commercial offer vide MS-01-09-E-0006 dated 05.06.2010
25. T.O. Lr No. CPP/111/RTPP-IV/F.PS-Mktg/D. No 89/10, dated 08.06.2010 for certain Technical and commercial clarifications.
26. BHEL’s Clarifications on comments submitted vide MS-01-09-E-0006 dt: 17.06.10
28. BHEL’s Clarifications on comments submitted vide MS-01-09-E-0006 dt: 21.07.10
29. MOM of Negotiations between APGENCO and BHEL at APGENCO’s office at Vidyut Soudha, Hyderabad on 06.08.10.
30. BHEL’s Revised Techno-Commercial offer vide MS-01-09-E-0006 dated 20.08.10
32. BHEL’s Clarifications on comments submitted vide Lr. MS-01-09-E-0006 dt: 13.09.10
33. BHEL’s Lr. MS-01-09-E-0006 dt: 27.09.10 furnishing the revised PVC formula.
34. T.O. Lr No. CPP/111/RTPP-IV/F.PS-Mktg/D. No 267/10, dated 29.09.10 requesting discount on commercial offer.
35. BHEL’s confirmation on discount on commercial offer submitted vide Lr. MS-01-09-E-0006 dated 30.09.2010.
36. BHEL’s confirmation on further discount on commercial offer submitted vide Lr. MS-01-09-E-0006 dated 30.09.2010.
The Andhra Pradesh Power Generation Corporation Limited is pleased to inform that your Technical and Commercial Offers referred to above, read with all the related subsequent correspondence/clarifications, for Design, Engineering, Supply, Erection, Testing and Commissioning of BHEL manufacture equipments for complete BTG package of 1X600MW Coal Fired Thermal Unit including CW pumps with motors, 400KV Switch yard with civil works excluding mandatory spares, coal & ash handling plants, water treatment plant and civil works, for 1x600 MW coal fired Rayalaseema Thermal Power Plant, Stage-IV at V.V. Reddy Nagar, in Kadapa District of Andhra Pradesh are accepted subject to the following broad terms & conditions.

This may be treated as Letter of Intent. Two separate detailed Purchase Orders, one for “Design, Engineering, Manufacture and Supply” for Rs. 1273 Crores and another Purchase Order for “Loading, Unloading, Erection, Testing & Commissioning of equipment, Local Freight and Civil Works”, for Rs. 172 Crores, for BHEL manufactured BTG package equipment required for Rayalaseema TPP Stage-IV, 1x600 MW sub-critical Unit totaling to a total amount of Rs. 1445 Crores, with detailed terms and conditions, will be issued separately.

1. **SCOPE:**
The entire project related equipment and machinery with connected works for 1 x 600 MW Unit shall be as per the scope in line with KTPP Stage-II, 1X600 MW as per the specific agreements reached in the references cited above.

It covers all Documentation, Design, Engineering, Manufacturing, Inspection & Testing at BHEL works/BHEL’s Sub-contractors works, Supply including Packing and Forwarding, Transportation and Insurance, Unloading at site, Erection, Testing & Commissioning, Synchronization, Stabilization, Trial operation and handing over to APGENCO. The Performance Guarantee tests shall be conducted after handing over, in coordination with APGENCO. The scope shall broadly cover the following BHEL manufactured equipments/packages and bought out items for 1X600MW coal fired thermal unit at Rayalaseema Thermal Power Plant, Stage-IV at V.V. Reddy Nagar, Kadapa.

- Steam Generator Package with Auxiliaries with steam temperature at SHO and RHO as 540 deg C at 100% BMCR as against RHO temperature 565 deg C as in case of KTPP Stage-II.
- TG Package with Auxiliaries excluding Condensate Polishing Unit.
- Station Controls and Instrumentation Package including PADO system.
- Generator Transformer, Station Transformer, Unit Auxiliary Transformers, Bus ducts, Switch gear, Generator and control panels etc.
- 8 Nos XRP 1043 Mills.
- 400KV Switchyard with civil works including Surge arrestors, Bus bar conductor, Auxilary DC supply, 220V Auxilary DCDB, Substation Automation system and civil works pertaining to ICT 400/220 KV.
- Generator Circuit Breaker based Electrical Scheme.
- 5 Nos CW pumps (4 Working & 1 Standby) with motors and Vibration Monitoring System.

2. SCHEDULE OF PRICES:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Description</th>
<th>Price in Rs Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Supply Contract</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Supply Ex-Works (Ex-Works/BHEL's Sub-contractors works/Port of entry in India basis)</td>
<td>1273.00</td>
</tr>
<tr>
<td>1.2</td>
<td>Taxes/duties for supply only on 1.1 above with Excise Duty as 10%, Education Cess as 3%, Central Sales tax as 2% and APVAT as 4%.</td>
<td>Included in the above item S.No.1.1</td>
</tr>
<tr>
<td></td>
<td>Total Supply portion</td>
<td>1273.00</td>
</tr>
<tr>
<td>2.</td>
<td>Service Contract</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Unloading at site, handling, erection, testing &amp; commissioning, completion of trail operation and handing over including insurance (covering transit &amp; erection, testing &amp; commissioning) excluding all kinds of taxes/duties.</td>
<td>141.00</td>
</tr>
<tr>
<td>2.2</td>
<td>Local Freight excluding all taxes/duties</td>
<td>25.00</td>
</tr>
<tr>
<td>2.3</td>
<td>Civil Works excluding all taxes and duties</td>
<td>6.00</td>
</tr>
<tr>
<td></td>
<td>Total Services portion</td>
<td>172.00</td>
</tr>
<tr>
<td>3.</td>
<td>Grand Total</td>
<td>1445.00</td>
</tr>
</tbody>
</table>

Rupees One Thousand Four Hundred and Forty Five Crores only.

The prices indicated in para 2 above are present day prices and are subject to variation in respect of both material and labour, with the base month as September 2010. The prices are subject to price variation as per the PVC formulae for Supply and Erection as specified in the Annexure. The Ceiling of the price variation claims is 20% of the total contract price.

Break-up of taxes/duties which are included in S.No 1.1 above may be furnished to this office immediately for incorporation in the Purchase order.

3. TAXES AND DUTIES:
   a) The prices indicated in S.No. 1.1 of Clause 2- Schedule of prices, above, are inclusive of Excise Duty at 10%, educational cess @3%, Central Sales Tax @
2% and APVAT @ 4% applicable for supply portion and exclusive of all kinds of taxes/duties for Service portion.
b) TDS will be deducted on supply and service portion as per the income tax and service tax acts and rules made there under.
c) Customs duty @ 5% and education cess @ 3% as applicable for project imports is included on a total CIF component of Rs 500 crores (Rupees five hundred crores only) in the above prices, worked out at State Bank of India exchange rates as applicable on 04.06.2010. Any increase in Customs Duty due to introduction of any new import levy shall be to the account of APGENCO. Customs duty variation shall be limited to CIF value of Rs. 500 Crores. The Essentiality certificate issued by the Government of Andhra Pradesh shall be arranged by APGENCO.
d) Any variation in the above taxes and duties shall be to the account of APGENCO, subject to production of documentary evidence, provided the supplies/services are within the scheduled delivery period. All other taxes viz. entry tax, VAT, WCT, Turn over tax, Octroi duty or any other local taxes and levies on both supplies and services if levied shall be payable extra at actuals by APGENCO.

4. TERMS OF PAYMENT:

i. SUPPLY (EX-WORKS):

a) 10% of contract price towards supply as interest free initial advance will be paid along with purchase order against submission of valid advance payment Bank guarantee for an equivalent amount and a separate bank guarantee for 10% of the Contract price for supplies towards performance of the contract.
b) 70% along with 100% taxes & duties on pro-rata dispatch of equipment to site.
c) 15% on pro-rata receipt of material at site.
d) 3% against synchronization of unit.
e) 2% on completion of trial operation of the unit.

ii. ERECTION & COMMISSIONING:

a) 10% of contract price towards erection & commission as interest free initial advance will be paid along with purchase order against submission of valid advance payment Bank guarantee for an equivalent amount and a separate bank guarantee for 10% of the Contract price for erection & commission towards performance of the contract.
b) 85% along with corresponding taxes and duties against progressive erection on pro-rata basis.
c) 3% along with corresponding taxes and duties against synchronization of unit.
d) 2% along with corresponding taxes and duties on completion of trial operation of unit.

iii. FREIGHT:

100% of contract price along with corresponding taxes and duties against receipt of material at site on pro rata basis.
The entire amount of advance paid will be adjusted with in the agreed contractual delivery period/commissioning period of the unit.
The payments will be released either from PFC or APGENCO FUNDS.

5. PERFORMANCE GUARANTEES:
The following are the performance parameters guaranteed by BHEL:

<table>
<thead>
<tr>
<th>S.NO.</th>
<th>PARAMETER</th>
<th>UNITS</th>
<th>Liquidated damages amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Unit Gross Output</td>
<td>600 MW.</td>
<td>Rs. 80,000/- (Rupees Eighty thousand only) per every KW short fall</td>
</tr>
<tr>
<td>02</td>
<td>Gross Heat Rate</td>
<td>2234.25 Kcal/KWh</td>
<td>Rs. 3.5 Crores (Rupees Three crores fifty lakhs only) for each Kcal/KWh increase</td>
</tr>
<tr>
<td>03</td>
<td>Aux. Power Consumption for the Equipment supplied under this contract</td>
<td>14440 KW</td>
<td>Rs. 1.766 Lakhs (Rupees one lakh seventy six thousand six hundred only) per KW increase.</td>
</tr>
<tr>
<td>04</td>
<td>ESP particulate Emission at 100% STG MCR with (n-1) fields in service</td>
<td>100 mg/Nm³</td>
<td>—</td>
</tr>
<tr>
<td>05</td>
<td>NOx emission maximum total NOx (thermal as well as fuel) emission for 50% TMCR to BMCR operating range of steam generator and for the range of coal specified.</td>
<td>260 gm/GJ</td>
<td>—</td>
</tr>
</tbody>
</table>

M/s BHEL shall guarantee the above mentioned the performance parameters in respect of performance of unit, which shall be established by conducting the performance Guarantee tests. In case of any short fall in achieving these guaranteed parameters, liquidated damages as per the rates indicated in the able will be levied. The total liability of the contractor on account of liquidated damages under this clause and liquidated damages for delay in commissioning shall not exceed 15% of the total contract price excluding taxes and duties.

6. COMPLETION PERIOD:
The dispatches from the BHEL works/BHEL Sub-Contractor's works and the erection activities shall be planned to achieve the following commissioning schedules:

Completion of Trial Operations: 42 months
The above time schedule is reckoned from zero date i.e. from the date of release of the interest free initial advance of 10% of the contract price. Any delay in the completion period solely attributed to the contractor shall attract liquidated damages @ 0.5% of the contract price per week of delay subject to maximum ceiling of 10% of the contract price.

7. CONTRACT PERFORMANCE GUARANTEE:

BHEL shall submit bank guarantees for 10% of supply price and Erection & Commissioning price towards contract performance, which shall be valid till completion of warranty Period i.e. 12 months from the date of completion of trial operation.

8. A) TRIAL OPERATION:

i. On completion of erection of any major items along with its auxiliaries, the same shall be thoroughly inspected by the Contractor together with the APGENCO’s Engineers for correctness and completeness and acceptability for pre-commissioning tests. Though the APGENCO’s Engineers associate themselves with such inspection, the responsibility for declaration for correctness, completeness and acceptability shall rest with the Contractor and the pre-commissioning tests shall be carried out after such declaration. The pre-commissioning tests to be performed at site as well as necessary documentation and formats for the protocols to be signed during and after the tests shall be prepared by the Contractor taking into account relevant Indian/International/ Manufacturers standard as applicable and finalized by the APGENCO sufficiently in advance through mutual discussions. On conclusion of satisfactory pre-commissioning tests of each individual equipment, the trial operation of the unit shall start consistent with parameters of the technical specifications.

ii. The duration of trial operation shall be for 14 days during which period the unit shall be run as follows:

   a) Half to full load or any other load cycle mutually agreed to during which period the unit shall also run on economical load (90% of Full Load) for 48 hours continuously.

   b) During the above trial operation the standby auxiliary equipment shall also be run for a minimum period of more than 72 hours during which period the equipment including stand by equipment shall run at its rated capacity for a minimum period of 24 hours subject to 1 above.

   c) Full load continuous operation for seventy two (72) hours.

Any interruption caused by the Contractor up to 24 hours will not affect the period of 14 days trial operation indicated above. In case of such interruption occurring for more than 24 hours, the above period shall be extended correspondingly. The
above trial operation shall be carried out in full fledged manner with the associated instruments and controls. The unit is deemed to be commissioned on successful completion of the above trial operation. Upon successful completion of trial operation, a protocol shall be signed by both parties.

iii. A document shall be prepared on the results of trial operation. This document besides recording of the details of the various observations during the trial run will also include the date of start and finish of the trial operation and will be signed by the representative of both the parties. The document of the trial operation shall have log sheets and all adjustments, repairs, interruptions etc., shall be recorded therein.

iv. The readiness of the unit for the trial operation shall be intimated by written notice to the APGENCO. After receipt of such notice and a consent within 15 days from APGENCO, if the trial operation could not be performed or could not be completed due to any reasons not attributable to the Contractor and if the situation continues, the Contractor shall be absolved of the responsibility for the delay and the plant shall be deemed to have been taken over by the APGENCO at the end of 60 days after the Contractor’s notifications of readiness of the same. In case APGENCO does not reply within 15 days from contractors notification of readiness of Trial Operation, the responsibility of insurance of plant and equipment shall pass on to APGENCO.

v. The trial operation shall be carried out in compliance with relevant manufacturer’s standards and/or relevant Indian/International standards and manufacturer’s operation directions before starting them.

vi. Defects which are minor in nature and do not endanger the safe operation of the plant, shall not be considered as reasons for not taking over the plant by the APGENCO. These defects shall be listed in the above mentioned documents and shall be rectified by the Contractor in accordance with the agreement made in this respect.

B) TESTS ON COMPLETION:

i. Contractor shall be responsible for the commissioning including, start-up and trial operation and maintenance of the unit until the taking over by the APGENCO. The number, qualification and allocation schedule of Contractor’s and APGENCO’s personnel for continuous operation and maintenance shall be decided on mutually agreed basis.

ii. The duration of the above mentioned operation shall be determined jointly by APGENCO and Contractor to ensure the regularity of operation in accordance with the Technical Offers and to maintain a high level of efficiency. Contractor must correct any defects or deficiencies that appear during the commissioning.
APGENCO is obliged to provide for Contractor's free use of the required utilities like power, water, coal, fuel oil etc provided that Contractor informs APGENCO of such need three (3) months before the required date of supply.

iii. Once the unit has successfully completed synchronization and start-up and is capable of safe operation as per Prudent Practices, the Contractor shall be entitled to conduct the 'test on completion'. For the purpose of this test, APGENCO shall timely provide, pursuant to APGENCO's scope of works the necessary personnel, supply of water, electricity, fuel oil, coal to the site for the test on completion.

iv. The test on completion shall be deemed to have been successfully completed when the unit has successfully demonstrated seventy two (72) hours full load continuous operation, as mentioned at clause 8(A) (ii). The Contractor shall conduct tests on completion in association with APGENCO's personnel, for which the Contractor shall have given APGENCO's representative a written notice at least seven (7) days prior to such scheduled date. If the APGENCO does not attend the Test on Completion at the time and place agreed, Contractor may proceed with the Test on Completion, readings of such Test on Completion shall be accepted as accurate by the APGENCO.

9. TAKING OVER AND COMMERCIAL OPERATION:

i. APGENCO shall provisionally take over the unit upon completion of Trial Operation conducted as per clause 8 (A) above, acceptable to the APGENCO. Contractor may apply to the APGENCO for Final Taking over Certificate by notice enclosing the Protocol, referred to in clause 8 above, and test results, after successful completion of Performance Guarantee Tests. APGENCO shall, within fourteen (14) days after the receipt of the Contractor's application:

a) Issue the Taking over Certificate to the Contractor, stating the date on which the Performance Guarantee Tests are completed in accordance with the Contract including the date of passing of the Test on Completion. The Performance Bank Guarantees shall be returned to the contractor at the end of Warranty Period.

or

b) Reject the application, giving reasons and specifying the work required to be done by Contractor to enable the taking over certificate to be issued. Contractor shall then complete such work before issuing a further notice under this section.

ii. The unit shall be taken over or deemed to have been taken over by the APGENCO when the trial operation is completed.
iii. Commercial operation shall begin from the date of successful completion of trial operation as in 8(A)(ii) above.

10. **INSURANCE:**
   The material and equipment shall be supplied duly covered under transit insurance. The material so received shall be insured during storage at site till completion of equipment commissioning in full shape. The insurance of plant and equipment i.e. the entire unit shall be the responsibility of M/s BHEL till successful completion of trial operation. The Insurance shall be arranged in the name of APGENCO/PFC.

11. **ACKNOWLEDGEMENT:**
   This Letter of Intent is issued in duplicate. BHEL shall return the duplicate copy of the Letter of Intent duly signed and stamped on each page by the authorized signatory of the company as proof of acceptance of the same.

   Yours faithfully,

   [Signature]

   CHIEF ENGINEER/TPC-I.

   We accept the terms and conditions of this Letter of Intent.

   M/s BHEL

   Seal of the company

   Copy communicated to:

   01. PS to MD/APGENCO/VS/Hyderabad.
   02. AS to Director (Projects)/APGENCO/VS/Hyderabad.
   03. Dy. CCA to Director (Finance)/APGENCO/VS/Hyderabad.
   04. DE (T) to Director (Technical)/APGENCO/VS/Hyderabad.
   05. ADE (T) to Director (Hydel)/APGENCO/VS/Hyderabad.
   06. Chief Engineer/O&M/RTPP/VV. Reddy Nagar – 516 312/Kadapa.
   07. Chief Engineer (Gen-II)/APGENCO/VS/Hyderabad.
   08. Chief Engineer (Civil)/APGENCO/VS/Hyderabad.
   09. Chief Engineer (Civil)/General Services/APGENCO/VS/Hyderabad.
   11. FA & CCA (Resources)/APGENCO/VS/Hyderabad.
   12. FA & CCA (Audit)/APGENCO/VS/Hyderabad.
   17. Pay Officer/APGENCO/VS/Hyderabad.
   18. SAO/Pay & Accounts/APGENCO/VS/Hyderabad.
   19. Resident Audit Officer/EBRA/B-Block/VS/Hyderabad.
BY SPEED POST

J-13012/87/2008-IA.II (T)
Government of India
Ministry of Environment & Forests

Paryavaran Bhawan
CGO Complex, Lodi Road
New Delhi-110 003

To
M/s Andhra Pradesh Power Generation Corpn. Ltd.
Vidyut Soudha
Hyderabad- 500 082.

Sub: Expansion by addition of 1x600 MW (Stage-IV) at Rayalseema Coal Based Thermal Power Plant near V.V. Reddy Nagar, in Yerraguntla Mandal, in Kadapa Distt., in Andhra Pradesh - reg. Environmental Clearance.

Sir,

The undersigned is directed to refer to letter no. CE/C/GE/SE/C/AEE/D.No.264/10, dated 27.08.2010 on the subject mentioned above.

2. The Ministry of Environment & Forests has examined the application. It has been noted that the proposal is for expansion by addition of setting up 1x600 MW at Rayalseema Coal Based Thermal Power Plant near V.V. Reddy Nagar, in Yerraguntla Mandal, in Kadapa Distt., in Andhra Pradesh. Two units under Stage-I viz. 2x210 MW were commissioned during 1994-1995. Two more units under Stage-II viz. 2x210 MW were commissioned during 2007. Unit-5 under Stage-III is under construction and will be commissioned during 2010. Water requirement for the expansion will be 14.2 MCM, which will be met from Sree Pothuluri Veerabrahmendra Swamy Reservoir. The source of water will be at 68.247 km and will be conveyed by pipeline. Water allocation from the Govt. of A.P has been obtained. Natural draft cooling system will be adopted. There are no wildlife sanctuary, national parks, reserves, heritage sites etc. within 10 km of the site. Coal linkage for 500 MW is in place, which will be obtained from Mahanadi Coal Fields. Ash and Sulphur contents in coal will be 34% and 0.5% respectively. Quantity of Fly Ash to be generated will be 0.79862 MTPA. A stack of 275 m will be constructed for the expansion proposal. Additional land requirement will be 85 acres, which is a single crop agricultural land. Public hearing was conducted on 20.10.2009. Cost of the project will be Rs 3104.16 Crores.

3. The project has been considered in accordance with the provisions of the EIA notification issued by the Ministry of Environment & Forests vide S.O.1533 (E), dated September 14, 2006.

4. Based on the information submitted by you, as at Para 2.0 above and others and presentation made by your consultant M/s Ramky Enviro Engineers Ltd., the Ministry of Environment and Forests hereby accords
environmental clearance under the provisions of ELA notification dated September 14, 2006, subject to the compliance of the following Specific and General conditions:

A. **Specific Conditions:**

(i) Environmental clearance shall be applicable for generation of 1x500 MW capacity only until firm coal linkage for balance 100 MW is available. However at a later stage when firm coal linkage for balance 100 MW is also available, the project proponent may request the Ministry for inclusion for entire capacity of 1x600 MW which the Ministry shall consider appropriately.

(ii) Vision document specifying prospective plan for the site shall be formulated and submitted to the Ministry within six months.

(iii) Sulphur and ash contents in the coal to be used in the project shall not exceed 0.5% and 34% respectively at any given time. In case of variation of coal quality at any point of time, fresh reference shall be made to MOEF for suitable amendments to environmental clearance condition wherever necessary.

(iv) A stack of 275 m height shall be provided with continuous online monitoring equipments for SO$_x$, NO$_x$ and Particulate Matter (PM$_{2.5}$ & PM$_{10}$). Exit velocity of flue gases shall not be less than 22 m/sec. Mercury emissions from stack shall also be monitored on periodic basis.

(v) No ground water shall be extracted for use in operation of the power plant even in lean season.

(vi) Source sustainability study of water requirement shall be carried out by an institute of repute. The study shall also specify the source of water for meeting the requirement during lean season. The report shall be submitted to the Regional Office of the Ministry within six months.

(vii) Hydro geological study of the area shall be reviewed annually and report submitted to the Ministry. No water bodies including natural drainage system in the area shall be disturbed due to activities associated with the setting up/operation of the power plant.

(viii) Minimum required environmental flow suggested by the Competent Authority of the State Govt. shall be maintained in the Channel/River (as applicable) even in lean season.

(ix) COC of 5.0 shall be adopted.

(x) Local employable youth shall be trained in skills relevant to the project for eventual employment in the project itself. The action taken
report and details thereof to this effect shall be submitted to the Regional Office of the Ministry and the State Govt. Dept. concerned from time to time.

(xii) Provision for installation of FGD shall be provided for future use. High Efficiency Electrostatic Precipitators (ESPs) shall be installed to ensure that particulate emission does not exceed 50 mg/Nm³.

(xiii) Adequate dust extraction system such as cyclones/ bag filters and water spray system in dusty areas such as in coal handling and ash handling points, transfer areas and other vulnerable dusty areas shall be provided.

(xiv) Utilisation of 100% Fly Ash generated shall be made from 4th year of operation of the plant. Status of implementation shall be reported to the Regional Office of the Ministry from time to time.

(xv) Fly ash shall be collected in dry form and storage facility (silos) shall be provided. Unutilized fly ash shall be disposed off in the ash pond in the form of slurry form. Mercury and other heavy metals (As, Hg, Cr, Pb etc.) will be monitored in the bottom ash as also in the effluents emanating from the existing ash pond. No ash shall be disposed off in low lying area.

(xvi) Ash pond shall be lined with HDPE/LDPE lining or any other suitable impermeable media such that no leachate takes place at any point of time. Adequate safety measures shall also be implemented to protect the ash dyke from getting breached.

(xvii) For disposal of Bottom Ash in abandoned mines (if proposed to be undertaken) it shall be ensured that the bottom and sides of the mined out areas are adequately lined with clay before Bottom Ash is filled up. The project proponent shall inform the State Pollution Control Board well in advance before undertaking the activity.

(xviii) Old abandoned ash dyke (if any) shall be appropriately capped and rehabilitated so that no possible emission of fly ash takes place.

(xix) Green Belt consisting of three tiers of plantations of native species around plant and at least 100 m width shall be raised. Wherever 100 m width is not feasible a 50 m width shall be raised and adequate justification shall be submitted to the Ministry. Tree density shall not less than 2500 per ha with survival rate not less than 75 %.

(xx) For the tribal families (if any) affected directly or indirectly by the project, specific schemes for upliftment of their sustainable livelihood
shall be prepared with time bound implementation and in-built monitoring programme. The status of implementation shall be submitted to the Regional Office of the Ministry from time to time.

(xxii) The project proponent shall also adequately contribute in the development of the neighbouring villages. Special package with implementation schedule for free potable drinking water supply in the nearby villages and schools shall be undertaken in a time bound manner.

(xxii) An amount of Rs 12.40 Crores shall be earmarked as one time capital cost for CSR programme. Subsequently a recurring expenditure of Rs 2.50 Crores per annum shall be earmarked as recurring expenditure for CSR activities. Details of the activities to be undertaken shall be submitted within one month along with road map for implementation.

(xxiii) While identifying CSR programme the company shall conduct need based assessment for the nearby villages to study economic measures with action plan which can help in upliftment of poor section of society. Income generating projects consistent with the traditional skills of the people besides development of fodder farm, fruit bearing orchards, vocational training etc. can form a part of such programme. Company shall provide separate budget for community development activities and income generating programmes. This will be in addition to vocational training for individuals imparted to take up self employment and jobs.

(xxiv) It shall be ensured that in-built monitoring mechanism for the schemes identified is in place and annual social audit shall be got done from the nearest government institute of repute in the region. The project proponent shall also submit the status of implementation of the scheme from time to time.

B. General Conditions:

(i) The treated effluents conforming to the prescribed standards only shall be re-circulated and reused within the plant. There shall be no discharge outside the plant boundary except during monsoon. Arrangements shall be made that effluents and storm water do not do not get mixed.

(ii) A sewage treatment plant shall be provided (as applicable) and the treated sewage shall be used for raising greenbelt/plantation.

(iii) Rainwater harvesting should be adopted. Central Groundwater Authority/ Board shall be consulted for finalization of appropriate rainwater harvesting technology within a period of three months from the date of issue of clearance and details shall be furnished to the Regional Office of the Ministry.
(iv) Adequate safety measures shall be provided in the plant area to check/minimize spontaneous fires in coal yard, especially during summer season. Copy of these measures with full details along with location plant layout shall be submitted to the Ministry as well as to the Regional Office of the Ministry.

(v) Storage facilities for auxiliary liquid fuel such as LDO and/ or HFO/LSHS shall be made in the plant area in consultation with Department of Explosives, Nagpur. Sulphur content in the liquid fuel will not exceed 0.5%. Disaster Management Plan shall be prepared to meet any eventuality in case of an accident taking place due to storage of oil.

(vi) Regular monitoring of ground water level shall be carried out by establishing a network of existing wells and constructing new piezometers. Monitoring around the ash pond area shall be carried out particularly for heavy metals (Hg, Cr, As, Pb) and records maintained and submitted to the Regional Office of this Ministry. The data so obtained should be compared with the baseline data so as to ensure that the ground water quality is not adversely affected due to the project.

(vii) Monitoring surface water quantity and quality shall also be regularly conducted and records maintained. The monitored data shall be submitted to the Ministry regularly. Further, monitoring points shall be located between the plant and drainage in the direction of flow of ground water and records maintained. Monitoring for heavy metals in ground water shall be undertaken.

(viii) First Aid and sanitation arrangements shall be made for the drivers and other contract workers during construction phase.

(ix) Noise levels emanating from turbines shall be so controlled such that the noise in the work zone shall be limited to 75 dBA. For people working in the high noise area, requisite personal protective equipment like earplugs/ear mufffs etc. shall be provided. Workers engaged in noisy areas such as turbine area, air compressors etc shall be periodically examined to maintain audiometric record and for treatment for any hearing loss including shifting to non noisy/less noisy areas.

(x) Regular monitoring of ground level concentration of SO2, NOx, PM2.5 & PM10 and Hg shall be carried out in the impact zone and records maintained. If at any stage these levels are found to exceed the prescribed limits, necessary control measures shall be provided immediately. The location of the monitoring stations and frequency of monitoring shall be decided in consultation with SPCB. Periodic reports shall be submitted to the Regional Office of this Ministry. The data shall also be put on the website of the company.
(xi) Provision shall be made for the housing of construction labour (as applicable) within the site with all necessary infrastructure and facilities such as fuel for cooking, mobile toilets, mobile STP, safe drinking water, medical health care, creche etc. The housing may be in the form of temporary structures to be removed after the completion of the project.

(xii) The project proponent shall advertise in at least two local newspapers widely circulated in the region around the project, one of which shall be in the vernacular language of the locality concerned within seven days from the date of this clearance letter, informing that the project has been accorded environmental clearance and copies of clearance letter are available with the State Pollution Control Board/Committee and may also be seen at Website of the Ministry of Environment and Forests at http://envfor.nic.in.

(xiii) A copy of the clearance letter shall be sent by the proponent to concerned Panchayat, Zila Parisad / Municipal Corporation, urban local Body and the Local NGO, if any, from whom suggestions/representations, if any, received while processing the proposal. The clearance letter shall also be put on the website of the Company by the proponent.

(xiv) An Environmental Cell shall be created at the project site itself and shall be headed by an officer of appropriate seniority and qualification. It shall be ensured that the head of the Cell shall directly report to the head of the organization.

(xv) The proponent shall upload the status of compliance of the stipulated EC conditions, including results of monitored data on their website and shall update the same periodically. It shall simultaneously be sent to the Regional Office of MOEF, the respective Zonal Office of CPCB and the SPCB. The criteria pollutant levels namely; SPM, RSPM (PM$_{2.5}$ & PM$_{10}$), SO$_2$, NO$_x$ (ambient levels as well as stack emissions) shall be displayed at a convenient location near the main gate of the company in the public domain.

(xvi) The environment statement for each financial year ending 31st March in Form-V as is mandated to be submitted by the project proponent to the concerned State Pollution Control Board as prescribed under the Environment (Protection) Rules, 1986, as amended subsequently, shall also be put on the website of the company along with the status of compliance of environmental clearance conditions and shall also be sent to the respective Regional Offices of the Ministry by e-mail.

(xvii) The project proponent shall submit six monthly reports on the status of the implementation of the stipulated environmental safeguards to the Ministry of Environment and Forests, its Regional Office, Central Pollution Control Board and State...
Pollution Control Board. The project proponent shall upload the status of compliance of the environment of the environmental clearance conditions on their website and update the same periodically and simultaneously send the same by e-mail to the Regional Office, Ministry of Environment and Forests.

(xviii) Regional Office of the Ministry of Environment & Forests will monitor the implementation of the stipulated conditions. A complete set of documents including Environmental Impact Assessment Report and Environment Management Plan along with the additional information submitted from time to time shall be forwarded to the Regional Office for their use during monitoring. Project proponent will upload the compliance status in their website and update the same from time to time at least six monthly basis. Criteria pollutants levels including NOx (from stack & ambient air) shall be displayed at the main gate of the power plant.

(xix) Separate funds shall be allocated for implementation of environmental protection measures along with item-wise break-up. These cost shall be included as part of the project cost. The funds earmarked for the environment protection measures shall not be diverted for other purposes and year-wise expenditure should be reported to the Ministry.

(xx) The project authorities shall inform the Regional Office as well as the Ministry regarding the date of financial closure and final approval of the project by the concerned authorities and the dates of start of land development work and commissioning of plant.

(xxi) Full cooperation shall be extended to the Scientists/Officers from the Ministry / Regional Office of the Ministry at Bangalore / CPCB/ SPCB who would be monitoring the compliance of environmental status.

4. The Ministry of Environment and Forests reserves the right to revoke the clearance if conditions stipulated are not implemented to the satisfaction of the Ministry. The Ministry may also impose additional environmental conditions or modify the existing ones, if necessary.

5. The environmental clearance accorded shall be valid for a period of 5 years to start operations by the power plant.

6. Concealing factual data or submission of false/fabricated data and failure to comply with any of the conditions mentioned above may result in withdrawal of this clearance and attract action under the provisions of Environment (Protection) Act, 1986.

7. In case of any deviation or alteration in the project proposed including coal transportation system from those submitted to this Ministry for clearance, a fresh reference should be made to the Ministry to assess the
adequacy of the condition(s) imposed and to add additional environmental protection measures required, if any.


9. Any appeal against this environmental clearance shall lie with the National Environment Appellate Authority, if preferred, within 30 days as prescribed under Section 11 of the National Environment Appellate Act, 1997.

Yours faithfully,

(Dr. P.L. Ahujara)
Director

Copy to:

1. The Secretary, Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi 110001.
2. The Secretary (Environment), Forests and Environment Department Government of Andhra Pradesh.
3. The Chairman, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi-110066.
4. The Chairman, Andhra Pradesh State Pollution Control Board, Paryavarana Bhawan, A-3, Industrial Estate, Sanath Nagar, Hyderabad -500 018.
5. The Chairman, Central Pollution Control Board, Parivesh Bhawan, CBD-cum-Office Complex, East Arjun Nagar, Delhi-110032.
6. The Chief Conservator of Forests, Regional Office (SZ), Kendriya Sadan, 4th Floor E&F Wings 17th Main Road, 1 Block, Koramangala, Bangalore -560 034.
7. The District Collector, Kadappa District, Govt. of Andhra Pradesh.
8. The Director (El), MOEF.
9. Guard file

(Dr. P.L. Ahujara)
Director
Amendment No. 1
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED
(A Govt. Of A P Undertaking)
Vidyut Soudha, Hyderabad - 500082. www.apgenco.gov.in
Phone: 040 – 2349 9211 Fax: 040 – 2349 9299

From:
The Chief Engineer,
Thermal Projects Construction-II,
APGENCO, A-Block, 3rd Floor,
Vidyut Soudha, Khairatabad,
Hyderabad-500082.
Email ID: cetpcapgenco@gmail.com

To:
M/s. Bharat Heavy Electicals Ltd., Power Sector – Marketing,
BHEL House, Sirl Fort,
New Delhi – 110 049.

2. Your Lr. MS-1-10-0023, Dt 06.12.2010
3. Your Lr. MS-1-10-0023, Dt 23.05.2011
4. Your Lr No.MS-1-10-0023 Dt: 04.08.2011.
7. Revised Commercial Offer Lr No.MS-1-10-0023 Dt: 06.03.2012

Dear Sirs,

Sub: RTTP Stage-IV, Unit-6 (1x600MW) - Design, Engineering Manufacture and Supply of BHEL manufactured equipments for BTG package of 1X600MW coal fired Thermal unit including CW pumps with motors, 400KV switchyard with Civil works duly excluding BTG mandatory spares and BOP works like Coal & Ash Plants, Water treatment plant-Amendment No. 1 to PO- Issued - Reg.

Kind Attention: Sri A.K. Gupta, Addl. GM

Lr. No. CPP/111/RTTP-IV/F.BTG/TMO 873/D. No. 460/11, Dated: 30.03.2012

Dear Sirs,

Sub: RTTP Stage-IV, Unit-6 (1x600MW) - Design, Engineering Manufacture and Supply of BHEL manufactured equipments for BTG package of 1X600MW coal fired Thermal unit including CW pumps with motors, 400KV switchyard with Civil works duly excluding BTG mandatory spares and BOP works like Coal & Ash Plants, Water treatment plant-Amendment No. 1 to PO- Issued - Reg.

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4. Your Lr No.MS-1-10-0023 Dt: 04.08.2011.
7. Revised Commercial Offer Lr No.MS-1-10-0023 Dt: 06.03.2012

*****

This has reference to the correspondence 3 to 7 cited above, for providing 10 ESP fields, in the direction of gas flow, as against 8 ESP fields envisaged earlier, to achieve particle emission of 50 mg/Nm³ with (n-1) fields in service instead of 100 mg/Nm³ with (n-1) fields in service for RTTP Stage-IV, 1x600MW. After careful examination of the above and comments furnished by M/s BHEL, on the purchase order, vide letter 2nd cited, APGENCO hereby issues the following amendment to the clauses mentioned below of the purchase order 1st cited.

A) Clause No. 2, "SCHEDULE OF PRICES"

The clause is amended to read as follows.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Description</th>
<th>Original Price in Rs. Crores</th>
<th>Price in Rs. Cr. for Additional ESPs</th>
<th>Total Price in Rs. Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Supply Contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a)</td>
<td>Supply Ex-Works (Ex-Works/ BHEL’s Sub-contractors works/Port of entry in India basis)</td>
<td>1150.90</td>
<td>10.64</td>
<td>1161.54</td>
</tr>
<tr>
<td>b)</td>
<td>Estimated Taxes/duties Excise Duty @ 10%, Education Cess @ 3%, Central Sales tax @ 2% and APVAT @ 4%</td>
<td>122.10</td>
<td>1.08</td>
<td>123.18</td>
</tr>
<tr>
<td></td>
<td>Total Supply portion(including taxes)</td>
<td>1273.00</td>
<td>11.72</td>
<td>1284.72</td>
</tr>
</tbody>
</table>
B) Clause No. 5 i.e. "CUSTOMS DUTY & CIF COMPONENT"

The clause is amended to read as follows:

Customs Duty @ 5% and education cess @ 3% as applicable for station imports is included in the total price of Rs. 1284.72 Crores, subject to a maximum total CIF component of Rs. 500.50 Crores (Rupees Five Hundred Crores and Fifty Lakhs only) in the above prices, worked out at SBI exchange rates as applicable on 04.06.2010. Any increase in Customs Duty due to introduction of any new import levy shall be to the account of APGENCO. Customs duty variation shall be limited to CIF value of Rs. 500.50 Crores. The Essentiality certificate to be issued by the Government of Andhra Pradesh shall be arranged by APGENCO.

C) Clause No. 7. "PAYMENT TERMS"

The following may be added at the end of the clause:

The Payment Terms in respect of prices of the additional ESPs shall be as follows:

Within the Contractual delivery period: 95% of the all inclusive price of the materials will be paid within 30 days on receipt and acceptance of the material in good condition at site and after receipt of your invoice in quadruplicate against furnishing of Bank Guarantees for 10% value of the purchase order covering 6 months over and above the guarantee period and the balance 5% will be paid after 90 days thereafter and after completion of the delivery formalities.

Beyond the contractual delivery period: 90% of the all inclusive price of the materials will be paid within 30 days on receipt and acceptance of the material in good condition at site and after receipt of your invoice in quadruplicate against furnishing of Bank Guarantee as stated for 10% value of the purchase order covering 6 months over and above the guarantee period and balance 10% after 90 days thereafter subject to effective performance of the contract and settlement of liquidated damages etc.

D) Clause No. 13 (b) FOR GUARANTEED PERFORMANCE PARAMETERS

The item S.No. 3 & 4 of the clause is amended to read as follows.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Parameter</th>
<th>Guaranteed Value</th>
<th>Liquidated damages amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Auxiliary Power Consumption</td>
<td>14680 KW</td>
<td>Rs. 1,766 Lakhs (Rupees One Lakh Seventy Six Thousand Six Hundred Only) per KW increase.</td>
</tr>
<tr>
<td>4</td>
<td>ESP particulate Emission at 100% STG MCR with (n-1) fields in service</td>
<td>50 mg/Nm³</td>
<td>—</td>
</tr>
</tbody>
</table>
E) Clause No. 35, "REMOVAL OF EXCESS MATERIALS" of Annexure-II

The clause is amended to read as follows:

"All materials brought to the site by Contractor or his sub-contractor(s) in the course of execution of the work shall remain as his/or their property and Contractor or his sub-contractor(s) shall after handing over of the equipment to the APGENCO have to remove all such materials, scraps, etc which do not form part of the erected equipment and work covered by the Contract. Regarding the commissioning spares brought to site to take care of the exigencies like failure, malfunction, inadequacy at BHEL's cost, such material can be removed from site after handing over the concerned system."

All the other Terms & conditions of the PO 1st cited shall remain unaltered. This is registered as Amendment No.1 to the Erection & Commissioning PO No. TCO 874, Dated: 18.11.2010. Please acknowledge the receipt of this letter.

CHIEF ENGINEER/TPC-II

Copy communicated to:
1. PA to Chairman/APGENCO/VS/Hyderabad
2. PS to Managing Director/APGENCO/VS/Hyderabad.
3. Dy. CCA to Joint Managing Director/APGENCO/VS/Hyderabad
4. AS to Director (Projects)/APGENCO/VS/Hyderabad.
5. AS to Director (Thermal)/APGENCO/VS/Hyderabad.
6. ADE/Tech to Director (Coal/Logistics)/APGENCO/VS/Hyderabad.
7. DE (T) to Director (Technical)/APGENCO/VS/Hyderabad.
8. ADE (T) to Director (Hydel)/APGENCO/VS/Hyderabad.
9. Chief Engineer/O&M/RTPP/VV. Reddy Nagar – 516 312/Kadapa
10. Chief Engineer (Gen-II) / APGENCO/VS/Hyderabad.
11. Chief Engineer (Civil)/Thermal/APGENCO/VS/Hyderabad.
12. Chief Engineer (Civil)/General Services/APGENCO/VS/Hyderabad.
14. FA & CCA (Resources)/APGENCO/VS/Hyderabad.
15. FA & CCA (Audit)/APGENCO/VS/Hyderabad.
17. Superintending Engineer/Civil Circle-1/RTPP/VV. Reddy Nagar – Kadapa
20. Pay Officer/APGENCO/VS/Hyderabad.
22. Resident Audit Officer/EBRA/R.NO.510/B-Block/VS/Hyderabad.
23. EME-3, EME-5, EME-6, O/o CE/TPC-I/VS/Hyderabad.
Amendment No. 1

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED
(A Govt. Of A P Undertaking)
Vidyut Soudha, Hyderabad - 500082. www.apgenco.gov.in
Phone: 040 – 2349 9211 Fax: 040 – 2349 9299

From:
The Chief Engineer,
Thermal Projects Construction-II,
APGENCO, A-Block, 3rd Floor,
Vidyut Soudha, Khairatabad,
Hyderabad-500 082.
Email ID: cetpcapgenco@gmail.com

To:
M/s. Bharat Heavy Electricals Ltd.,
Power Sector – Marketing,
BHEL House, Siri Fort,
New Delhi – 110 049.
Ph No. 011 6633 7798
Fax No. 011-2600 1172 / 2649 3561

Kind Attention: Sri A.K. Gupta, Addl. GM

Lr. No. CPP/111/ RTPP Stage-IV/F.BTG/TCO 874/ /D. No. 461/11, Dated:30.03.2012

Dear Sirs,

Sub: RTPP Stage-IV, Unit-6 (1x600MW) - Transportation of Equipment to Site, Handling at site, Unloading, Storage, Erection, Testing & Commissioning and Trial Operation including Comprehensive Insurance of BHEL Manufactured Equipments including CW pumps with motors, 400/220 KV Switch yard with civil works duly excluding the BTG mandatory spares and BOP works like Coal & Ash Handling Plants, Water Treatment Plant-Amendment No. 1 to PO- Issued - Reg.

2. Your Lr. MS-1-10-0023, Dt 06.12.2010
3. Your Lr. MS-1-10-0023, Dt 23.05.2011
4. Your Lr No.MS-1-10-0023 Dt: 04.08.2011.
7. Revised Commercial Offer Lr No.MS-1-10-0023 Dt: 06.03.2012

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This has reference to the correspondence 3 to 7 cited above, for providing 10 ESP fields, in the direction of gas flow, as against 8 ESP fields envisaged earlier, to achieve particle emission of 50 mg/Nm³ with (n-1) fields in service instead of 100 mg/Nm³ with (n-1) fields in service for RTPP Stage-IV, 1x600MW. After careful examination of the above and comments furnished by M/s BHEL, on the purchase order, vide letter 2nd cited, APGENCO hereby issues the following amendment to the clauses mentioned below of the purchase order 1st cited.
A) Clause No. 2, “SCHEDULE OF PRICES”

The clause is amended to read as follows.

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<th>Original Price</th>
<th>Price for Additional ESPs</th>
<th>Total Lumpsum Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>i)</td>
<td>Unloading at site, handling, erection, testing &amp; commissioning, completion of trail operation and handing over including insurance (covering transit &amp; erection, testing &amp; commissioning) excluding all kinds of taxes/duties.</td>
<td>141.00</td>
<td>2.13</td>
<td>143.13</td>
</tr>
<tr>
<td>ii)</td>
<td>Local Freight excluding taxes and duties</td>
<td>25.00</td>
<td>0.26</td>
<td>25.26</td>
</tr>
<tr>
<td>iii)</td>
<td>Civil Works excluding taxes and duties</td>
<td>6.00</td>
<td>-</td>
<td>6.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>172.00</td>
<td>2.39</td>
<td>174.39</td>
</tr>
</tbody>
</table>

B) Clause No. 6, “PAYMENT TERMS”

The following may be added at the end of S.No. i), ERECTION & COMMISSIONING of the clause.

The Payment Terms in respect of prices of the additional ESPs shall be as follows:
90 % of the quoted rate shall be paid every month for the completed items of works on furnishing bank guarantee as equal to 10 % of erection value covering 6 months over and above the guarantee period and balance 10 % after completion of total erection, testing and commissioning of the equipment.

C) Clause No. 11 (b), FOR GUARANTEED PERFORMANCE PARAMETERS

The item S.No. 3 & 4 of the clause is amended to read as follows.

<table>
<thead>
<tr>
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<td>mg/Nm3</td>
<td>50 mg/Nm3</td>
<td>—</td>
</tr>
</tbody>
</table>

D) The following amendment is issued to the clauses of Annexure-1 as detailed below.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1.   | In Clause No.1.1.1 Steam Generator (SG) Island

  "Auxiliary Cooling Water system": stands deleted |
| 2.   | In Clause No.1.2, Electrical systems, i. 400KV Switchyard

  “SCADA” stands deleted |
| 3.   | In Clause No.1.3, Control and Instrumentation System

  “viz. Pneumatic & electrical lab equipment” stands deleted |
| 4.   | In Clause No.1.3 Control and Instrumentation System

  “UCB” is amended to read as “ECP”. |
| 5.   | In Clause No. III Exclusions, item No. 53

  “Auxiliary Boiler” is replaced with “Auxiliary Cooling Water system along with ACW pumps, COLTCS, SCS, BF Valves” |
The following amendment is issued to the clauses of Annexure-1 as detailed below.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Description</th>
<th>Change</th>
</tr>
</thead>
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</tr>
</tbody>
</table>

All the other Terms & conditions of the PO 1st cited shall remain unaltered. This is registered as Amendment No.1 to the Supply PO No. TMO 873, Dated: 18.11.2010. Please acknowledge the receipt of this letter.

Copy communicated to:
1. PA to Chairman/APGENCO/VS/Hyderabad
2. PS to Managing Director/APGENCO/VS/Hyderabad.
3. Dy. CCA to Joint Managing Director /APGENCO/VS/Hyderabad
4. AS to Director (Projects)/APGENCO/VS/Hyderabad.
5. AS to Director (Thermal)/APGENCO/VS/Hyderabad.
6. ADE/Tech to Director (Coal/Logistics)/APGENCO/VS/Hyderabad.
7. DE (T) to Director (Technical)/APGENCO/VS/Hyderabad.
8. ADE (T) to Director (Hydel)/APGENCO/VS/Hyderabad.
9. Chief Engineer/O&M/RTPP/VV. Reddy Nagar – 516 312/Kadapa
10. Chief Engineer (Gen-II)/ APGENCO/VS/Hyderabad.
11. Chief Engineer (Civil)/Thermal/APGENCO/VS/Hyderabad.
12. Chief Engineer (Civil)/General Services/APGENCO/VS/Hyderabad.
14. FA & CCA (Resources)/APGENCO/VS/Hyderabad.
15. FA & CCA (Audit)/APGENCO/VS/Hyderabad
17. Superintending Engineer/Civil Circle-1/RTPP/VV. Reddy Nagar – Kadapa
20. Pay Officer/APGENCO/VS/Hyderabad.
22. Resident Audit Officer/EBRA/R.NO.510/B-Block/VS/Hyderabad.
23. EME-3, EME-5, EME-6, O/o CE/TPC-I/VS/Hyderabad.
DELAY DUE TO HEAVY RAINS

NOTE

1. During execution of the works to achieve the COD, there was severe rainfall for a period of two months during October & November of 2017. Because of the heavy rains, the approach roads were badly affected due to water clogging and due to the slippery silt on the path, the vehicles movement got restricted and had to be completely stalled. The labour colony was completely submersed by rain water and the labour had to be vacated for re-habilitation at a safer place. Hence, all the works at site got badly affected and the works were almost stalled during the above period, apart from the panic situation.

2. The works could be restored only after the rains stopped and the clogged water receded and due to the situation mentioned, the BOP works got further delayed by 2 months.

3. The relevant photos of the site during the rainfall are annexed.
PATH TO TP6 ALONG TO BC1Å/B
SITUATION AT LABOUR COLONY
SITUATION AT LABOUR COLONY
LABOUR COMING OUT FROM COLONIES
DELAY DUE TO DELAY IN EXECUTION OF WORKS BY NEW CONSORTIUM LEADER

NOTE

1. The new Consortium leader M/s Vatech Wabag Ltd. also did not take up the works with required pace, and consequently the COD got delayed.

2. Due to the delay in making payments to the Sub-Contractors by the BOP Contractor, M/s. Vatech Wabag Ltd, the works got hampered.

3. Several notices were also issued to the BOP contractor to complete the works to achieve the COD at the earliest.

4. Since the BOP works were not moving with required pace to achieve COD and due to delay in making payments to the Sub-Contractors, APGENCO has de-scoped certain Coal Handling Plant works from the BOP Scope and placed 02 Nos. separate Purchase Orders on their sub-contractors for coal plant works for feeding coal from Stacker/Reclaimer to bunkers. The copies of the Purchase Orders placed on the sub-contractors are put up below for perusal.

5. After completion of these works the coal was fed to the bunkers and the COD of the unit could be achieved on 28.03.2018.
ANDHRA PRADHESH POWER GENERATION CORPORATION LIMITEDA
Govt. of A P Undertaking)
Vidyut Soudha, Hyderabad - 500082. www.apgenco.com
Phone: 040 – 23499211 Fax: 040 – 23499299

From:
The Chief Engineer, Generation,
APGENCO, TPC Wing, 3rd Floor,
A – Block, Vidyut Soudha,
Khairathabad, Hyderabad – 500 082.
Fax No. 040 – 2349 9299
E Mail ID: celpcrtpp@gmail.com

To:
M/s. VATECH Wabag Ltd.,
"Wabag House",
No. 17, 200 Feet Radial Road,
S. Kalathur, (near Kamakshi Hospital),
Chennai - 600 117. India.
Ph:044-39232253, 044-39232324,
E Mail ID: k_sridhar@wabag.com

Attn: Sri. Rajiv Mittal, Managing Director


Sir,

Sub: RTPP – Stage-IV, Unit-6 (1x600MW) - Balance of Plant -Slow Progress of
works - Reg.
Ref: T.O. P.O. TMO 878, TCO 879, and TCO 880, all dt. 15.12.2010.

****

It may be recalled that as per the schedule of completion of works, furnished by you,
the COD of Unit-6 of RTPP Stage-IV is scheduled to be achieved by 31.12.2016. In this
regard, it is to inform that the progress of works is not as per the schedule furnished by M/s.
Vatech.

Also as per the schedule, the Boiler light up is scheduled for September 2016. But
the fronts required for the Boiler light up cannot be made ready with this pace of works. The
progress of works in the fronts are as follows:

1) Power House Building:

The works pertaining to Power House Building are running behind schedule. The sub-
contractor, M/s. Bekam Infra is regularly complaining that the Structural steel required
for the fabrication works of Power House Building is not being arranged in time, due to
which the works are being stalled. Even today 25 MT of ISMB 600 is indented by them
and the purchase order is yet to be placed and the supplier will need some time for
dispatching the same. During review of material APGENCO could identify certain
material which was procured for your sub-vendor, M/s. Bekem Infra was spared to
another vendor and indent for the spared material is not raised and the same is not
being procured, which is creating a shortfall for the sub vendor and the works are being
hampered. Due to this mismanagement the works are slowing down due non-
availability of such material. It is also to inform that 367MT of 32 mm plate is required
for Power House Building and the quantity ordered is only 130MT. Due to non-
availability of this plate the works are being hampered. Likewise other material which is
required are 10 mm plate, 45 mm, 8 mm, 20 mm, 25 mm, 30 mm, ISMC 250 & ISMC
300. There is certain material which is required in a very small quantity viz. ISA 65X65X8, ISA 75X75X8, ISA 100X100X12, ISA 130X130X16, ISA 50X50X6, ISA 90X90X10, 12 mm plate, ISMB 250, ISMB 450, UB 203X133X30 etc which are to be procured or the sub vendor can be authorised to procure at their end for avoiding the delay. Hence, the fabrication works are being adversely delayed for want of the structural material which in turn is delaying the concrete works, which finally will delay arranging fronts for M/s. BHEL for achieving Boiler Light up.

ii) **Pipe Rack works:**

The pipe rack works, which are very important for achieving boiler light up, since erection of all the fuel oil lines, compressed air lines, instrument air lines and the service air lines is impossible without pipe rack. But, the erection works of the pipe rack are far behind the schedule, for want of the foundations. It is brought to the understanding of APGENCO that there are approximately, 300 Nos. foundation drawings available for going ahead with the foundations. The civil works are not being taken up due to lack of sufficient man power. The pipe drawings for structural Engineering and Civil Engineering between Fuel Oil Unloading Pump house and Forwarding Pump house are not yet submitted and this will further delay the erection of Pipe Rack.

iii) **Water System works:**

The water system works are also stand still and the Major concrete works are stalled since long time, due to non-availability of man power. There is no work going on in the Raw Water Reservoir, the Raw Water Pump House, the CW Pump House, the PTP, the DM Plant, the Filter water reservoir, the Filter water pump house, the Chemical house, the Chlorination building etc. It will be a dream to achieve Boiler Light Up without the water system. Hence, this another area which will hamper the Boiler Light up activity.

iv) **Coal Handling Plant works:**

The Coal Handling Plant works are also far behind the schedule. The fabrication and erection works of CHP galleries, Transfer points are running at snail's pace. The sub-contractor for fabrication of the CHP galleries and Transfer points, M/s. Indwell is also complaining of the non-availability of drawings and material. The fabrication works at the sub-contractor, M/s. Indwell's site at Bhimavaram are also with a very slow pace due to lack of sufficient man power. The civil works of Wagon Tippler, Track Hopper are also far behind the schedule and still at excavation stage. The Floor beams drawings for the TP7 & TP8 are still pending for want of equipment details from M/s. Thyssan Krupp and M/s. Indwell. It may be noted that without increasing the man power in these areas the completion of the Wagon Tippler, Track Hopper will take some years.
v) **HVAC:**
The Air conditioning and ventilation system will be the biggest hurdle for achieving Boiler Light up. The drawings pertaining to the Power House Building and the ESP Building are yet to be finalized. The placing of orders for the equipment required for the Air conditioning and ventilation system is still pending. The agency for ducting fabrication and erection is not finalized. The site office of the HVAC is yet to be established in site. It may be noted that without the completion of the Air conditioning and ventilation system in the Control and the ESP Building, the mission to achieve Boiler Light up by September 2016 is impossible.

vi) **Ash Handling System:**
The bottom ash hopper water filling test was scheduled for 04.08.2016 but the same could be completed by 24.08.2016. The routing and the drawings of the Ash Disposal Pipe Lines is yet to be finalized. The silo works are stalled. The HCSD Pump house works are stalled. With this type of progress the completion of the Ash Handling system cannot be achieved before Boiler Light up.

vii) **NDCT works:**
M/s. Gammon India Limited, had been repeatedly committing for pouring 120 Cum of concrete every day, but are not even achieving 100 Cum per day. Approximately 104 lifts of 1.5 mts each in 57 rigs of concrete has to be poured and the achievable speed is 3 mts (i.e. 2 lifts) in 2 days, but due to lack of sufficient man power the NDCT works are moving very slow. The grillage columns are being completed because of non-availability of sufficient man power. Still there is lot of concreting work that can be taken up but the Contractor is unable to take up the works, duly quoting the reasons that there is no cement, metal etc. It may not be possible to complete the NDCT with this speed and man power.

viii) **Chimney works:**
M/s. Gammon India Limited, had committed to start the corbels by 01.08.2016 but till to date the works have not commenced. Only after the corbels are completed, the fixing of the A R Bricks cannot be taken up. It is understood that with this speed the chimney will need at least another 6 to 8 months to complete the works, which will in turn effect the Boiler light up, since the availability of Chimney is very essential for Boiler Light up.

ix) **Other areas:**
The other areas where the works are very slow are the Fuel Oil pump House, the CW Pipe Line laying works, the Ash Disposal Pipe Line works, Vacumm and Compressor House, Stacker Reclaimer, etc. The C&I BoP is lagging behind and unless & until the agencies for erection & commissioning and integration of all the packages viz. AHP, CHP, Water System, Fuel Oil System, HVAC, Mill reject System, are finalized, the
P&IDs, the I/O Lists and procurement of the cables required for C&I Package is not possible. Further, many drawings are yet to be finalised and CHP control room drawings are not yet initiated till date.

In view of the above, it is to inform that in spite of completion of almost 6 years of placing the purchase order, if the works move with this pace, the chances of achieving of the major milestone like boiler light up, scheduled for December 2016, seems to be very bleak. It is seen from the above, that M/s. Vatech Wabag Ltd is not showing interest to complete the project in the given scheduled time even after repeated award of extension of time. Hence, it is requested to concentrate on the co-ordination with your consortium partner, M/s. Gammon India Limited, Mumbai and the sub-vendors, arranging the material and the equipment without any further delay and getting things done on war footing basis in order to achieve the milestone. Matter may be treated urgent and serious.

CHIEF ENGINEER/Generation.

CC to
1. The Chief Engineer/O&M/RTPP/V.V. Reddy Nagar- 516312/Kadapa Dist.
2. The Superintending Engineer/E&M-I/RTPP -IV/ V.V. Reddy Nagar- 516312
3. ADE(Tech) to Director/Thermal/APGENCON.V.S/Hyderabad
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED
(A Govt. of A P Undertaking)
VidyutSoudha, Hyderabad - 500082. www.apgenco.com
Phone: 040 – 23499111 Fax: 040 – 23499299

From:
The Chief Engineer,
Generation,
APGENCO, Vidyut Soudha,
Hyderabad-500 082.
Email ID: cetpcrtpp4@gmail.com

To:
M/s. VA Tech Wabag Ltd,
"Wabag House",
No. 17, 200 Feet Radial Road,
S. Kalathur, (Near Kamakshi Hospital),
Chennai - 600 117, India.


Sir,

Sub: RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress - Notice - Reg.

***

Sir,

This has reference to the works pertaining to the Balance of Plant Package of RTPP Stage-IV, Unit-6(1X600MW). It may be recalled that as per the request of M/s. Vatech Wabag Ltd, Chennai, the BoP Contractor, APGENCO was considerable enough to accord approval for Extension of time without Levying of Liquidated Damages upto 30.06.2017. And M/s. Vatech Wabag Ltd, Chennai, had furnished a schedule for completion of all works by 30.06.2017. But, it is highly regretted to express that because of improper planning, required manpower and material are not being mobilized by M/s. Vatech Wabag Ltd, Chennai. In certain areas which are long lead activities, viz., NDCT and Coal Handling Plant etc, the progress is alarmingly poor even after regular pursuance since an year. In areas, viz., Ash Handling System (HCSD Pump House, Ash Silos, Ash slurry System), Water System (Lamella Clarifiers, Chemical House, Filter beds, Sludge Thickener, Centrifugal building, Clariflocculator, RO shed, Acid alkali & DMF tank structures) and Power House service building, in spite of the availability of the inputs and the approved drawings, the works are stalled since last 6 months and areas, viz. Transfer Points, Conveyors, wagon tippler complex, Crusher house, Mill Reject System, Loco Shed, Degasser tower and sheds RO shed, ETP clarifier etc are yet to be commenced.

Further it is also to highlight that the works pertaining to the raw water reservoir, raw water pump house, Raw water Pipe Line, Chimney, ACW Pipe Line, CW Pump house, CW pipe Line and its concrete encasing, CW MCC, DM MCC, PTP MCC, DG set erection, AC & Ventilation, Fire Protection & Fighting system, erection and commissioning of the LT MCCs, laying of the cables & terminations etc are moving in a snailpace.
Also certain inputs required for the BTG Contractor are yet to handed over and M/s. BHEL is expressing its inability to achieve the targeted milestones since the fronts are not made available by the BoP Contractor. The Air compressors, air receivers, air dryers, the flanges for CW Pipes along with bolts, material for HVAC and Fire Fighting and Protection system are not available at site, due to which the works are stalled. The man power in the civil works, HVAC package and FP System package is very meagre.

Apart from these certain works and material which are still pending and need to be looked into are as follows:

1. AHP balance PLC panels to be supplied.
2. Package Air Conditioning System for all the control rooms and labs are to be provided.
3. Temporary ACs for Main CCR to be Installed.
4. The works for below ground earthing in CHP Area is to be done.
5. Cable routing between WT MCC to Track Hopper MCC, routing and the cable rack between WT MCC to FOUPH MCC is to be finalized.
6. Track Hopper MCC room location in the Overall CHP layout is to be finalized.
7. Finalization of the Location and sizes of the Office complex and storage rooms is still pending.
8. The C&I Engineering for AHP, CHP, CW pump house, chlorination, pretreatment plant, DM plant, FO unloading, FO forwarding, Air Compressors, HVAC, Fire Fighting system are still pending. The P&IDs, Control Philosophy, Instrument Schedule, Drive List, control valves list, Solenoid valves, Field Instruments etc, I/O list, PLC, Operation philosophy, UPS, Batteries, Erection Hardware, Instrument cable, Cable routing drawings, cable trays, cable schedule etc., and Supply of the above equipment is pending.
9. The exhaust fans are not installed yet in the battery rooms.
10. Erection works of the marshalling yard is pending.
11. The stacker erection works are not resumed due to non cooperation between sub-contractors.
12. Refractory cement for Bottom Ash hopper (3 MT is yet to be received.
13. Rapping, backfilling of ACW line, Raw Water Pipe line are pending.
14. Erection of chillers, pumps and pipe line erection in AC plant chiller room is not completed.
15. Supply & Erection of balance diffusers, pipes & valves, pumps, cooling towers of A.C. system is still pending.
16. Erection of FPS spray system piping for GTs.
17. Supply of COLTC system damaged in Fire accident.
18. Side cladding and balance roof cladding is yet to be received.
19. About 15 mts. of 450 NB pipe is required for the raw water line, which needs to be arranged immediately is not supplied.

20. Erection of expansion bellows, butterfly valves on the CW Pipe Line at the condenser end is not completed.

21. Fire Tenders' supply is pending.

22. Still the drawings for TP-3A, 3E, 16A/B and Technological Structure drawings of coal conveyors and ash slurry lines outside the boundary wall are pending.

During the review meetings, M/s. Vatech Wabag Ltd, Chennai, had been committing to supply the material in time and arrange for mobilizing adequate manpower for completion of the works and for achieving COD of the unit as per the scheduled date, but, has not adhered to the commitment.

In this regard, it is to inform that with this pace of work the targeted date of COD cannot be achieved. It is also to bring to your notice that there is lot of pressure from the Govt. of Andhra Pradesh and APGENCO is answerable for the delay in completing the Project.

It is very much regretted to inform that in spite of so much persuasion from APGENCO through correspondence and convening regular review meetings, the works are not picking up pace.

In view of the above and since M/s. Vatech Wabag Ltd, Chennai and the Consortium partners are not adhering to their commitments and the terms and conditions of the Purchase Order, which is a breach of trust and Contract, it is requested to explain as to why action deemed fit should not be initiated against M/s. Vatech Wabag Ltd, Chennai and the Consortium partners. Finally it is also to inform that in the event that the works are not speed up, APGENCO will be forced to initiate actions viz. Encashment of the Bank Guarantees, stoppage of all the pending payments, if any, etc.

It is requested to furnish a rationalizing reply as to why action deemed fit should not be initiated against M/s. Vatech Wabag Ltd, Chennai and the Consortium partners.

This letter may be treated as a Notice to M/s. Vatech Wabag Ltd, Chennai and the Consortium partners from APGENCO, for not adhering to the commitments made and the terms and conditions of the Purchase Order.

Matter may be treated as the most urgent and serious.

[Signature]
Chief Engineer/Generation.
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED  
(A Govt. of A P Undertaking)  
VidyutSoudha, Hyderabad - 500082. www.apgenco.com  
Phone: 040 – 23499111 Fax: 040 – 23499299

To:  
M/s. VA Tech Wabag Ltd,  
"Wabag House", No. 17, 200 Feet Radial Road,  
S. Kalathur, (Near Kamakshi Hospital),  
Chennai - 600 117, India.

Attn: Sri, Rajiv Mittal, MD, M/s. Vatech Wabag Ltd, Chennai.

No. CPP/321/RTPP IV/BOP/Corres./D.No: 50A/17, dt. 29.05.2017.

Sub: RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Poor Progress - Notice - Reg.


***

This has reference to this office notice 2nd & 3rd cited above, wherein it was mentioned that works of BOP works are not moving with required pace. Further, it is to inform that APGENCO released an advance of Rs. 30.0 Cr and in spite of the considerate approach of APGENCO, M/s. Vatech Wabag Ltd, Chennai is not serious about completion of the Project. The civil works are moving very slow and the civil works of the Coal Handling Plant are almost standstill.

Further, this morning, it was learnt that the NDCT and other civil works are stalled due to non-availability of cement at site. One of the cement pouring pumps was sent out without intimation to APGENCO Engineers and other pump is under repair. With this type of management the Project cannot be completed.

M/s. Vatech Wabag Ltd, Chennai is requested furnish explanation on the above and a detailed report on progress of civil works for apprising the same to the higher officials.

The matter may be treated urgent.

Chief Engineer, Generation, APGENCO.

1. The ADE (T) to Director (Thermal)/APGENCO/VS/Hyderabad.  
2. The SAO to Director (Finance & Commercial)/APGENCO/VS/Hyderabad.  
3. The Chief Engineer (Civil/Thermal)/APGENCO/VS/Hyderabad.  
4. The Chief Engineer/O&M/RTPP, V V Reddy Nagar, Dr. Y.S. Rajasekhar Reddy Kadapa Dist.
Minutes of the meeting held at Vidyut Soudha, Vijayawada on 18.07.2017 on CHP works to achieve COD.

1. To achieve the COD of the unit, it is proposed to feed the coal through the following priority streams
   i) Priority Stream-1: from Stage-IV Stacker & Reclaimer through Belt Conveyor-7, TP-4A, TP-5, TP-6, TP-7 & TP-8
   ii) Priority stream-2: from the existing coal plant of unit-5 through JT-6, TP-3E, TP-3C, TP-3A, TP-4A, TP-5, TP-6, TP-7 & TP-8.

2. To complete the above streams, it is proposed to delete the above priority streams from the scope of M/s. Vatech Wabag Ltd., and place Purchase Order on their existing Sub-Contractor, M/s. Indwell Constructions Pvt Ltd, Vijayawada for supply, fabrication, erection & commissioning works for the same cost and the same may be back charged to Vatech Wabag Ltd. Another PO will be placed on M/s. Rithwik Projects Pvt. Ltd., who is also their Civil Sub-Contractor for the civil works pertaining to the said priority streams for the same cost and the same may be back charged to Vatech Wabag Ltd.

3. M/s. Indwell Constructions Pvt Ltd, Vijayawada and M/s. Rithwik Projects Pvt. Ltd. have agreed to the above arrangement and have committed to complete both the streams by 30.09.2017 to achieve the COD by 10.10.2017.

4. The shop drawings of the above streams shall be in the scope of M/s. Indwell Constructions Pvt Ltd, Vijayawada.

5. The procurement of Structural steel and the other material required for the above streams shall be in the scope of M/s. Indwell Constructions Pvt Ltd, Vijayawada.

Indwell

RITHWIK Projects

Desein

APGENCO
P.O.No. GM 5653 / 131/RTPP- IV/CHP/D.No. 102 /2017, dt. 08.08.2017

Sir,


Ref: 1. P.O.TMO 878, TCO 879 & TCO 880, all Dt. 15.12.2010
2. T.O.Tender Notice No.APGENCO/PCT/K&R/03/2009

**

I, acting for and on behalf of and by the order and direction of Andhra Pradesh Power Generation Corporation Limited (hereinafter called 'APGENCO'), accept the Offer of M/s. Indwell Constructions Pvt. Ltd, Vijayawada (hereinafter called 'Contractor') cited under reference above read with all the related correspondence/clarifications for the balance Mechanical works of Stream I & II of the coal handling Plant, in accordance with the specification for 1x600 MW Coal Fired Sub-Critical Thermal Unit of Rayalaseema Thermal Power Plant (RTPP) Stage-IV at Muddanur, Dr Y.S.Rajasekar Reddy District (Kadapa), Andhra Pradesh, India subject to the terms and conditions set out in this order. The Purchase Order placed on M/s. Vatech Wabag Ltd, Chennai, the BoP Specification 3rd cited above and subsequent correspondence shall form an integral part of this Contract. Any terms and conditions which are not specifically mentioned in this contract shall be referred to the Specification and subsequent correspondence.

1. **Scope of Contract:**

The scope of this Contract covers Preparation of Drawings for fabrication & Erection, Procurement, Supply, Testing at their works, Inspection, Packing, Forwarding, Transportation, Delivery, including Freight, Transit Insurance, Unloading, Taking Delivery at Site, Handling at Site, Intra Site Transportation and Handling, Insurance, Erection, Supervision, Inspection at Site, Testing & Commissioning, Carrying Out Performance Guarantee Tests, Supply of all Labour and Materials such as structural
steel, Bolts & Nuts, Transportation of fabricated material from Indwell site to RTPP site etc.

The Broad scope of Supply, Fabrication, Transportation, Erection, and Testing & Commissioning of the balance Mechanical works of Streams I & II of the Coal Handling Plant of Balance of Plant is as listed in Annexure-1. The works which are not specifically mentioned but are required for completion as part of the balance Mechanical works of Streams I & II of the Coal Handling Plant of Balance of Plant shall also be covered in the general scope as per specification.

Exclusions: As per Annexure-2.

2. **Schedule Of Prices:**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description</th>
<th>Price (Rs. in Crores)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total Price for Preparation of drawings for fabrication &amp; Erection, Procurement, Supply, Fabrication, Erection, Testing, Inspection, Packing, Forwarding, Transportation, Transit Insurance, Delivery F.O.R. RTPP site, including Freight, Transit Insurance, Unloading, Taking Delivery at Site, Handling at Site, Intra Site Transportation and Handling charges, Insurance, Erection, Supervision, Inspection at Site, Testing &amp; Commissioning, Carrying Out Performance Guarantee Tests exclusive of GST and other applicable Taxes &amp; Duties and Levies.</td>
<td>As per Annexure-1</td>
</tr>
</tbody>
</table>

- Stream I of the Coal Handling Plant for feeding coal from stage-IV stacker/re-claimer.
- Stream II of the Coal Handling Plant for feeding coal from the interconnection conveyor from the existing coal handling plant of RTPP.

3. **Prices:**
The above prices are FIRM during the contract execution period and shall not be subject to any variation on account of material or labour on any grounds.

4. **Taxes & Duties:**
The prices indicated in Clause-2 above are exclusive of all applicable taxes and duties, which shall be paid extra against submission of documentary evidence. Also as per the new direction of the Government, the Goods & Services tax (GST) in place of Excise duty and CST etc., will be paid extra at the prevailing rates.

The Contractor shall agree that if, at any time any taxes or duties need to have been paid by the Contractor, is found to have not been paid by the Contractor or a lesser amount has been paid, the Contractor shall refund such amount to APGENCO irrespective of time lag or else an equivalent amount shall be deducted from the on hand invoices. The TDS will be done as per the income tax rules made there under.
5. **Payment Terms:**
   a. 100% (Hundred percent) against progress of work based on the completion of Fabrication, Transportation, Erection, Testing & Commissioning of the balance Mechanical works of Stream I & II of the Coal Handling Plant of Balance of Plant on submission of Invoices in Full shape.
   b. Payments will be released within 7 days after completion of Mechanical Works or part thereof and submission of the invoice in full shape.
   c. The Contractor shall furnish proforma invoices for supply of structural steel. 100% payment against proforma invoice will be made by APGENCO.
   d. The contractor shall furnish RAB for transportation of fabricated goods. 100% payment against RAB will be made by APGENCO.
   e. The payment for quantities over and above the quantities mentioned in the annexure-1, limited to 20% shall be made on submission of invoice.
   f. Payments will be made either through APGENCO or PFC Funds.
   g. If at a later date, it is learnt that there is a difference in prices offered and the Purchase order prices between M/s. Vatech Wabag Ltd and M/s. Indwell Constructions Pvt Ltd, such rates are liable to be limited to the said Purchase order rates.

6. **Mode of Payment:**
   Mode of Payment shall be as per Clause 13.5 of the GCC of Volume-I of the Specification. All payments mentioned above will be made to the Contractor within 7 days of completion of the Mechanical works or part thereof and receipt of invoice in full shape.

7. **Completion Period:**
   The contract period shall be 5 months from the date of receipt of this order. All works shall be completed in advance to complete the contract in all respects, duly satisfying all the requirements of performance of the balance Mechanical works of Stream I & II of the Coal Handling Plant of BOP. However, it shall be ensured that the equipment required for feeding the coal to the bunkers shall be completed on or before 31.10.2017. Any delays on account of non availability of work fronts or missing material supplied by the BOP Contractor, M/s. Vatech Wabag Ltd or delay in OEM services shall not be attributed to the contractor.
   To achieve this, the Contractor shall work in close coordination with the main EPC Contractor i.e., M/s BHEL, the main BoP Contractor, M/s. Vatech Wabag Ltd, Chennai and the Civil Contractor, M/s. Rithwik Projects Pvt. Ltd.
8. **Warranty:**
Submission of Bank Guarantee is waived as a special case. However, the contractor shall furnish an undertaking that they stand guarantee for timely supply of structural steel material, fabrication and erection. The Warranty period for the material and works by Contractor shall be twelve (12) months from the date of Taking Over of the balance Mechanical works of Stream I & II of the Coal Handling Plant of BOP by APGENCO.

The Contractor shall warranty to APGENCO with respect to the performance of supply of goods as follows:
- The goods supplied/works executed are in accordance with the Contract Specification and are free from defects in design, material and workmanship.
- Strength of materials used together with workmanship shall correspond to works of highest quality.
- Performance figures in respect of guaranteed technical particulars shall be as finally agreed upon.
- Satisfactory Performance of material during the guarantee period shall be as per Clause no. 12 of Volume-I of the Specification.
- The replacement/rectification shall be carried out in accordance with the relevant Clause.

9. **Performance Guarantee Tests:**
The Performance Guarantee tests before taking over of the balance Mechanical works of Stream I & II of the Coal Handling Plant of BOP shall be conducted at site after each equipment/system individually has attained the stable operation. Tests shall meet the requirements as per the caluse-10 of GCC of Volume-I of Specification.

10. **Taking Over:**
Taking Over of the balance Mechanical works of Stream I & II of the Coal Handling Plant of BOP in complete shall be done only after issue of Provisional Acceptance Certificate by APGENCO in accordance with Clause No 10.5 of Volume-I of the Specification.

11. **Deviations in Specifications:**
The Contractor shall not take any deviations in respect of any equipment/material specifications, make or bought out items, works under this contract etc., from the BoP tender specification and subsequent clarifications/amendments issued, without consent in writing of APGENCO. Any deviation taken by Contractor without consent of APGENCO in writing shall be deemed to be breach of contract.
and payment will not be made for such of these equipment/material/works with deviations.

12. **Submission of Bills:**
All the Invoices shall be sent to The Superintending Engineer, Civil, Construction, RTPP-IV, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist. Pin - 516312, A P or to The Superintending Engineer, E&M-1, Construction, RTPP-IV, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist. Pin - 516312, A P as per the work allocation at site. The bills in quadruplicate shall be sent to the concern with a copy to the Chief Engineer/Generation, APGENCO, Vidyut Soudha, Gunadala, Vijayawada - 520004 and to Chief Engineer, Civil, Thermal, APGENCO, Vidyut Soudha, Gunadala, Vijayawada - 520004.

13. **Mistakes In Drawings:**
The Contractor shall be responsible for and shall pay for any alterations of the work due to any discrepancies, errors or omissions in the drawings prepared by the Contractor or other particulars whether such drawings or particulars have been approved by the Engineer/ Consulting Engineer or not, provided that such discrepancies, errors, or omission be not due to inaccurate information or particulars furnished to the Contractor by the Engineer.

14. **Sub - Letting:**
The Contractor shall not, without the consent in writing, of APGENCO sublet this contract or any substantial part thereof other than raw materials or minor items, provided that any such consent shall not relieve the Contractor from any obligation and duty and responsibility under this contract. Any subletting done without the consent of APGENCO in writing shall be deemed to be breach of contract.

15. **Force Majeure:**
The Contractor shall not be liable for delay or failing to erect, Test & commission the materials/ equipment for reasons of Force majeure such as Act of God, Act of War, Act of Public Enemy, Natural calamities, Fires, Floods, Frost, Strikes, Lockouts etc. Only those causes which have duration of more than seven (7) days shall be considered for force majeure. The Contractor shall notify within ten (10) days from the beginning of such delay to the APGENCO in writing the cause of delay. The APGENCO shall verify the facts and grant such extension of time as facts justify. No price variation shall be allowed during the period of force majeure and liquidated damages would not be levied for this period. At the option of APGENCO, the order may be cancelled. Such cancellation, would be without any liability whatsoever on the part of the APGENCO. In event of such cancellation,
the Contractor shall deliver back any materials issued to the Contractor to the APGENCO and release facilities, if any provided by the APGENCO.

16. **Co-ordination and Co-operation:**
The Contractor shall fully cooperate with the APGENCO's other Contractors of related equipment in the mutual exchange of drawings, dimensions and other information to the extent necessary to ensure complete coordination of design, arrangement and manufacture of related parts. No remuneration is payable for such technical co-operation. Similarly, the Contractor shall fully co-operate with the APGENCO's consulting engineers, M/s. Desein Limited, in all matters relating to the contract.

17. **Risk:**
The Contractor shall be entirely responsible for all risks in the property till the erection work is completed and handed over to APGENCO.

18. **Rejection of Defective Plant:**
If the complete plant or any portion thereof, before it is taken over under clause (14) be defective or fails to fulfil the requirements of the contract, the engineer shall give the Contractor notice setting forth particulars of such defects or failure and the Contractor shall forthwith make the defective plant good, or alter the same to make it comply with the requirements of the contract. Should the Contractor fail to do so within a reasonable time, the engineer / APGENCO may reject and replace at the cost of the Contractor, the whole or any portion of the plant, as the case may be, which is defective or fails to fulfil the requirements of the contract. Such replacement shall be carried out by APGENCO within a reasonable time and at a reasonable price and where reasonably possible to the same specification and under competitive conditions. The Contractor's full and extreme liability under this clause shall be satisfied by the payments to APGENCO of the extra cost, if any such replacement delivered and or erected as provided for in the original contract, such extra cost being the ascertained difference between the price paid to the Contractor under the provisions above mentioned for such replacements and the contract price for the plant so replaced and the payment of any sum paid to the Contractor in respect of such defective plant. Should APGENCO not so replace the rejected plant with reasonable time, the Contractor's full and extreme liability under this clause shall be satisfied by the repayment of all monies paid to him in respect of such plant. In the event of such rejection APGENCO shall be entitled to the use of the plant in a reasonable and proper manner for a time reasonably sufficient to enable him to obtain other replacement of equipment.
19. **Group Insurance:**

The Contractor shall take group insurance for the Engineers/Supervisors, workers engaged on the work and produce the policy to the Engineer-in-Chief of work before commencing the work. The Contractor is also expected to take all precautions for the safety of Engineers/Supervisors engaged. The corporation is not responsible for any accidents, any claims thereon under any circumstances and the responsibility completely lies with the Contractor only.

20. **General Conditions of the Contract:**

Except in so far as it is provided otherwise in this contract, or specifically agreed to in writing, the Contractor shall abide by the general conditions of the contract for supply of structural steel, fabrication & erection as per the specification. The required cranes, equipment, material for bed preparation, paints, cladding sheets shall be provided/supplied by original BOP Contractor as and when required. The Quantities mentioned in the Annexure-1 are tentative and are subject to variation, to the extent of ± 20% of the specified quantities, during execution of the contract.

21. **Tests at site:**

The Contractor shall perform, and re-perform if required, the Performance Tests in accordance with the Contract including provisions of Clause I.0 of Volume-II of the Specification, in order to demonstrate achievement of the Performance Guarantees for the Plant as set forth in the Contract in Volume-II of Specification and guaranteed by Contractor in Schedule-C of Vol.VII. If the Plant does not meet the Performance Guarantees, Contractor shall at no extra cost to APGENCO redesign, modify, remedy repair or replace the Package or any part or section thereof including any component, equipment or system with one which meets the requirements and again demonstrate achievement of the Performance Guarantees for the subject equipment.

The Contractor shall arrange all the required standard testing instruments and devices required for conducting all the tests at site. The Contractor shall perform all inspections, expediting and quality surveillance as may be required for performance of the Services. The Contractor shall also ensure proper Quality Control.

The Inspection & Testing shall however be as stipulated in clause-5.0 of GCC of Volume-I of the Specification.

The Contractor shall furnish test reports conducted during erection, testing and commissioning including Trial operation and PG tests of each of the BOP
equipment/systems soon after completion.

22. **Workmanship:**
All materials used in the erection of the equipment shall be of the best class, high grade, free from defects and imperfections, of recent manufacture and unused and shall be capable of satisfactory operations in the tropics under service condition indicated in the specification without distortion or deterioration. No welding, filling or plugging of defective part shall be permitted. Unless otherwise specified, they shall conform to the requirement of the appropriate Indian, British or American standards. Where the standard specification covering the material in question has not been published, the standards of the American Society shall be followed. The workmanship shall be of the highest grade and the entire construction in accordance with the best modern practice. The entire design and construction shall be capable of withstanding severest stresses likely to occur in actual service. The risk of fire and any damage which may be caused in the event of fire may be taken care of.

23. **Painting:**
The painting requirements for the coal plant equipment, structures, piping etc., and any other surfaces required to be painted are detailed in section M.0 of volume II of specification and subsequent clarifications. However, during painting of the equipment the contractor shall do Mechanical (Manual) cleaning.

24. **Consulting Engineers:**
The consulting Engineers for this project shall be M/s. Desin Limited, New Delhi. The Contractor shall co-operate with them wherever necessary and no remuneration shall be paid for such co-operation. The Contractor shall forward copies of all correspondence and drawings to the project consultants and APGENCO, as per Distribution Schedule mentioned in the Specification. Copies submitted by e-mail/soft copy shall be considered as date of submission to be followed by hard copy.

25. **Termination Of the Contract:**
APGENCO shall be entitled to terminate the contract at APGENCO's convenience at any time by giving a notice to the Contractor subject to the condition.

26. **Correspondence:**
   a) The Contractor acknowledgement of this order and all correspondence of general or technical nature shall be addressed to this office.
   All correspondence regarding dispatches, payments and any other field matters shall be addressed to the Chief Engineer / O&M, RTPP, V.V. Reddy
Nagar, Dr. Y.S. Rajasekhar Reddy Kadapa Dist. Pin - 516312, Andhra Pradesh.

b) Copies of such correspondence shall be marked to this office and copies of correspondence regarding payment shall also be marked to the Chief Engineer, Civil/Thermal, APGENCO, Vidhyut Soudha, Gunadala, Vijayawada - 520004, Andhra Pradesh.

27. **Jurisdiction:**
All and any disputes or differences arising out of or touching this contract shall be decided by courts or tribunals situated in Vijayawada city and by High Court situated in Hyderabad/Secunderabad only. No suit or other legal proceedings shall be instituted elsewhere.

28. **Acknowledgement:**
Please acknowledge the receipt of this order with confirmation of its acceptance of this order. The additional copy enclosed may please be returned with signature and seal of The Contractor's authorized representative in token of acceptance.

Encl: Annexures.

Yours faithfully,

CHIEF ENGINEER /Generation

We accept the terms & conditions of this contract.

M/s. Indwell Constructions Pvt. Ltd, Vijayawada

Copy to:
1. The PA to Chairman/APGENCO, VS, Gunadala, Vijayawada.
2. The PS to MD/APGENCO, VS, Gunadala, Vijayawada.
3. The ADE/T to Director (Thermal)/APGENCO, VS, Gunadala, Vijayawada.
4. The SAO to Director (Finance & Commercial)/APGENCO, VS, Gunadala, Vijayawada.
5. The Chief Engineer (Civil/Thermal)/APGENCO, VS, Gunadala, Vijayawada.
6. The Chief Engineer/O&M/RTPP, V.V. Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
7. The Superintending Engineer/Civil/Construction/RTPP, V.V. Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
8. The Superintending Engineer/E&M-I/RTPP, V.V. Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
9. The Superintending Engineer/E&M-II/RTPP, V.V. Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
10. The FA & CCA (Audit & Trusts)/APGENCO, VS, Gunadala, Vijayawada.
11. The FA & CCA (Resources & Accounts)/APGENCO, VS, Gunadala, Vijayawada.
12. The Dy.CCA, RTPP, V.V. Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
13. The SAO/Pay & Accounts/ APGENCO, VS, Gunadala, Vijayawada.
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<td>MT</td>
<td>1440000</td>
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<td>brasings, gusset plates, head tail and bend frames, drive frames, take up trolley</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>guide sheaves, take up tower and discharge chutes, fixed tripers etc. as per</td>
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<td>technical specification of APGENCO.</td>
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<td>Galleries, Packer Plates, Hand Railing, Toe Guard plates, Tripper Rails etc at RTPP</td>
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<td>Erection, Testing &amp; Commissioning and handing over of Stacker Reclaimer as per</td>
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<td>150000</td>
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<td>including stringers/shortposts, knee and tie brasings, gusset plates, head tail</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>and bend frames, take up trolley guide sheaves, take up tower and discharge</td>
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<td>chutes, fixed tripers etc. as per technical specification of APGENCO.</td>
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<td>12</td>
<td>20</td>
<td>Skirt Sealing and fixing of Internal &amp; External Scrapper for Belt conveyors</td>
<td>100000</td>
<td>Per</td>
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<td>Per conveyor</td>
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<td>13</td>
<td>40</td>
<td>Tensioning &amp; Jointing of Conveyor Belt by hot vulcanising with vulcanising machine</td>
<td>50000</td>
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<td>200000</td>
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<td>issued by APGENCO free of hire charges.</td>
<td>Per joint</td>
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<td>14</td>
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<td>Erection of safety switches (pull cord, belt sway, zero speed and other limit</td>
<td>1500</td>
<td>Per</td>
<td>75000</td>
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<td>switches, chute block switches), fixing including bracket fabrication.</td>
<td>Per switch</td>
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<td>15</td>
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<td>Drive alignment, fixing of coupling, Beraing &amp; blocks involving Precision Mill</td>
<td>100000</td>
<td>Per</td>
<td>200000</td>
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<td>Wright Job.</td>
<td>Per conveyor</td>
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<td>30</td>
<td>Supply of GI Pipes for handrails medium grade with 610 gms/sqm galvanization at</td>
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<td>2322000</td>
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<td>17</td>
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<td>Supply of MS Grating with painting</td>
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<td>18</td>
<td>2000</td>
<td>Detailing of preparation of shop fabrication drawings for fabrication of structural steel of CHP Transfer points, Trestles, Conveyor Galleries including columns, girders, beams, monorails, trusses, bracings, Galleries, Portals, cleats, shear connections, platforms, lugs, erection bolts etc., excluding GST complete for finished item of work as directed by Engineer-in-Charge.</td>
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<td></td>
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</tr>
<tr>
<td>19</td>
<td>4000</td>
<td>Fabrication of structural steel of CHP Transfer Points, Trestles, conveyor Galleries including columns, girders, beams, monorails, trusses, bracings, Galleries, cleats, shear connections, platforms, lugs, base plates, wall girders etc., including cutting, welding, drilling, grinding, conducting ultrasonic/radiographic tests etc., complete including cost of application of two coats of red oxide primer, consumables and other materials, electrodes with all leads and lifts and other incidental charges etc complete for finished item of work as directed by Engineer-in-Charge excluding cost of Red-oxide primer &amp; GST.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>5800</td>
<td>Transportation of over dimensional and Non over dimensional fabricated structural steel materials from Shop fabrication yard to RTPP erection site including loading, unloading and stacking and other incidental charges as directed by Engineer-in-charge at site excluding GST etc complete for finished item of work as directed by Engineer-in-charge</td>
<td></td>
<td></td>
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1000 MT 1 MT 2000000

15000 MT 1 MT 6000000

2300 MT 1 MT 13340000

[Signature]

Chief Engineer (Generation)
APGENCO, Vidyut Soudha,
VIJAYAWADA - 520 004.
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<thead>
<tr>
<th>No.</th>
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<td>21</td>
<td>8,500 MT</td>
<td>Erection of structural steel of CHP Transfer Points, Trestles, conveyor Galleries including columns, girders, beams, monorails, trusses, bracings, Galleries, cleats, shear connections, platforms, Walk ways, lugs, base plates, wall girders etc., including cutting, welding, drilling, grinding, conducting ultrasonic/ radiographic tests etc., complete including erection bolts (weight not payable) etc., including cutting, welding, grinding, conducting of ultrasonic/ radiographic tests as per specification and cost of electrodes, other consumables, all leads and lifts and other incidental charges excluding GST etc., complete for finished item of work as directed by Engineer-in-Charge excluding hire charges of cranes of suitable capacities for erection, cost of erection bolts to be paid seperately as per item No. 25&amp;26</td>
<td>14000</td>
<td>1 MT</td>
<td>119000000</td>
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<td>22</td>
<td>8500 MT</td>
<td>Painting of structural steel work with two coats of approved make and shade synthetic enamel paint as per specification and as directed by Engineer-in-charge including all labour charges and tools and tackles, safety precautions, with all leads and lifts etc., complete for finished item of work excluding cost of paint &amp; GST.</td>
<td>1200</td>
<td>1 MT</td>
<td>10200000</td>
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<td>23</td>
<td>3500 MT</td>
<td>Supply of structural steel (including technological structures) such as Angles, Plates, Joists, Channels etc., conforming to IS: 2062, E-250 Grade-B from stock yards of approved vendors including freight from source of supply to shop fabrication yard and unloading at shop fabrication yard (Bhimavaram Village in Krishna District excluding GST)</td>
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<td>24</td>
<td>500 MT</td>
<td>Supply of structural steel (including technological structures) such as Angles, Plates, Joists, Channels etc., conforming to IS: 2062, E-250 Grade-B from stock yards of approved vendors including freight from source of supply to RTPP site and unloading excluding GST.</td>
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<td>1 MT</td>
<td>24575000</td>
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<td>25</td>
<td>5000 Kg</td>
<td>Supply of 4.6 class MS bolts with Nuts and Washers for erection</td>
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<td>1 Kg</td>
<td>77500</td>
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<td>5000 Kg</td>
<td>Supply of 8.8 class HSF bolts</td>
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Note: Chief Engineer (Generation)
APG._Jayant Soudha,
VITRITAWADA - 520 004.
ANNEXURE-2

Exclusions:

i) OEM services and supervision for erection & commissioning of equipment whenever required.

ii) All Electrical, PLC & C&I works.

iii) All civil works including grouting of trestles and drive bed foundations.

iv) DE, DS, Ventilation and fire fighting system.

v) Supply of foundation bolts and any other item involving machining other than drilling.

vi) Trial operation/operation of whole system or stream or path. However Rs. 15,00,000/- per shift per month for operation of conveyor system and Rs. 10,00,000/- per shift per month for operation of SCR shall be payable extra.

vii) Any other specialized jobs necessary for completion of CHP.

viii) Erection cum Marine insurance of plant and machinery.

ix) Approach roads wherever required.

x) Steel required for beds for site fabrication shall be issued to them free of cost on returnable basis.

xi) Warranty of items supplied by others.

xii) Repair and refurbishment of items supplied by others.

xiii) All the required cranes of suitable capacity required for pre-assembly and erection.

[Signature]

Chief Engineer (Generation)
APGENCO, Vichit Soudha,
Vijayawada - 520 004.
P.O.No. GM 5654/131/RTPP- IV/CHP & AHP/D.No. 103 /2017, dt. 08.08.2017

Sir,

Sub: Rayalaseema Thermal Power Project (RTPP) – Stage-IV (1x600MW) – CHP & AHP - Supply of all Labour and Materials such as cement, reinforcement steel, Structural steel, Foundation Bolts & Nuts etc., and Construction of all Civil, Structural and Architectural Works and setting up of complete Testing Laboratory in the Site for Carrying Out all relevant Tests as per IS or other International Standards of Civil Works pertaining to balance civil works of Coal Handling Plant Stream 1&2 and part of Civil works of Ash Handling Plant – Detailed Contract – Issued - Reg.

Ref: 1. P.O.TMO 878, TCO 879 & TCO 880, all Dt. 15.12.2010
2. T.O.Tender Notice No.APGENCO/PCT/K&R/03/2009

***

I, acting for and on behalf of and by the order and direction of Andhra Pradesh Power Generation Corporation Limited (hereinafter called 'APGENCO'), accept the Offer of M/s Rithwik Projects Pvt Ltd, Hyderabad (hereinafter called 'Contractor') cited under reference above read with all the related correspondence/clarifications for the balance civil works of Stream I & II of the coal handling Plant and part of Civil works of Ash Handling Plant, in accordance with the specification for 1x600 MW Coal Fired Sub-Critical Thermal Unit of Rayalaseema Thermal Power Plant (RTPP) Stage-IV at Muddanur, Dr Y.S.Rajasekar Reddy District (Kadapa), Andhra Pradesh, India subject to the terms and conditions set out in this order. The Purchase Order placed on M/s. Vatech Wabag Ltd, Chennai, the BoP Specification 3rd cited above and subsequent correspondence shall form an integral part of this Contract. Any terms and conditions which are not specifically mentioned in this contract shall be referred to the Specification and subsequent correspondence.

1. **Scope of Contract:**

   The scope of this Contract covers Supply of all Labour and Materials such as cement, reinforcement steel, Structural steel, Foundation Bolts & Nuts etc., and
Construction of all Civil, Structural and Architectural Works and setting up of complete Testing Laboratory in the Site for Carrying Out all relevant Tests as per IS or other International Standards of balance Civil Works pertaining to Coal Handling Plant Stream 1&2 and part of Civil works of Ash Handling Plant

The Broad scope of the Civil Works is as listed in Annexure. The works which are not specifically mentioned but are required for completion as part of the balance civil works of Stream I & II of the Coal Handling Plant and part of civil works of Ash Handling Plant of Balance of Plant shall also be covered in the general scope of Balance of Plant as per specification.

2. **Schedule Of Prices:**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description</th>
<th>Total Lump sum Price (Rs. in Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total Price for Supply of all Labour and Materials such as cement, reinforcement steel, structural steel etc., and Construction of all Civil, Structural and Architectural Works and setting up of complete Testing Laboratory in the Site for Carrying Out all relevant Tests as per IS or other International Standards of balance civil works of stream 1 &amp; 2 of Coal Handling Plant and part of civil works of Ash Handling Plant exclusive of GST and other applicable Taxes, Duties Levies etc.</td>
<td>As per Annexure</td>
</tr>
</tbody>
</table>

Stream I of the Coal Handling Plant for feeding coal from stage-IV stacker/reclaimer.

Stream II of the Coal Handling Plant for feeding from the interconnection conveyor from the existing coal handling plant of RTPP.

Part of Civil works of Ash Handling Plant.

3. **Prices:**
The above prices are FIRM during the contract execution period and shall not be subject to any variation on account of material or labour on any grounds.

4. **Taxes & Duties:**
The prices indicated in Clause-2 above are exclusive of all applicable taxes and duties which shall be paid extra against submission of documentary evidence. Also as per the new direction of the Government, the Goods & Services tax (GST) in place of Excise duty and CST etc., will be paid extra at the prevailing rates.

The Contractor shall agree that if, at any time any taxes or duties need to have been paid by the Contractor, is found to have not been paid by the Contractor or a lesser amount has been paid, the Contractor shall refund such amount to APGENCO irrespective of time lag or else an equivalent amount shall be
deducted from the on hand invoices. The TDS will be done as per the income tax rules made there under.

5. Payment Terms:
   a. 100% (Hundred percent) against progress of work based on the completion of the balance Civil works of Stream I & II of the Coal Handling Plant and part of Civil works of Ash Handling Plant of Balance of Plant on submission of Invoices in Full shape.
   b. Payments will be released within 7 days after completion of Civil Works or part thereof and submission of the invoice in full shape.
   c. The Contractor shall furnish proforma invoices for supply of Cement, Reinforcement and structural steel. 100% payment against proforma invoice will be made by APGENCO.
   d. The payment for quantities over and above the quantities mentioned in the annexure, limited to 20% shall be made on submission of invoice.
   e. Payments will be made either through APGENCO or PFC Funds.
   f. If at a later date, it is learnt that there is a difference in prices offered and the Purchase order prices between M/s. Vatech Wabag Ltd and M/s. Rithwik Projects Pvt Ltd, such rates are liable to be limited to the said Purchase order rates.

6. Mode of Payment:
Mode of Payment shall be as per Clause 13.5 of the GCC of Volume-I of the Specification. All payments mentioned above will be made to the Contractor within 7 days of completion of the Civil works or part thereof and receipt of invoice in full shape. However, as per your request the payment shall be made to the Andhra Bank, Sultan Bazar branch, Hyderabad, Account No. 020511000003110, IFSC: ANDB0000205.

7. Completion Period:
All works shall be completed in advance to complete the contract in all respects, duly satisfying all the requirements of performance of the balance Civil works of Stream I & II of the Coal Handling Plant and part of Civil works of Ash Handling Plant of BOP such that the coal is fed to the Bunkers in order to achieve the COD of the Unit-6 on or before 31.10.2017. To achieve this, the Contractor shall work in close coordination with the main EPC Contractor i.e., M/s BHEL, the main BoP Contractor, M/s. Vatech Wabag Ltd, Chennai and the Mechanical Contractor, M/s. Indwell Constructions Pvt. Ltd.

8. Warranty:
Submission of Bank Guarantee is waived as a special case. However, the
contractor shall furnish an undertaking that they stand guarantee for timely supply of cement, reinforcement & structural steel and complete the civil works in order to provide fronts for the other contractors for completing their works for achieving the COD. The Warranty period for the material and works by Contractor shall be twelve (12) months from the date of Taking Over of the balance civil works of Stream I & II of the Coal Handling Plant and part of Ash Handling Plant of BOP by APGENCO.

The Contractor shall warranty to APGENCO with respect to the performance of supply of goods as follows:

- The goods supplied/works executed are in accordance with the Contract Specification and are free from defects in material and workmanship.
- Strength of materials used together with workmanship shall correspond to works of highest quality.
- Performance figures in respect of guaranteed technical particulars shall be as finally agreed upon.
- Satisfactory Performance of material during the guarantee period shall be as per Clause no. 12 of Volume-I of the Specification.
- The replacement/rectification shall be carried out in accordance with the relevant Clause.

9. **Performance Guarantee Tests:**
   The Performance Guarantee tests before taking over of the balance civil works of Stream I & II of the Coal Handling Plant and part of civil works of Ash Handling Plant of BOP shall be conducted at site after each equipment/system individually has attained the stable operation. Tests shall meet the requirements as per the clause-10 of GCC of Volume-I of Specification.

10. **Taking Over:**
    Taking Over of the balance civil works of Stream I & II of the Coal Handling Plant and part of civil works of Ash Handling Plant of BOP in complete shall be done only after issue of Provisional Acceptance Certificate by APGENCO in accordance with Clause No 10.5 of Volume-I of the Specification.

11. **Deviations in Specifications:**
    The Contractor shall not take any deviations in respect of any equipment/material specifications, make or bought out items, works under this contract etc., from the BoP tender specification and subsequent clarifications/amendments issued, without consent in writing of APGENCO. Any deviation taken by Contractor without consent of APGENCO in writing shall be deemed
to be breach of contract and payment will not be made for such of these equipment/material/works with deviations.

12. **Submission of Bills:**
All the Invoices shall be sent to The Superintending Engineer, Civil, Construction, RTPP-IV, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist. Pin - 516312, A P. The bills in quadruplicate shall be sent to the concern with a copy to the Chief Engineer/Generation, APGENCO, Vidyut Soudha, Gunadala, Vijayawada - 520004 and to Chief Engineer, Civil, Thermal, APGENCO, Vidyut Soudha, Gunadala, Vijayawada - 520004.

13. **Sub-Letting:**
The Contractor shall not, without the consent in writing, of APGENCO sublet this contract or any substantial part thereof other than raw materials or minor items, provided that any such consent shall not relieve the Contractor from any obligation and duty and responsibility under this contract. Any subletting done without the consent of APGENCO in writing shall be deemed to be breach of contract.

14. **Force Majeure:**
The Contractor shall not be liable for delay or failing to erect, Test & commission the materials/equipment for reasons of Force majeure such as Act of God, Act of War, Act of Public Enemy, Natural calamities, Fires, Floods, Frost, Strikes, Lockouts etc. Only those causes which have duration of more than seven (7) days shall be considered for force majeure. The Contractor shall notify within ten (10) days from the beginning of such delay to the APGENCO in writing the cause of delay. The APGENCO shall verify the facts and grant such extension of time as facts justify. No price variation shall be allowed during the period of force majeure and liquidated damages would not be levied for this period. At the option of APGENCO, the order may be cancelled. Such cancellation, would be without any liability whatsoever on the part of the APGENCO. In event of such cancellation, the Contractor shall deliver back any materials issued to the Contractor to the APGENCO and release facilities, if any provided by the APGENCO.

15. **Co-ordination and Co-operation:**
The Contractor shall fully cooperate with the APGENCO's other Contractors of related equipment in the mutual exchange of drawings, dimensions and other information to the extent necessary to ensure complete coordination of design, arrangement and manufacture of related parts. No remuneration is payable for
such technical co-operation. Similarly, the Contractor shall fully co-operate with the APGENCO's consulting engineers, M/s. Desein Limited, in all matters relating to the contract.

16. **Risk:**
The Contractor shall be entirely responsible for all risks in the property till the erection work is completed and handed over to APGENCO.

17. **Group Insurance:**
The Contractor shall take group insurance for the Engineers/Supervisors, workers engaged on the work and produce the policy to the Engineer-in-Chief of work before commencing the work. The Contractor is also expected to take all precautions for the safety of Engineers/Supervisors engaged. The corporation is not responsible for any accidents, any claims thereon under any circumstances and the responsibility completely lies with the Contractor only.

18. **General Conditions of the Contract:**
Except in so far as it is provided otherwise in this contract, or specifically agreed to in writing, the Contractor shall abide by the general conditions of the contract for construction as per the specification.

Electricity and water shall be provided free of cost. The Contractor shall not be responsible for Engineering and design. The drawings shall be provided by APGENCO. The Quantities mentioned in the Annexure-1 are tentative and are subject to variation, to the extent of ±20% of the specified quantities, during execution of the contract. Crane required for lifting of deck sheet and reinforcement steel for higher elevation shall be provided.

19. **Workmanship:**
All materials used for civil works shall be of the best class, high grade, free from defects and imperfections, of recent manufacture and unused and shall be capable of satisfactory operations in the tropics under service condition indicated in the specification without distortion or deterioration.

Unless otherwise specified, they shall conform to the requirement of the appropriate Indian, British or American standards. Where the standard specification covering the material in question has not been published, the standards of the American Society shall be followed. The workmanship shall be of the highest grade and the entire construction in accordance with the best modern practice. The entire construction shall be capable of withstanding severest stresses likely to occur in actual service. The risk of fire and any damage which may be caused in the event of fire may be taken care of.
20. **Consulting Engineers:**
The consulting Engineers for this project shall be M/s. Desein Limited, New Delhi. The Contractor shall co-operate with them wherever necessary and no remuneration shall be paid for such co-operation.

21. **Termination Of the Contract:**
APGENCO shall be entitled to terminate the contract at APGENCO's convenience at any time by giving a notice to the Contractor subject to the condition.

22. **Correspondence:**
   a) The Contractor acknowledgement of this order and all correspondence of general or technical nature shall be addressed to this office. All correspondence regarding dispatches, payments and any other field matters shall be addressed to the Chief Engineer / O&M, RTPP, V.V.Reddy Nagar, Dr. Y.S.Rajasekhar Reddy Kadapa Dist. Pin - 516312, Andhra Pradesh.
   b) Copies of such correspondence shall be marked to this office and copies of correspondence regarding payment shall also be marked to the Chief Engineer, Civil/Thermal, APGENCO, Vidyut Soudha, Gunadala, Vijayawada – 520004, Andhra Pradesh.

23. **Jurisdiction:**
All and any disputes or differences arising out of or touching this contract shall be decided by courts or tribunals situated in Vijayawada city and by High Court situated in Hyderabad/Secunderabad only. No suit or other legal proceedings shall be instituted elsewhere.

24. **Acknowledgement:**
Please acknowledge the receipt of this order with confirmation of its acceptance of this order. The additional copy enclosed may please be returned with signature and seal of The Contractor's authorized representative in token of acceptance.

Encl: Annexure. 

Yours faithfully,

[Signature]

CHIEF ENGINEER /Generation

We accept the terms & conditions of this contract.

M/s. Rithwik Projects Pvt. Ltd, Vijayawada
Copy to:
1. The PA to Chairman/APGENCO, VS, Gunadala, Vijayawada.
2. The PS to MD/APGENCO, VS, Gunadala, Vijayawada.
3. The ADE/T to Director (Thermal)/APGENCO, VS, Gunadala, Vijayawada.
4. The SAO to Director (Finance & Commercial)/APGENCO, VS, Gunadala, Vijayawada.
5. The Chief Engineer (Civil/Thermal)/APGENCO, VS, Gunadala, Vijayawada.
6. The Chief Engineer/O&M/RTPP, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
7. The Superintending Engineer/Civil/Construction/RTPP, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
8. The Superintending Engineer/E&M-I/RTPP, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
9. The Superintending Engineer/E&M-II/RTPP, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
10. The FA & CCA (Audit & Trusts)/APGENCO, VS, Gunadala, Vijayawada.
11. The FA & CCA (Resources & Accounts)/APGENCO, VS, Gunadala, Vijayawada.
12. The Dy.CCA, RTPP, V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
13. The SAO/Pay & Accounts/ APGENCO, VS, Gunadala, Vijayawada.
### Annexure

**RAYALASEEMA THERMAL POWER PLANT - UNIT VI - STAGE IV (1 X 600 MW)**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Quantity</th>
<th>Description of Item</th>
<th>Rate (Rs.)</th>
<th>Unit</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td></td>
<td>Excavation below existing ground/grade level including shoring/stuffing as required, dewatering wherever necessary, levelling and ramming the foundation stratum, loading, transporting and unloading the excavated material to stack or fill up to a lead of 2 Km including all lifts, etc. complete as per specifications and as directed by the Engineer in all types of ordinary/soft soils and fills including soils intermixed with boulders and slushy soils. Depth of excavation measured from grade/existing ground level.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>41630</td>
<td>0 m to and including 2.0 m (Soil)</td>
<td>166.34</td>
<td>Cum</td>
<td>69,24,734.20</td>
</tr>
<tr>
<td>1.2</td>
<td>11850</td>
<td>above 2.0 m to and including 4.0 m (Soil)</td>
<td>169.54</td>
<td>Cum</td>
<td>20,09,049.00</td>
</tr>
<tr>
<td>1.3</td>
<td>500</td>
<td>above 4.0 m to and including 6.0 m (Soil)</td>
<td>186.18</td>
<td>Cum</td>
<td>93,090.00</td>
</tr>
<tr>
<td>1.4</td>
<td></td>
<td>Same as above item No. 1.1 but in Soft Rock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>1000</td>
<td>0 m to and including 2.0 m (Soft Rock)</td>
<td>178.15</td>
<td>Cum</td>
<td>1,78,150.00</td>
</tr>
<tr>
<td>1.6</td>
<td>1000</td>
<td>above 2.0 m to and including 4.0 m (Soft Rock)</td>
<td>218.32</td>
<td>Cum</td>
<td>2,18,320.00</td>
</tr>
<tr>
<td>1.7</td>
<td>500</td>
<td>above 4.0 m to and including 6.0 m (Soft Rock)</td>
<td>345.63</td>
<td>Cum</td>
<td>1,72,815.00</td>
</tr>
<tr>
<td>1.8</td>
<td></td>
<td>Same as item 1.1 but in Hard rock (using Special means or Rock Breaker)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.9</td>
<td>16920</td>
<td>0 m to and including 2.0 m (Hard Rock)</td>
<td>424.73</td>
<td>Cum</td>
<td>71,86,431.60</td>
</tr>
<tr>
<td>1.10</td>
<td>1000</td>
<td>above 2.0 m to and including 4.0 m (Hard Rock)</td>
<td>710.63</td>
<td>Cum</td>
<td>7,10,630.00</td>
</tr>
<tr>
<td>1.11</td>
<td>500</td>
<td>above 4.0 m to and including 6.0 m (Hard Rock)</td>
<td>762.00</td>
<td>Cum</td>
<td>3,81,000.00</td>
</tr>
<tr>
<td>1.12</td>
<td></td>
<td>Same as item 1.1 but in Hard Rock (Using Control Blasting)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.13</td>
<td>500</td>
<td>0 m to and including 2.0 m (Hard Rock)</td>
<td>464.78</td>
<td>Cum</td>
<td>2,32,390.00</td>
</tr>
<tr>
<td>1.14</td>
<td>500</td>
<td>above 2.0 m to and including 4.0 m (Hard Rock)</td>
<td>507.59</td>
<td>Cum</td>
<td>2,53,795.00</td>
</tr>
<tr>
<td>1.5</td>
<td>6000</td>
<td>Dewatering using special means of Vacuum Dewatering Pump 60HP for excavation below 8.0 m and up to 22.0 m depth</td>
<td>220.16</td>
<td>Cum</td>
<td>13,20,960.00</td>
</tr>
<tr>
<td>2.0</td>
<td>29030.0</td>
<td>Back filling of foundation pits, filling in plinth with excavated earth only previously stockpiled near the excavated area or otherwise disposed of within 2 Km to any sections and or depth after the casting of foundations, etc. in uniform layers not exceeding 200 mm thick including water, compaction, transportation, all labour, tools and tackles, machinery, etc. complete as directed by the Engineer in-Charge. Measurement for back-filling shall be worked out as the difference of the volume of excavation paid under item No. 1 above less volume occupied by the structures/fill below the ground and for plinth filling the actual volume of the space filled shall be measured for payment.</td>
<td>163.72</td>
<td>Cum</td>
<td>47,52,791.60</td>
</tr>
<tr>
<td>2.1</td>
<td>2810.0</td>
<td>Providing and filling approved quality sand around, below the foundations/base slab, sump, around pipes etc. at all depths as shown on construction drawings in 150 mm thick layers including cost and conveyance of sand, watering, consolidation, Labour charges for all operations with all leads &amp; lifts etc., complete for finished item of work as directed by Engineer-in-Charge.</td>
<td>1,637.20</td>
<td>Cum</td>
<td>46,00,532.00</td>
</tr>
<tr>
<td>3.0</td>
<td>8120.0</td>
<td>Providing and laying dry stone rubble soling 230 mm thick below grade slabs, plinth protection, and at other locations, set in regular lines, interstices thoroughly filled with small chips and compacted by hand rollers after spreading 12mm layer of grit on top, etc., complete, as indicated in drawings, specification and as directed by the ENGINEER-in-Charge (With useful rock from excavation)</td>
<td>1,437.20</td>
<td>Cum</td>
<td>1,16,70,064.00</td>
</tr>
<tr>
<td>4.1</td>
<td>50</td>
<td>01:05:10</td>
<td>1,910.06</td>
<td>Cum</td>
<td>95,503.00</td>
</tr>
<tr>
<td>4.2</td>
<td>3000.0</td>
<td>1:4:8</td>
<td>3,638.22</td>
<td>Cum</td>
<td>1,09,14,660.00</td>
</tr>
<tr>
<td>4.3</td>
<td>270.0</td>
<td>1:3:6</td>
<td>3,638.22</td>
<td>Cum</td>
<td>9,82,319.40</td>
</tr>
<tr>
<td>4.4</td>
<td>300.0</td>
<td>1:2:4</td>
<td>3,638.22</td>
<td>Cum</td>
<td>10,91,466.00</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Providing and placing in position design mix reinforced cement concrete with 20 mm downgraded coarse aggregates for works at all levels to all shapes as shown in the drawings, including scaffolding, mixing, placing, vibrating, compacting, curing, dewatering wherever necessary, providing construction joints, leaving cut-outs/pockets, etc., complete, but excluding the cost of providing shuttering, cement and reinforcement steel as per specifications and as directed by the ENGINEER-in-Charge (Nothing extra shall be paid for water retaining structures)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# The rates are as per agreement between M/s.VA Tech thier sub contractor M/s. Rithwik
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Quantity</th>
<th>Description of Item</th>
<th>Rate (Rs.)</th>
<th>Unit</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>200</td>
<td>M20 (With 20 mm down size aggregates)</td>
<td>3,638.12</td>
<td>Cum</td>
<td>7,27,644.00</td>
</tr>
<tr>
<td>5.2</td>
<td>10640</td>
<td>Concrete grade M25 (With 20 mm)</td>
<td>3,638.12</td>
<td>Cum</td>
<td>3,871,660.80</td>
</tr>
<tr>
<td>5.3</td>
<td>6960</td>
<td>Concrete grade M30 (With 20 mm)</td>
<td>3,729.17</td>
<td>Cum</td>
<td>2,59,55,023.20</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Pre - Cast Concrete slab</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>130.0</td>
<td>Manufacture and erection in position reinforced pre-cast concrete slabs for trench/ drain covers of every description, shape, size in M-25 grade concrete as per approved drawings including providing all pockets, slits, slots, etc. for lifting hook including conveyance of cement, cost and conveyance of all other materials, labour charges, mixing, placing vibrating, curing, transportation, loading, unloading, shuttering etc. with framework, centering, pre-fabrication moulds for manufacture of pre-cast units, MS erection fixtures etc. for laying at any elevation but excluding the cost of cement and reinforcement steel, and their binding etc. all complete as per specification and as directed by the Engineer-in-charge (Providing and fixing steel reinforcement and embedments will be paid separately under relevant items)</td>
<td>4,092.59</td>
<td>Cum</td>
<td>5,32,088.70</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Providing and laying cement concrete screeds at all levels with 12.5 mm down graded coarse aggregates, thickness of screed varying from 25 mm to maximum 250 mm, to correct lines and slopes over cast in situ RCC surfaces as shown on the drawings and as directed by the ENGINEER-in-Charge including compacting / vibrating curing etc. for the following mixes excluding cost of cement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.1</td>
<td>50.0</td>
<td>M 15 Grade</td>
<td>2,850.00</td>
<td>Cum</td>
<td>1,42,500.00</td>
</tr>
<tr>
<td>7.2</td>
<td>250.0</td>
<td>M20 Grade</td>
<td>3,820.13</td>
<td>Cum</td>
<td>9,55,032.50</td>
</tr>
<tr>
<td>8.0</td>
<td>400.0</td>
<td>Providing and executing Plinth protection around the buildings as per the specification including excavation , dressing , concreting and finishing with cement running etc. complete.</td>
<td>460.49</td>
<td>Sqm</td>
<td>1,84,196.00</td>
</tr>
<tr>
<td>9</td>
<td>1200</td>
<td>Fabrication charges for cutting, bending and placing in position of HYSD/TMT/MS steel bars conforming to IS : 1786 of all sizes, including conveyance of reinforcement steel , cost and conveyance of binding wire with 18 gauge binding wire tying/welding wherever necessary for all RCC works, at all elevations , labour charges, all leads and lifts etc., complete as shown on construction drawings for finished item of work as directed by the Engineer in charge, but excluding cost of Reinforcement Steel. (No payment will be made for binding wires. However steel used as chairs, spacers, supports, etc. authorised laps &amp; dowels as shown in drawing/ approved by Engineer-in-charge shall be measured and paid)</td>
<td>11,369.42</td>
<td>MT</td>
<td>1,36,43,304.00</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Providing form work with ply wood shuttering including centering, propping complete for all heights, all shapes &amp; at all levels, cost of ply wood and all other materials, consumables, labour charges, including de-shuttering, etc. complete all as per specification and as directed by the Engineer-in-charge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.1</td>
<td>19900.0</td>
<td>Sub Structure ( Below FFL) and for Exposed surfaces</td>
<td>750.38</td>
<td>Sqm</td>
<td>1,42,57,220.00</td>
</tr>
<tr>
<td>10.2</td>
<td>23700.0</td>
<td>Super Structure ( Above FFL)</td>
<td>750.38</td>
<td>Sqm</td>
<td>1,77,84,006.00</td>
</tr>
<tr>
<td>11</td>
<td>37</td>
<td>Grouting with cement concrete (1:1:2) below equipment bases including anchor bolt pockets/pipe sleeves at any locations and level with cement grout including addition of Non-Shrink cum plasticiser admixture of approved brand in proportion as recommended by manufacturer. supply of all materials, labour, scaffolding, tools, shuttering, curing etc. complete as per specification and as directed by the Engineer-in-charge</td>
<td>3,820.13</td>
<td>Cum</td>
<td>1,41,344.81</td>
</tr>
<tr>
<td>12</td>
<td>125</td>
<td>Grouting with ready mix grout under equipment bases,base plates,anchor bolt pockets/pipe sleeves etc. at any location and level with ready mix non-shrink grout (Conbextra GP1 or approved equivalent) including supply of all materials, labour charges, scaffolding, complete as per the specifications.</td>
<td>43,658.59</td>
<td>Cum</td>
<td>54,57,323.75</td>
</tr>
<tr>
<td>13</td>
<td>804</td>
<td>Providing fly ash brick masonry in CM (1:4) of thickness 230 mm / 345 mm at all elevations and locations and for any shape including cost of fly ash bricks and all other materials, labour, curing, equipment, scaffolding, cost of providing / leaving any pockets, holes, openings and providing inserts, sleeves, angles etc., expansion joints etc., complete for finished item of work as directed by Engineer-in-charge but excluding cost of cement</td>
<td>5,184.46</td>
<td>Cum</td>
<td>41,68,305.84</td>
</tr>
</tbody>
</table>

# The rates are as per agreement between M/s.VA Tech thier sub contractor M/s.Rithwik
<table>
<thead>
<tr>
<th>S.No.</th>
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<th>Unit</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.1</td>
<td>5005.0</td>
<td>Plastering on all internal surfaces of vertical, horizontal or curved upto any</td>
<td>227.39</td>
<td>Sqm</td>
<td>11,38,086.95</td>
</tr>
<tr>
<td></td>
<td></td>
<td>elevation with 12 mm thick CM (1:4) for RCC, brick work/ block work, sides and</td>
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<tr>
<td></td>
<td></td>
<td>undersides of slabs, canopies, chajjas with drip moulding including cost of all</td>
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<td></td>
<td></td>
<td>other materials, labour charges, scaffolding, curing, hacking of concrete surfaces</td>
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<td></td>
<td>where required etc., complete as per specifications, etc complete for finished item</td>
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<td></td>
<td></td>
<td>of work as directed by Engineer-in-Charge but excluding the cost of cement.</td>
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<tr>
<td>14.2</td>
<td>5005.0</td>
<td>Plastering on all external surfaces vertical, horizontal or curved upto any</td>
<td>350.18</td>
<td>Sqm</td>
<td>17,52,650.90</td>
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<tr>
<td></td>
<td></td>
<td>elevation with 20 mm thick CM (1:4) in 2 layers (first layer 12mm in cement</td>
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<td></td>
<td></td>
<td>mortar 1:4 and second layer of 8 mm thickness in cement mortar 1:6 ) including cost</td>
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<td></td>
<td></td>
<td>of all other materials, equipment, scaffolding, curing etc., complete for finished</td>
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<tr>
<td></td>
<td></td>
<td>item of work as per specifications and as directed by Engineer-in-Charge.</td>
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<tr>
<td>14.3</td>
<td>1500.0</td>
<td>Providing 6mm thick plain faced ceiling plaster in cement mortar 1:3 including</td>
<td>263.77</td>
<td>Sqm</td>
<td>3,95,655.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>cost of all other materials, equipment, scaffolding, curing etc., complete for</td>
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<td></td>
<td></td>
<td>finished item of work as per specifications and as directed by Engineer-in-Charge.</td>
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</tr>
<tr>
<td>15.1</td>
<td>1187.0</td>
<td>Providing and applying to interior surfaces two coats of Acrylic washable distemper</td>
<td>121.77</td>
<td>Sqm</td>
<td>1,44,540.99</td>
</tr>
<tr>
<td></td>
<td></td>
<td>of approved make, colour and shade over one coat of primer conforming to IS:428</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>including cost of paints, preparation of surfaces, scaffolding and labour charges</td>
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<tr>
<td></td>
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<td>etc complete for finished item of work as directed by Engineer-in-Charge.</td>
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<tr>
<td>15.2</td>
<td>1587.0</td>
<td>Providing plaster of paris 2mm thick Plaster of Paris punning over cement plastering</td>
<td>197.48</td>
<td>Sqm</td>
<td>3,13,400.76</td>
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<tr>
<td></td>
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<td>for internal walls to correct lines and levels to obtain a smooth finish including cost</td>
<td></td>
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<td></td>
<td></td>
<td>of Plaster of paris, tools and tackles, scaffolding and labour charges etc., for</td>
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<td>finished item of work as directed by Engineer-in-Charge.</td>
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<tr>
<td>15.3</td>
<td>3500.0</td>
<td>Providing painting to interior surfaces with two coats of acrylic emulsion paint of</td>
<td>170.41</td>
<td>Sqm</td>
<td>5,96,435.00</td>
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<tr>
<td></td>
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<td>approved manufacture over, colour and shade over one coat of primer over POP</td>
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<td></td>
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<td>including cost of paints, preparation of surface, scaffolding, tools and tackles and</td>
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<td>labour charges etc., complete for finished item of work as directed by Engineer-in-</td>
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<td>Charge.</td>
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<tr>
<td>15.4</td>
<td>4690.0</td>
<td>Providing painting to exterior surfaces with two coats of exterior emulsion paint of</td>
<td>168.79</td>
<td>Sqm</td>
<td>7,91,625.10</td>
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<tr>
<td></td>
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<td>approved manufacture, colour and shade over one coat of primer including cost of</td>
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<td></td>
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<td>paints, preparation of surface, scaffolding, tools and tackles and labour charges</td>
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<td>etc., complete for finished item of work as directed by Engineer-in-Charge.</td>
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<tr>
<td>15.5</td>
<td>400.0</td>
<td>Providing two coats of synthetic enamel paint of approved manufacture, colour and</td>
<td>152.40</td>
<td>Sqm</td>
<td>60,960.00</td>
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<td></td>
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<td>shade conforming to IS over one coat of compatible primer on concrete/ plastered/</td>
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<td>steel surfaces and application as per manufacturer’s instructions including cost of</td>
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<td></td>
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<td>paints, preparation of surface, scaffolding, tools and tackles and labour charges etc.</td>
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<td>complete for finished item of work as directed by Engineer-in-Charge.</td>
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<tr>
<td>15.6</td>
<td>200.0</td>
<td>Providing two coats of Acid / Alkali based paint of approved manufacture, colour and</td>
<td>374.27</td>
<td>Sqm</td>
<td>74,854.00</td>
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<td>shade conforming to IS over one coat of compatible primer on concrete/ plastered/</td>
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<td>steel surfaces and application as per manufacturer’s instructions including cost of</td>
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<td>paints, preparation of surface, scaffolding, tools and tackles and labour charges</td>
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<td></td>
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<td>etc., complete for finished item of work as directed by Engineer-in-Charge.</td>
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<tr>
<td>15.7</td>
<td>17615.00</td>
<td>Supplying and Painting 85/25 industrial grade hot bitumen conforming to IS:702 at</td>
<td>154.62</td>
<td>Sqm</td>
<td>27,23,631.30</td>
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<td></td>
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<td>the rate of 1.7 kg / Sqm over concrete surfaces at all locations and heights</td>
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<td></td>
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<td>including cost of bitumen, preparation of surface, scaffolding, tools and tackles</td>
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<td></td>
<td></td>
<td>and labour charges etc., complete for finished item of work as directed by Engineer-</td>
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<td></td>
<td></td>
<td>in-Charge.</td>
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<tr>
<td>16.1</td>
<td>200.0</td>
<td>Providing and laying polished vitrified ceramic flooring tiles 7.5mm thick of repute</td>
<td>2,149.01</td>
<td>Sqm</td>
<td>4,29,802.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>make (abrasion group - V) over bedding of cement-mortar 1:3 as per specification</td>
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<td></td>
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<td>including cost of tiles, all other materials,labour charges, cutting chase in the</td>
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<td>wall as required, pointing of the joints with white cement mixed with colour pigment</td>
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<td>to match, cleaning, curing, etc. complete in the main control room of power house</td>
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<td>and all areas as required / as per Drg and all as per specification but excluding cost</td>
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<tr>
<td></td>
<td></td>
<td>of cement.</td>
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</tr>
</tbody>
</table>

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<tr>
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<th>Unit</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.2</td>
<td>400.0</td>
<td>Providing and laying 20 mm thick polished Granite stone flooring over bed of cement mortar 1:3 as per specification including cost of Granite Stones, all other materials, labour charges, cutting chase in the wall as required, pointing of the joints with white cement mixed with colour pigment to match, cleaning, curing, etc. complete in the main control room of power house and all areas as required / as per Drg and all as per specification but excluding cost of cement</td>
<td>3,073.45</td>
<td>Sqm</td>
<td>12,29,380.00</td>
</tr>
<tr>
<td>16.3</td>
<td>7000.0</td>
<td>Providing and laying 50 mm thick flooring consisting of 12 mm thick floor topping using approved metallic floor hardener as per manufacturer's specifications on top of freshly laid 38 mm thick granolithic flooring (Cement Concrete flooring 1:1:2) including cost for all other materials, labour charges, all leads and lifts etc complete for finished item of work but excluding cost of cement.</td>
<td>788.03</td>
<td>Sqm</td>
<td>55,16,210.00</td>
</tr>
<tr>
<td>16.4</td>
<td>400.00</td>
<td>Providing and laying acid /alkali resistant lining for flooring/ skirting/ dadoing consisting of Bitumen primer followed by 12 mm thick bit mastic, 6 mm thick potassium silicate mortar bed and 20 mm thick alkali / acid resistant bricks as per IS:4860 and pointing with 6mm x 20mm epoxy / furane / CNSL mortar curing etc. including material, labour complete as directed by engineer in charge, the tile samples shall be got approved from engineer-in-charge (Equivalent products may also be used with approval of Engineer).</td>
<td>2,289.21</td>
<td>Sqm</td>
<td>9,15,684.00</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td>False Ceiling / Under deck insulation</td>
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</tr>
<tr>
<td>17.1</td>
<td>200.0</td>
<td>Providing and installing LUXALON 84C false ceiling system at desired height above floor level comprising of closed type plain panels 84 mm wide and 12.5 mm deep with a 23.9 mm recessed flange roll formed out of 0.5mm thick aluminium alloy Al.Mg.1.5 stove enamelled on both sides fixed on roll formed carriers made of enamelled 0.95 mm thick aluminium 32 mm wide and 39 mm deep with cut outs to hold panels in a module of 100 mm at max. 1.7 m c/c (without insulation) and at max. 1.5 m c/c (with insulation). Carriers suspended from slab by 4mm dia galvanised steel wire rod hangers with special height adjustment clips made out of spring steel at max. 1.3 m. c/c. Hangers fixed to slab by 'J' hooks and nylon inserts complete as per manufacturers specification.</td>
<td>3,562.92</td>
<td>Sqm</td>
<td>7,12,584.00</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>Providing and fixing steel windows fixed type conforming to IS:1038 with steel fixtures and fittings and glazed with 6mm thick plain sheet glass panes fixed using glazing clips and special metal sash putty including two coats of epoxy primer and two finishing coats of epoxy paint etc complete for finished item of work as per drawings and specifications and as directed by Engineer-in-charge.</td>
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<tr>
<td>18.0</td>
<td>50.0</td>
<td>Same as item above but for openable steel windows (side hung/sliding) including all necessary hardwares like stays, handles, etc, complete for finished item of work as per drawings and specifications and as directed by Engineer-in-charge.</td>
<td>4,514.50</td>
<td>Sqm</td>
<td>2,25,725.00</td>
</tr>
<tr>
<td>19.0</td>
<td>25.0</td>
<td>Providing and fixing steel ventilators with 6 mm thick plain sheet glass, as per drawings including two coats of epoxy primer and two finishing coats of epoxy paint etc complete for finished item of work as per drawings and specifications and as directed by Engineer-in-charge.</td>
<td>4,972.68</td>
<td>Sqm</td>
<td>1,24,317.00</td>
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<tr>
<td>20.0</td>
<td>51.0</td>
<td>Providing and fixing steel ventilators with 6 mm thick plain sheet glass, as per drawings including two coats of epoxy primer and two finishing coats of epoxy paint etc complete for finished item of work as per drawings and specifications and as directed by Engineer-in-charge.</td>
<td>4,972.68</td>
<td>Sqm</td>
<td>2,53,606.68</td>
</tr>
<tr>
<td>21.0</td>
<td>98.0</td>
<td>Providing and fixing steel frames and doors consisting of 16/18G pressed steel door frame and double plate flush door shutters. The door shutter shall be 45 mm thick with two outer sheets of 18 G rigidly connected with continuous vertical 20 G stiffeners at the rate of 150 mm centre to centre. Side, top and bottom edges of shutters shall be reinforced by continuous pressed steel channel with minimum 18 G. The door shall be made sound proof by filling the inside void with mineral wool. Doors shall be provided with all brass/chromium plated hardware and fixtures like tower bolts, handles, stoppers, aldrops, locking arrangements, etc. including two coats of epoxy primer and two coats of epoxy paint all as per specification and directions in order.</td>
<td>6,239.99</td>
<td>Sqm</td>
<td>6,11,519.02</td>
</tr>
<tr>
<td>22.0</td>
<td>125.0</td>
<td>Designing, supplying and fixing in position approved make gear operated steel rolling shutters conforming to IS:6248 using 18G MS Interlocking laths including hood, gear operating mechanism and all accessories required including two coats of epoxy, etc complete for finished item of work as directed by Engineer-in-Charge.</td>
<td>6,219.52</td>
<td>Sqm</td>
<td>7,77,440.00</td>
</tr>
</tbody>
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<tr>
<td></td>
<td></td>
<td>Providing and fixing in position following hinged type fire proof doors 'Radiant' or its approved equivalent conforming to IS.3614 (Part-I) with all necessary fittings and fixtures, etc as per drawing and specification. Fire proof doors shall have minimum fire rating of 2 hours. Contractor shall obtain and furnish necessary approval from LPA for the supplies made. (Door closure shall be measured separately under the relevant item.)</td>
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<tr>
<td>23.0</td>
<td>60.0</td>
<td>Providing and fixing anodised aluminium entrance door swing type (with MDF Shutter) with fixed glazing in aluminium frame work at sides and top of door as indicated in construction drawings and conforming to relevant Indian Standards including glazing with 5 mm thick clear sheet glass conforming to IS:2835, standard hardware such as hinges, push/ pull bars/handles, locking arrangement, suitable rubber/vinyl beading for fixing glass, etc. complete for finished item of work as directed by Engineer-in-Charge. (Door closure if provided shall be measured separately under the relevant item.)</td>
<td>9,080.28</td>
<td>Sqm</td>
<td>54,416.80</td>
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<tr>
<td>23.1</td>
<td>17.00</td>
<td>Single leaf doors</td>
<td>9,722.17</td>
<td>Sqm</td>
<td>165,776.89</td>
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<tr>
<td>23.2</td>
<td>33.00</td>
<td>Double leaf doors</td>
<td>13,927.32</td>
<td>Sqm</td>
<td>459,601.56</td>
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<tr>
<td>24.00</td>
<td></td>
<td>Extra over above 2 items for providing door with floor spring, including cost of the floor spring.</td>
<td>5,486.38</td>
<td>Sqm</td>
<td>1,09,727.60</td>
</tr>
<tr>
<td>24.10</td>
<td>20.00</td>
<td>Providing and fixing heavy grade PVC doors with PVC framing single/double shutter in battery room as per drawing and specifications including all fittings and fixtures. (Door closure if provided shall be measured separately under the relevant item.)</td>
<td>5,836.44</td>
<td>Sqm</td>
<td>58,364.40</td>
</tr>
<tr>
<td>25.00</td>
<td>10.0</td>
<td>Providing and fixing anodised aluminium glazed fixed partitions of approved manufacture and glazed with 5mm thick glass panels fixed with anodised aluminium beading, performed rubber lining, etc. compete (Anodising shall be a minimum of 20 microns thickness)</td>
<td>4,630.49</td>
<td>Sqm</td>
<td>277,829.40</td>
</tr>
<tr>
<td>26.00</td>
<td>60.00</td>
<td>Providing and fixing approved quality hydraulic door closer conforming to IS:3564 as per drawings and as directed by the Engineer.</td>
<td>4,364.01</td>
<td>Nos.</td>
<td>13,092.03</td>
</tr>
<tr>
<td>27.00</td>
<td>3.00</td>
<td>Supplying, laying and jointing in position 230 mm wide PVC water stops of minimum thickness 6mm (ribbed with central bulb and end grips to withstand 25 m water-head) of approved quality and manufacture for construction and expansion joints including cleaning, cost of all materials and labour, all leads and lifts, including, making joints by hot fusion as per manufacturer's instructions, complete as per specifications and as shown on construction drawings etc complete for finished item of work as directed by Engineer-in-Charge.</td>
<td>374.56</td>
<td>RM</td>
<td>1,13,368.00</td>
</tr>
<tr>
<td>28</td>
<td>300</td>
<td>Providing and fixing 2mm thick approved quality rubber sealing strip, around doors and windows for making them airtight as per specifications and drawings and as directed by Engineer-in-charge.</td>
<td>66.11</td>
<td>RM</td>
<td>6,611.00</td>
</tr>
<tr>
<td>29</td>
<td>100</td>
<td>SHEETING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
<td>Providing and fixing 0.8 mm thick metal Deck sheet with phosphate coating and primer on both sides to act as a permanent shuttering for cast-in-situ RCC slab including providing necessary 16 dia 75 mm Length Stud as a shear keys, bolts, angle pieces, J Bolts, welding of bolts, fixing to purlin / trusses, etc. complete all as per specifications, drawing and as directed by the Engineer-in-charge. Underside of metal roof decking shall be finally painted with two coats of synthetic enamel paint. (Only exposed area shall be measured for payment).</td>
<td>1,301.33</td>
<td>Sqm</td>
<td>1,24,77,015.50</td>
</tr>
<tr>
<td>31</td>
<td></td>
<td>RAIN WATER PIPES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31.1</td>
<td></td>
<td>Providing, fixing and jointing UPVC Rain water down take pipes conforming to IS:4985 class 3 of the following diameters with standard fixing clamps including special fittings such as bends, shoes, junctions, swan necks, etc. complete for finished item of work as directed by Engineer-in-charge.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>620</td>
<td>200mm OD</td>
<td>1,204.15</td>
<td>RM</td>
<td>7,46,573.00</td>
</tr>
<tr>
<td>31.1.1</td>
<td>22</td>
<td>Erecting in position/ fixing in concrete the Anchor bolts conforming to IS:2062 and anchor bolt anchorage assemblies composed of plates, angles, channels, etc., including threading, providing nuts, lock nuts, washers, pipe sleeves, welding, etc., upto and inclusive of 50mm diameter and 2.50 meter long with anchor plates/ channel including threading, welding, etc, all as per specification and approved fabrication drawings complete as per specification. (Templates if any required for fixing the bolts will not be paid for)</td>
<td>1,33,563.70</td>
<td>MT</td>
<td>29,38,401.40</td>
</tr>
</tbody>
</table>

# The rates are as per agreement between M/S.VA Tech thier sub contractor M/s.Rithwik
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Quantity</th>
<th>Description of Item</th>
<th>Rate (Rs.)</th>
<th>Unit</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>50</td>
<td>Providing &amp; Fixing of 200 mm dia PVC Pipe including cost of pipes, hire charges of machinery, labour charges with all leads and lifts etc., complete for finished item of work as directed by engineer-in-charge</td>
<td>1,357.81</td>
<td>RM</td>
<td>67,890.50</td>
</tr>
<tr>
<td>34</td>
<td>40</td>
<td>Making opening of dia. 250 mm in RCC wall, Slab by Core Cutting process including all machinery, staging, labour etc., all complete as directed by engineer-in-charge</td>
<td>18,268.17</td>
<td>RM</td>
<td>73,072.80</td>
</tr>
<tr>
<td>35</td>
<td>100</td>
<td>Providing and Laying Polysulphide using Fosroc chemical Thioflex - 600 at Exp. Joints (50 mm X 50 mm thk.) complete as directed by engineer-in-charge</td>
<td>5,307.67</td>
<td>RM</td>
<td>53,076.70</td>
</tr>
<tr>
<td>36</td>
<td>60300</td>
<td>Clearing Jungle including uprooting of vegetation, bushes, Trees etc. and removing, disposing of rubbish complete as directed by Engineer-in-Charge</td>
<td>11.74</td>
<td>Sqm</td>
<td>7,07,922.00</td>
</tr>
<tr>
<td>37</td>
<td>400</td>
<td>Supplying and Fixing 0.6mm thick G.I Sheet / Deck Sheet at all levels including cost and convenance of sheet, fixing charges complete for finished item of work as directed by Engineer-in-Charge</td>
<td>1,542.92</td>
<td>Sqm</td>
<td>6,17,168.00</td>
</tr>
<tr>
<td>38</td>
<td>5415</td>
<td>Providing water proofing treatment work over the roof of various buildings as per specification including cost of water proof material, consumables, labour charges, all, tools &amp; tackles etc., complete as per drawings etc., complete for finished item of work as directed by Engineer-in-Charge.</td>
<td>2,234.05</td>
<td>Sqm</td>
<td>1,20,97,380.75</td>
</tr>
<tr>
<td>39</td>
<td>10</td>
<td>Erection of MS HD/Anchor bolts of any dia. in foundations including threading, providing nuts, lock nuts etc. as per specification and approved drawings.</td>
<td>30,000.00</td>
<td>MT</td>
<td>3,00,00,00.00</td>
</tr>
<tr>
<td>40</td>
<td>40</td>
<td>Fabrication and Erection of MS Inserts, edge angles / channels etc. at any levels of various structures, floors as per specification and approved drawings.</td>
<td>30,000.00</td>
<td>MT</td>
<td>12,00,00,00.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Sub Total-1</strong></td>
<td></td>
<td></td>
<td>22,93,47,676.73</td>
</tr>
<tr>
<td>41</td>
<td>7650</td>
<td>Supply of Cement</td>
<td>6,896.31</td>
<td>MT</td>
<td>52,75,671.50</td>
</tr>
<tr>
<td>42</td>
<td>1200</td>
<td>Supply of Reinforcement Steel</td>
<td>57,317.63</td>
<td>MT</td>
<td>68,81,156.00</td>
</tr>
<tr>
<td>43</td>
<td>12</td>
<td>Supply of MS Bolts</td>
<td>95,000.00</td>
<td>MT</td>
<td>11,40,00,00.00</td>
</tr>
<tr>
<td>44</td>
<td>43</td>
<td>Supply of MS Channels, Angles, Plates etc.</td>
<td>49,150.00</td>
<td>MT</td>
<td>21,13,450.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Sub Total-2</strong></td>
<td></td>
<td></td>
<td>12,47,91,377.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td>35,41,39,054.23</td>
</tr>
</tbody>
</table>

# The rates are as per agreement between M/s. VA Tech their sub contractor M/s. Rithwik
From:
The Chief Engineer,
Generation,
APGENCO, Vidyut Soudha,
Gunadala,
Vijayawada- 520004.

To:
M/s. VA Tech Wabag Ltd,
"Wabag House",
No. 17, 200 Feet Radial Road, S. Kelathur,
(Near Kamakshi Hospital),
Chennai - 600 117, India.


Sir,

Sub: RTPP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Deletion of certain scope of works - Reg.


***

This has reference to your letter 2nd cited wherein it was informed that Vatech is ready to discuss the issues pertaining to deletion of certain works from Vatech scope to arrive a suitable solution to meet the requirements of APGENCO and provide a way for further expediting the progress of works.

It was informed that Vatech had successfully completed the activities required for synchronization of the unit and the synchronization was done by BHEL on 30.06.2017. In this regard, it is to inform that Vatech shall complete all the works to achieve the COD by 30.06.2017. Since, Vatech failed to complete the major works pertaining to Water System, Pipe rack, Compressed air system, Fuel oil system, NDCT, E-BoP, APGENCO had to take the clarified water, DM water, instrument air, LDO & HFO from the existing unit of RTPP Stage-III and with great difficulty, Synchronization could be achieved on 02.07.2017.

It may be recalled that during a meeting held on 01.05.2017 in the Chambers of Director/Finance at Vidyut Soudha, Hyderabad, in the presence of the Managing Director, APGENCO and Director, Thermal, M/s. Vatech Wabag Ltd, along with the Consortium Partners had committed the following:

➢ Date of Synchronization by 28.05.2017.
➢ Commercial Operation Declaration by 10.09.2017
➢ Completion of Project in full shape by 30.09.2018.

Sri Rajiv Mittal, Managing Director, M/s. Vatech Wabag Ltd, was also present in the meeting. During the meeting it was also resolved that the subject dates are the upper limit dates and at any cost the dates will not be extended. M/s. Vatech Wabag Ltd had unanimously agreed to
adhere to the dates for completion of the works and if they fail to complete the work they agreed and authorized APGENCO to take action as per the contract / Purchase Orders.

In respect of the Date of Synchronization, the date got slipped by one month. As far as the COD is concerned it may be noted that the trial operation shall be completed within 2 months after synchronization to achieve the COD of the unit. But, since the CHP fabrication & erection works are at standstill and the major activities are at foundation stage and Engineering of Technological structures is not yet completed, the coal feeding is practically an impossible task for the contractor. Further, M/s. Vatech Wabag Ltd had been failing to make timely payments to the sub-vendors, due to which, the works are not moving with required pace. There were several instances when the labour had de-mobilized and had re-mobilized only after release of payments. Such incidents of de-mobilization and had re-mobilization are hampering the works and the completion is getting delayed. It is also to inform that the priority stream 1 & 2 of the CHP are not made ready for coal feeding till to date and the works in these streams are at foundation level. Due to the delay in completion of CHP and other major works, the COD of the unit will be delayed by another 6 months and due to which, APGENCO will be incurring heavy loss. Further, the works pertaining to the Track hopper, Wagon tippler, Crusher house, Marshalling yard works will require at least 1 year for completion.

In the above circumstances, APGENCO was left with no other way out other than deleting the balance fabrication and erection works and civil works of the priority stream 1 & 2 of the CHP and balance civil works of AHP from the scope of M/s. Vatech Wabag Ltd, in order to achieve the COD of the unit within 2-3 months.

Further, vide reference 4th & 5th cited certain issues were raised by M/s. Vatech Wabag Ltd. The issues item wise are discussed below for information and perusal.

1. Item No. 1, 2, 3, 4 & 5, it is proposed to convene a meeting at Vidyut Soudha, Gunadalla, Vijayawada and M/s. Vatech Wabag Ltd and the sub-contractor, M/s. Indwell Constructions Pvt Ltd and M/s. Rithwik Projects Pvt. Limited shall attend for resolving the issues across the table.

2. Item No. 6 & 7, There is lot of pressure from the Government of Andhra Pradesh for early completion of the works and achieving the COD of the Unit due to which APGENCO has decided to complete the COD on or before 31.10.2017 and this action of the deletion works was initiated. In view of the emergency, APGENCO had to consider accepting the terms for ensuring the completion of the works for the scheduled COD. The issue of accounting of scrap can be taken up in the meeting mentioned above.

3. Item No. 8, the correct quantity will only be billed and care shall be taken.

4. Item No. 9, an amendment was issued with a clarification.

5. Item No. 10, APGENCO had placed the purchase orders on the existing sub-contractors of M/s. Vatech Wabag Ltd. This arrangement was initiated for achieving the completion of COD as scheduled and the balance works shall be taken up by M/s. Vatech Wabag Ltd, itself. Since, the performance guarantee for the works carried out by the sub-
contractors was the responsibility of M/s. Vatech Wabag Ltd, earlier and the subcontractors have not changed, M/s. Vatech Wabag Ltd is expected to stand guarantee as earlier.

6. Item No. 11 to 14, can be taken up in the meeting mentioned above.

A meeting shall be convened and the date, time & venue shall be intimated soon.

Chief Engineer, Generation, APGENCO.

Copy to:
1. The PS to Managing Director /APGENCO/VS/Vijayawada.
2. The ADE (T) to Director (Thermal)/APGENCO/VS/ Vijayawada.
3. The SAO to Director (Finance & Commercial)/ APGENCO/VS/ Vijayawada.
4. The Chief Engineer (Civil/Thermal)/APGENCO/VS/ Vijayawada.
5. The Chief Engineer/O&M/RTPP/V.V.Reddy Nagar, Dr. Y.S.R. Reddy Kadapa Dist.
From  
The Superintending Engineer  
E&M-I circle /Stage-IV/RTTPP  
V.V. Reddy Nagar  
Kadapa -516312  
FaxNo: 08563-232301

To  
M/s VATech Wabag Ltd.,  
Wabag House,  
No.17,200 feet radial road  
S.Kalathur,(near Kamakshi Hospital)  
Chennai-600117.India  
Phno:044-39232253,044-392323234  
E mail ID:k_sridhar@wabag.com

Lr No:-SE/E&M-I Circle /RTTPP/Stage-IV/ F /Dno:- 380 /17 Dt:- 08.09.17

Kind Attention Sir. K.SRIDHAR, Chief Project Manager, VATech Wabag Ltd.,  
Sir,  
Sub: APGENCO-RTTPP-Stage IV-Abnormal delay in supply of CPVC and CSRL/SS piping pertaining to DM plant and Pretreatment plant - Notice issued-reg  
Ref:1.T.O.P.o. TMO -878/ CPP/131/RTTPP-IV/BOP/D.no354/10dt:15.12.10

We are very unhappy to note the abnormal delay caused in supply of CPVC and CSRL/SS piping pertaining Pre treatment plant and DM plant of Water system for want of which erection works have been held up for long time. In spite of our regular pursuance and follow up, material has not reached site as on date. In this regard it is to inform that we will proceed with procurement action in case the above mentioned material do not reach site by 12-9-17. Please note that the cost of the material with 25% over head charges will be back charge to VATech Wabag Ltd. Pending material list furnished and to be supplied by you is enclosed herewith for your ready reference.

This is for your information and immediate necessary action please.

Superintending Engineer  
E&M-I Circle/Stage-IV  
RTTPP:: V.V.Reddy Nagar

Copy Submitted to  
The Chief Engineer /Generation/APGENCO/VS/Vijayawada for favour of information  
The Chief Engineer /O&M/RTTPP  
Copy to Divisional Engineer/CD-I/E&M-I circle/Stage-IV
**NOTICE.**


Sir,

Sub: RTTP – Stage-IV, Unit-6 (1x600MW) – Balance of Plant – Notice - Issued - Reg.


***

Please refer the Minutes of meeting 2nd cited held on 14.12.2017 in the chambers of the Managing Director, APGENCO, Vidyut Soudha, Vijayawada, wherein certain issues were discussed and agreed.

In this regard, the status of the issues agreed during the meeting are as tabulated below:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Issues</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>M/s. Rithwik – CIPL JVK to immediately commence the works for the Wagon tippler and Track Hopper.</td>
<td>Not commenced</td>
</tr>
<tr>
<td>2.</td>
<td>RPPL shall deploy additional manpower of 450 Nos. for taking up the above works and the deployment schedule shall be provided by 18/12/2017.</td>
<td>Deployment Schedule not furnished. Man power deployment not done.</td>
</tr>
<tr>
<td>3.</td>
<td>Additional 02 Nos. batching plant, 04 Nos. Transit mixer and 02 Nos. concrete pump shall be organized by M/s. Rithwik and the machinery deployment schedule shall be provided by 18/12/2017.</td>
<td>Deployment Schedule not furnished. Machinery not organized.</td>
</tr>
<tr>
<td>4.</td>
<td>Dewatering will be completed in 07 days and cleaning shall be completed within 07 days. Reinforcement tying shall be started before end of December 2017.</td>
<td>Not completed.</td>
</tr>
<tr>
<td>5.</td>
<td>WABAG shall support M/s. Rithwik by way of LC for procurement of re-inforcement steel and the said amount shall be debited from the next RA bills of M/s. Rithwik. The Month-wise and diameter wise requirement will be given by 18/12/17. Based on the above WABAG shall place the PO within 7 working days and LC shall be opened within 3 to 4 days from the date of PO.</td>
<td>Not done.</td>
</tr>
<tr>
<td>6.</td>
<td>RPPL shall support CIPL-JVK infra for an amount of Rs. 5 Cr. by way of LC or BG for procurement of cement to ensure that concrete works is taken up unhindered for 24 hours and to complete a minimum of 400 m3/ day of concrete pouring.</td>
<td>LC Not opened.</td>
</tr>
</tbody>
</table>

Contd. 2
V

605

:: 2 ::

7. Wabag has agreed to support RPPL by opening an LC for 3.5 Cr for procuring staging materials and RPPL will support for procurement of shuttering materials required for path 3 works.

<table>
<thead>
<tr>
<th>8.</th>
<th>RPPL and CIPL-JVK infra agreed to complete the works for Wagon Tippler and Track Hopper as below. The Managing Director, APGENCO cautioned that neither Rithwik nor CIPL-JVK infra should cite non-receipt of payment as an issue and should strictly stick to the below schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wagon Tippler (Priority Structure) Civil works to be completed by mid July 2018. However RPPL/ JVK shall Endeavour to handover the structure to WABAG for taking up Mechanical erection by mid of June 2018. WABAG/ Indwell will take up Mechanical erection to complete the same within 90 days.</td>
</tr>
<tr>
<td></td>
<td>Track Hopper Civil works to be completed by mid September 2018. However RPPL/ JVK shall Endeavour to handover the structure to WABAG for taking up Mechanical erection by mid of August 2018. WABAG/ Indwell will take up Mechanical erection to complete the same within 90 days.</td>
</tr>
<tr>
<td></td>
<td>RPPL/ CIPL-JVK infra shall take up all the balance works parallel and complete the same by Mid of Sept. 2018.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9.</th>
<th>JVK infra to work out the cash flow/working capital requirement to sustain the site works for at-least 02 months.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No information.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10.</th>
<th>Marshalling yard works shall be taken up parallel and completed by Dec 2018.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not started.</td>
</tr>
</tbody>
</table>

As seen from the table above, M/s. Vatech Wabag Ltd. and their civil Contractor, M/s. Rithwik Projects Pvt. Ltd. have not adhered to the resolutions made during the said meeting.

It is highly regretted to mention that in spite of the resolutions made during the Management level officials of the companies and in the presence of the Managing Director and the Directors of APGENCO, the commitments are not kept.

It is thereby requested to furnish a reply immediately, failing which APGENCO will be forced to initiate action deemed fit against M/s. Vatech Wabag Ltd. and their civil Contractor, M/s. Rithwik Projects Pvt. Ltd

Matter may be treated most serious and urgent.

Chief Engineer, Generation, APGENCO.
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED
(A Govt. of A P Undertaking)
Vidyut Soudha, Gunadala, Vijayawada - 520004. www.apgenco.com
Phone: 0866 - 2526111 Fax: 0866 - 2526199

From:
The Chief Engineer,
Generation,
APGENCO, Vidyut Soudha,
Gunadala,
Vijayawada- 520004.

To:
M/s. VA Tech Wabag Ltd.
"Wabag House",
No. 17, 200 Feet Radial Road, S. Kalathur,
(Near Kamakshi Hospital),
Chennai - 600 117, India.


Sir,
Sub: BOP - RTPP - Stage-IV, Unit-6 (1x600MW) - Priority Stream-3 Works - Slow Progress - Reg.

***

It may be recalled that during a meeting held in the chambers of Director/Finance & Commercial, M/s. Vatech Wabag Ltd, Chennai, had committed to complete the balance CHP works within 5 months. But the progress of the works is not as per the above commitment. The civil works in Wagon Tippler area of Path-3 have commenced on 07.02.2018 and only PCC work is in progress and the manpower provided is also not sufficient. It was committed that separate manpower will be provided and within a week, the manpower will be further augmented, but the same is not done.

The civil works pertaining to the Track Hopper, Transfer Points & Belt Conveyors Trestle foundations are not yet commenced. The Agency for the structural steel erection and the mechanical works is not finalized yet. Certain drawings pertaining to TP 5A, BC 3A/B/C up to the pent house, BC 2A/B, Pump House at Wagon Tippler, MCC room Wagon Tippler and Track Hopper, the office rooms, the tool rooms, most of the structural and Technological drawings are yet to be furnished for approval.

The clearance from APGENCO for supply of the Locomotives was given but the status of supply is not received in this office.

The works at this pace is not acceptable to APGENCO and since there is lot of pressure from the Government of Andhra Pradesh, APGENCO is not in position to lose any further time. It may be noted that if the works do not move with the required pace to complete the balance CHP works within the committed time, APGENCO will have to explore alternatives for completing the same at the earliest.

In this regard, it is requested to furnish a schedule for the balance CHP works and status of the material and equipment to be supplied for updating the same to the APGENCO Management and follow up from this office.

[Signature]
Chief Engineer, Generation, APGENCO.
LEVY OF LIQUIDATED DAMAGES ON BOP CONTRACTOR

NOTE

1. The BOP contractor and the Consortium leader, M/s Tecpro Systems Ltd stopped the works from April 2013 and the BOP Consortium partners approached APGENCO with a proposal to change the Consortium leader from M/s Tecpro Systems Ltd to M/s. Vatech Wabag Ltd.

2. To take forward the project, APGENCO accepted the proposal for changing of the Consortium leader and the Purchase Orders were amended to that effect on 31.05.2014.

3. Even after changing the Consortium leader, M/s Tecpro Systems Ltd did not resume the works under their scope. In view of the above, of the non-performance of M/s Tecpro Systems Ltd, APGENCO had to encash the Performance Bank Guarantees pertaining to M/s Tecpro Systems Ltd to the tune of Rs. 126.88 Cr in the month of January 2015.

4. The works under the scope of M/s Tecpro Systems Ltd were carried out by the new Consortium leader, M/s. Vatech Wabag Ltd and the after completion of the works, the COD of the unit could be achieved on 28.03.2018.

5. As per terms of the contract, Liquidated damages shall be levied for the delay in execution of the works and the maximum LD that can be levied is 10% of the total contract value of Rs. 1256.61 Cr, which works out to 125.66 Cr.

6. After achieving the COD of the unit, the APGENCO Board has adjusted the BG en-cashed amount of Rs. 126.88 Cr against the Liquidated damages to be levied on the BOP Contractor for the delay in completion of works.

7. The National Company Law Tribunal, New Delhi, Principal Bench passed orders admitting a bankruptcy petition against M/s. Tecpro Systems Ltd,
Chennai and appointed an Interim Resolution Professional for M/s. Tecpro Systems Ltd, Chennai. Further, the Interim Resolution Professional, vide letter dt.11.12.2017, has claimed for Rs. 1951.595 Cr towards compensation for damages and claims. Interim Resolution Professional was addressed vide this office letter, dt.06.02.2018 wherein it was informed that APGENCO is not liable for the damages and compensations claimed with baseless allegations and further informed that M/s.Tecpro Systems Ltd had to pay Rs. 3893.00 Crs towards total loss to APGENCO for non-performance of the Contract.

8. Recently, a Show-cause notice was received from High court for the state of Telangana is received in this office on 01.11.2019, for the Arbitration Application No: 81 placed by M/s Tecpro Systems Ltd, APGENCO has presently appointed Special Council for State of Andhra Pradesh to appear in the court on behalf of APGENCO for defending the APGENCO’s contention.

9. In the event, the judgment in the High Court, comes in favour of M/s Tecpro Systems Ltd, APGENCO will have to return the BG en-cashed amount of Rs. 126.88 Cr to M/s Tecpro Systems Ltd.

10. Finally, it is to submit that even if the works were not moving with the required pace, APGENCO had to go ahead with the same contractor due to the following reasons:

   i) A re-tendering at that stage would attract price escalation.
   ii) A lot of time will be lost for re-tendering.

In view of the Power demand in the State, loosing further time on account of re-tendering could not be considered. With consistent persuasion and keen monitoring of the works, APGENCO could finally achieve the COD on 28.03.2018.
**NOTICE**

Sir,

Sub: RTPP - Stage-IV, Unit-6 (1x600MW) - Balance of Plant – Poor Progress of works – Notice - Reg.

14. Email from M/s. BHEL, PEM, Noida, Dt: 03.09.2013.

Minutes of the Meeting held at Vidyut Soudha on 03.12.2013.

20. T.O Lr. No. CPP/132/RTPP IV/BOP/Site Corres./D.No:38/14, Dt: 07.05.2014.
22. 13th CCM, held at Vidyut Soudha on 10.06.2014.

27. Record notes on the Engineering meeting on CHP, AHP and FOPH, of the BOP package held on 10.09.2014 & 14th CCM, held on 11.09.2014 at Vidyut Soudha, Hyderabad.
28. Record notes on the meeting held on 18.11.2014 at Vidyut Soudha, Hyderabad.
29. Meeting held at Chennai on 27.11.14.

****

In continuation to the meeting held at the office of VATECH WABAG Limited, Chennai on 27.11.2014 and with reference to this office letters and record notes of the meetings held at
Vidyut Soudha, it is to inform that M/s. Tecpro Systems Ltd., Chennai had committed to take up certain issues for resuming the works at Rayalaseema TPP Stage-IV, Unit - 6(1X600 MW) site.

The issue wise remarks are as detailed below:

i) M/s.Tecpro Systems Ltd., Chennai had agreed to offload the works in their scope to M/s. VaTech Wabag Ltd, Chennai, the Consortium Leader, but the entire scope is not offloaded till to date.

ii) M/s.Tecpro Systems Ltd., Chennai had agreed to furnish, by 28.11.2014, a letter from M/s. Elecon wherein it would be confirmed that the purchase order for Coal Handling System is placed on M/s Elecon, but the same is not received in this office till to date.

iii) The works of M/s.Tecpro Systems Ltd., Chennai pertaining to Ash Handling System and Coal Handling System at Site have not been resumed, in spite of regular persuasion from this office, convening meetings with the Management Level Officials of the Consortium and repeated requests vide this office correspondence.

It is highly regretted to inform that the works have not commenced and M/s. Tecpro Systems Ltd., Chennai has failed to adhere to the commitment made during the Meetings. It may not be out of place to inform that M/s. Tecpro Systems Ltd., Chennai had been following the same tendency of committing to do certain works during meetings and tele-conversations and is not adhering to the commitments made, which cannot be appreciated. If the same tendency is maintained, it is not be possible to complete the BOP Works by August 2015 as committed by the Consortium in the earlier meetings.

In view of the above, M/s. Tecpro Systems Ltd., Chennai is requested to furnish a rationalizing reply as to why action may not be initiated against M/s. Tecpro Systems Ltd., Chennai for breech of trust and contract and for not adhering to the terms and conditions of the Purchase Order and the Specification, immediately and in the event of failure of receipt of the same, instant action will be initiated.

Matter may be treated serious and urgent.

Yours faithfully,

[Signature]

CHIEF ENGINEER /TPC
From: The Chief Engineer, Thermal Projects Construction, APGENCO, TPC Wing, 3rd Floor, A-Block, Vidyut Soudha, Hyderabad-500 082.
Fax No. 040-2349 9199
Mail id: ctepctpp@gmail.com

To: The Branch Manager, M/s Bank of Baroda, Corporate Financial Services Branch, No.21, Gopalakrishnan Street, T.Nagar, Chennai – 600017.
Tel : 044-23454253
Fax : 23454336

Lr.No.CPP/321/RTPP-IV/F. BGs/D.No. ZIX 714 Dt: 01.01.2015.

Sir,

Subject: RTPP, Stage-IV (1x600 MW, Unit-6) – Encashment of Bank Guarantee - Regarding.


*** Please refer to the Bank Guarantees as detailed below issued by your bank and submitted by M/s Vatech Wabag Ltd., Chennai.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Description</th>
<th>Bank</th>
<th>BG value</th>
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<tbody>
<tr>
<td>1</td>
<td>Performance BG – Supply 2403IGPER003011, DT.21.01.11 amendment: Dt:11.03.11, 08.06.2013 and 04.10.2014</td>
<td>Bank of Baroda</td>
<td>73,20,50,670/-</td>
</tr>
<tr>
<td>2</td>
<td>Performance BG - Civil 2403IGPER003111, DT.21.01.11 amendment: Dt:11.03.11, 07.06.2013 and 04.10.2014</td>
<td>Bank of Baroda</td>
<td>53,68,20,000/-</td>
</tr>
</tbody>
</table>

In this regard, it is to inform that M/s Vatech Wabag Ltd., Chennai, and their consortium have failed to commission the project as per the terms and conditions of the Purchase order, APGENCO hereby lodges a claim on the above Bank Guarantees for realization of the entire BG amounts.

Hence it is requested to remit the said amount to APGENCO by way of DD/BC drawn in favour of PAY Officer/APGENCO/Vidyut Soudha/Hyderabad, payable at Hyderabad or transfer the amount through RTGS, without any delay, as per the terms and conditions of the Bank Guarantee.

The Bank Account details are herewith furnished for transferring the BG Claim amount through RTGS.

Name: Pay Officer/APGENCO.
A/C. No. 52077965022, Bank: State Bank of Hyderabad.
Branch: Vidyut Soudha, Khairthabad, Hyderabad.
IFSC Code: SBHY0021027

[Stamp]

CHIEF ENGINEER/TPC

CHIEF ENGINEER
Thermal Projects Construction:
APGENCO, Vidyut Soudha, HYDERABAD - 500 082.
Dear Sir,

Re: LR No CPP/321/RTPP-IV/F, BGs/D.No 218/14 dt 21.01.2015
Sub: RTPP, Stage – IV (1*600 MW, Unit 6) – Encashment of Bank Guarantee

We acknowledge the receipt of your letter no LR No CPP/321/RTPP-IV/F, BGs/D.No 218/14 dt 21.01.2015 regarding encashment of the following bank guarantees.

<table>
<thead>
<tr>
<th>SI No</th>
<th>Description</th>
<th>Bank</th>
<th>BG Value in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Performance BG - 2403IGPER003011 DT 21.01.2011 amendment dated 11.03.2011, 08.06.2013 &amp; 04.10.2014</td>
<td>Bank of Baroda, CFS Branch, Chennai</td>
<td>73,20,50,670/-</td>
</tr>
<tr>
<td>2</td>
<td>Performance BG - 2403IGPER003111 DT 21.01.2011 amendment dated 11.03.2011, 07.06.2013 &amp; 04.10.2014</td>
<td>Bank of Baroda, CFS Branch, Chennai</td>
<td>53,68,20,000/-</td>
</tr>
</tbody>
</table>

We have received the following documents from Mr. Anche Srinivas, DE, APGENCO and Mr. P Shekar Reddy, Accounts Officer, TNSPGENCO in reference to the above:

1) Letter of claim: LR No CPP/321/RTPP-IV/F, BGs/D.No 218/14 dt 21.01.2015

2) Documents of Performance BG 2403IGPER0003011 dt 21.01.2011 with further amendments
   1) Letter of amendment No 1 dt 11.03.2011
   2) Letter of amendment No 2 dt 08.06.2013
   3) Letter of amendment no 3 dt 04.10.2014

3) Documents of Performance BG 2403IGPER0003111 dt 21.01.2011 with further amendments
   1) Letter of amendment No 1 dt 11.03.2011
   2) Letter of amendment No 2 dt 07.06.2013
   3) Letter of amendment no 3 dt 04.10.2014
We will be processing your claim and will revert back to you within the time limit prescribed in the BG’s.

Warm regards,

(D. V. Giri)
Chief Manager
TRUE EXTRACT OF THE MINUTES OF THE 161st BOARD MEETING OF THE COMPANY HELD ON 16.08.2018, THURSDAY AT 02.30 P.M. AT ROOM NO.141, GROUND FLOOR, BLOCK NO.2, AP SECRETARIAT, VELAGAPUDI, VIJAYAWADA.

4. Ratification:

b. RTPP-IV - BOP - Ratification of certain actions taken, for achieving COD and completion of the balance works, after obtaining approval from the Managing Director, APGENCO and for instructions on Extension of time:

The Chief Engineer Generation placed a note on the subject for perusal and consideration of the Board. He has stated that approval has been obtained for the following and requested for ratification.

a) Deletion of the works pertaining to the Priority streams – 1 & 2 of the Coal Handling Plant & Ash Handling Plant from the scope of M/s. Vatech Wabag Ltd and placing Purchase Orders for the said works on the existing Sub-Contractors.

b) to place 2 separate Purchase Orders on M/s. Rithwik Projects Pvt Ltd, for wagon tippler and associated works for a value of Rs.111,25,17,829.95 & Track Hopper and associated works for a value of Rs.49,01,08,875.72 and to provide 10% of the PO value as interest bearing advance to M/s. Rithwik Projects Pvt Ltd, against submission of Bank Guarantee of an equivalent amount which shall be recovered on pro-rata basis within the completion period.

c) to convert the Bank Guarantees of M/s. Vatech, available with APGENCO, into 15% Performance Bank Guarantee, to the extent of Rs.188.49 Cr and to release balance BGs furnished against interest bearing advance.

d) for Extension of time, to the BOP Contractor, M/s. Vatech Wabag Ltd, till 30.06.2019 and releasing the retention amount of Rs.11.85 Cr, available with APGENCO for want of Extension of time.

G. ADINARAYANA
Company Secretary
APGENCO, Vidyut Soudha,
Gunadala, Vijayawada-520 004.
The Managing Director and Director Thermal have stated that after ascertaining the opinion from the Legal Advisor of APGENCO, the above decisions were taken to avoid further delay in execution of the balance works. Further, they have informed the Board that APGENCO has encashed the bank guarantees of the Rs.126.88 Crores for delay and the amount is equivalent to liquidated damages as per the terms & conditions of Purchase Order and hence, requested the Board to ratify the above.

The Board perused the information, discussed and ratified the same.

The Board has also directed the Chief Engineer that any urgent matter hereinafter shall be circulated to the entire Board for consideration before issuing any orders.

// CERTIFIED COPY. //

G. ADINARAYANA
Company Secretary
APGENCO, Vidyut Soudha,
Gunadala, Vijayawada-520 004.
## CHRONOLOGICAL ORDER OF EVENTS

<table>
<thead>
<tr>
<th>S. No</th>
<th>Description</th>
<th>Date</th>
<th>Delay</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land acquisition request to Revenue authorities</td>
<td>26.06.2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Decision by APGENCO Board to establish RTPP-IV</td>
<td>22.01.2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Purchase Order placed on BHEL for Boiler-Turbine-Generator (BTG) works</td>
<td>18.11.2010</td>
<td></td>
<td>PO placed on 18.11.2010.</td>
</tr>
<tr>
<td>4</td>
<td>Purchase Order placed on Tecpro for Balance of plant (BOP) works</td>
<td>15.12.2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Zero Date</td>
<td>10.02.2011</td>
<td></td>
<td>10% Advance paid to M/s. BHEL. COD shall be completed in a span of 44 months from Zero date</td>
</tr>
<tr>
<td>6</td>
<td>Site handed over to BOP Contractor (Tecpro) in anticipation of possession certificate to expedite preparation works</td>
<td>14.03.2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Amended BTG PO in view of new environmental norms</td>
<td>31.03.2012</td>
<td>3 Months</td>
<td>3 to 4 months required for re-engineering and drawings finalisation</td>
</tr>
<tr>
<td>8</td>
<td>Certificate of Possession of land issued by Revenue authorities to APGENCO</td>
<td>16.05.2012</td>
<td>15 Months</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>First Notice issued to BOP Contractor (Tecpro) on slow progress of works</td>
<td>21.09.2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Problems created by local farmers &amp; land losers</td>
<td>19.12.2012</td>
<td>3 Months</td>
<td>FIR filed by APGENCO</td>
</tr>
<tr>
<td>11</td>
<td>Work front made available by BOP Contractor for BTG works</td>
<td>04.02.2013</td>
<td>5 Months</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>BOP Contractor stopped works due to financial crisis</td>
<td>01.06.2013</td>
<td>13 Months</td>
<td>MOM, dt.03.12.2013, confirming stoppage of works from June 2013</td>
</tr>
<tr>
<td>13</td>
<td>New BOP Consortium leader (Vatech) changed on</td>
<td>31.05.2014</td>
<td></td>
<td>PO amended on 31.05.2014 &amp; works delayed by 13 Months</td>
</tr>
<tr>
<td>14</td>
<td>New BOP Consortium leader</td>
<td>30.06.2014</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>Date/Time</td>
<td>Remarks</td>
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<td>----------------------------------------------</td>
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<tr>
<td>15</td>
<td>Action taken against Tecpro on contractual obligations</td>
<td>21.05.2015</td>
<td>Notice served on 02.12.2014 &amp; BGs encashed on 21.05.2015</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Boiler light up</td>
<td>29.12.2016 @ 13.09 Hrs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Synchronisation with oil</td>
<td>02.07.2017, 02.30 Hrs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Full Load achieved</td>
<td>12.03.2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Delay due to stoppage of works due to heavy rains</td>
<td>05.10.2017</td>
<td>2 Months Photos enclosed</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Date of COD</td>
<td>29.03.2018</td>
<td>COD Minutes attached</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Delay in execution of works by the New Consortium leader, M/s. Vatech Wabag Ltd from 30.06.2014 to 28.03.2018</td>
<td></td>
<td>Correspondence enclosed</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Tecpro –NCLT - Resolutions</td>
<td></td>
<td>Correspondence enclosed</td>
<td></td>
</tr>
</tbody>
</table>

Probable Date of achieving COD as per BTG PO: 10.10.2014.
Actual date of achieving COD: 29.03.2018.
Delay in achieving COD: 41 Months
Protocol
Event: Boiler Lightup
Rayalaseema Thermal Power Project – Stage IV (1x600 MW)

Boiler Lighted up on 29/12/2016 at 13:09 hrs in presence of the
Director Thermal / APGENCO

APGENCO
SUPERINTENDING ENGINEER
E&M-I/Const/Stage-IV/RTPP
V.V. Reddy Nagar-516317

BHEL
SAM RAJARETNAM M
Dy. General Manager
BHEL SITE OFFICE
Rayalaseema TPP, Stage-IV
V.V. Reddy Nagar, A.P., 516312.
Protocol

Event: Unit Synchronization

Rayalaseema Thermal Power Project – Stage IV (1 x 600 MW)

Rayalaseema TPP Stage IV - 1 X 600 MW Unit synchronized with grid on 02/07/2017 at 02:29 hrs

APGENCO

SUPERINTENDING ENGINEER
E&M-I/Const/Stage-IV/RTPP
V.V. Reddy Nagar-516317

BHEL

SAM RAJARETNAM M
Dy. General Manager
BHEL SITE OFFICE
Rayalaseema TPP, Stage-IV
V.V. Reddy Nagar, A.P.-516312.
Protocol

Event: Unit Full Load

Rayalaseema Thermal Power Project – Stage IV (1x600 MW)

Rayalaseema TPP Stage IV - 1 X 600 MW Unit reached full load of 600 MW on 12th March 2018 at 13:53 hrs in the presence of Director Thermal / APGENCO

APGENCO
SUPERINTENDING ENGINEER
E&M-I/Const/Stage-IV/RTPP
Y.V. Reddy Nagar-516312

BHEL
SAM RAJARETNAM M
Dy. General Manager
BHEL SITE OFFICE
Rayalaseema TPP, Stage-IV
From
The Chief Engineer
Operation & Maintenance
RTPP,
V V Reddy Nagar,
Kadapa(Dt) - 516312

To
The Executive Director
Southern region,
PFC,
New Delhi.


SIR,

Sub:- RTPP - Unit 6 of Rayalaseema Thermal Power Project (1x600 MW) – Date of Commercial operation Declaration – Regarding.

***

The installed capacity test of Unit-6 of RTPP IV (1x600 MW) conducted from 15:30 Hrs on 25.03.2018 to 22:30 Hrs on 28.03.18. The installed capacity test was successfully completed for Unit-6.

The Commercial Operation Date (COD) of the Unit-6 of RTPP IV (1x600 MW) is hereby declared with effect from 29.03.2018 at 00:00 Hrs onwards.

This is for information please.

Yours faithfully,

[Signature]
Chief Engineer

Copy to
The FA&CCA(R&A)/APGENCO/Vidyut Soudha/Gunadala/Vijayawada.
Minutes of Meeting held on 29.03.2018 for COD of Unit-6 of Rayalaseema Thermal Power project stage IV (1x600 MW)

The Installed capacity Test of Unit-6 of RTPP Stage - IV was conducted in the presence of the following officials of APGENCO, APTRANSCO, APPCC, APSPDCL, APEPDCL & NTPC.

Members Present:

APGENCO:

1. Sri. G. Kesava Swami, CE/O&M/RTPP/APGENCO
2. Smt. M. Padma Sujatha, CE/Commercial/APGENCO
3. Sri. R.Ravindra Kumar, CE/Generation/APGENCO

APSPDCL:

1. Sri. V.Ravi, GM/IPC

APEPDCL:

1. Sri. P.Prabhakara Rao, GM/Planning & PP

APTRANSCO:

1. Sri. G.Raja Babu, CE/IPC& Power systems/APPCC
2. Sri. Ch.Subrahmanyam Raju, DE/Thermal/IPC
3. Sri. A. Sanni Babu, DE/Tech & MRT Vigilance
4. Sri. T.V.V.D.V.Prasad, ADE/MRT Vigilance
5. Sri. K. Vamsi Krishna, ADE/Power Systems

NTPC:

1. Sri. N. Prem Kumar, AGM/OS - SRHQ.

The installed capacity test for COD has been conducted from 15:30 Hrs on 25.03.2018 to 22:30 hrs on 28.03.2018.

The average Generating Capacity during the test period of 72 Hrs (excluding interruption and partial loading period) has been observed as 600.82 MW and the performance of the unit is found to be satisfactory. The test results are recorded and enclosed in the ANNEXURE.
APGENCO will submit a written report to APDISCOMs within five (5) days from the date of completion of Installed Capacity Test for declaration of COD of Unit-6 of RTPP -IV with effect from 00.00 hrs on 29.03.2018. Further, the Performance Guarantee test results of the unit will be submitted soon after completion of the same.

<table>
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<tr>
<th>APEPDCL</th>
<th>APSPDCL</th>
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<th>APGENCO</th>
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<th>APTRANSCO/APPCC</th>
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<tr>
<th>NTPC</th>
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<tr>
<td>1. N. Prama Kumar</td>
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<tr>
<td>6.</td>
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</table>
Date: 10.08.2017

Managing Director,
Andhra Pradesh Power Generation Corporation Limited,
4th Floor, Vidhyut Soudha, Gunadala,
Vijayawada-520004

Dear Sir,

Contract no(s):
1. P.O.TMO - 878/CPP/131/RTPP-IV/BOP/D.No. 354/10, Dated 15-12-2010

Corporate Insolvency Resolution process (CIRP) has been initiated for M/s Tecpro Systems Limited which has been admitted by National Company Law Tribunal, New Delhi Bench; vide order dated August 07, 2017 (received on August 10 2017) bearing reference no C.A.NO. (IB) 197 (PB)/2017.

NCLT New Delhi has appointed Mr. Venkatesan Sankaranarayanan, the undersigned, as the Interim resolution Professional in this regard.

In respect of the powers conferred on Interim resolution professional as per section 17 of Insolvency and Bankruptcy Code 2016, it is hereby informed that;

1. The management of the affairs of Tecpro Systems Ltd is vested with the undersigned
2. The power of the board of Directors stands suspended and is exercised by the undersigned

I hereby nominate Mr. D. Venkatasubramaniam, as the authorized signatory of the contracts cited, during the CIRP, to ensure the operations and execution of your esteemed projects is continued. In this regard a relevant power of attorney will be submitted in the format in due course.

Thanking you,

Yours truly,

VENKATESAN SANKARANARAYANAN
Interim Resolution Professional

CC: Mr.Rajiv Mittal – Managing Director, Va-Tech Wabag Limited, Chennai
    Mr.Abhijit Rajan – Chairman & Managing Director, Gammon India Limited, Mumbai
Dear Sir,

Sub: Failure of contractual obligations by APGENCO-Delay in project execution-Compensation for damages and claims by TECPRO

Ref:
1. Rayalseema Thermal Power Project (RTPP) -Stage-IV (1x600MW)-Project Contract No’s:

3. Our Letter Ref: TECPRO/C/914/17-18/057 Dt 10.11.2017
4. Our Letter Ref: TECPRO/CHN/ARBTN/APGENCO/RTPP/001 Dt 22.11.2017
5. Our Letter Ref: TECPRO/CHN/APGENCO/RTPP/002 Dt 05.12.2017
6. Our Letter Ref: TECPRO/CHN/ARB/RTPP/02 Dt. 06.12.2017

This has reference to your letter Dt 4.10.17 with an allegation that TECPRO had delayed the project for 6 years (though the contract JV agreement has been changed from Tecpro to VaTech Wabag on 31.05.2014) because of which APGENCO had lost Rs. 718cr on account of additional interest bearing charges.

At the outset we outright reject your statement as false, frivolous and contrary to the truth. Because, at every stage it was APGENCO who disregarded the contract provisions and BREACHED all their contractual obligations as provided in GCC cl.2.0 read in conjunction with cl 37 of Contract Act 1872. For successful completion of any major project, every employer has contractual obligations to be fulfilled first so that the contractors can perform their duties and obligations to complete the project in time without fail.

Also time is the essence of contract is not only applicable to the contractors but also to their employers, in this case APGENCO for the effective fulfilment of the contractual obligations by the contractors as per Contract Act 1872 cl 51 and 52.

...Contd...2...
As per LOI No. CPP/131/RTPP Stage -IV/BOP/LOI/D.No.304/2010 Dt 30.10.2010 the contract is awarded to JV as TECPRO was the team leader. As per the said JV agreement, (which was drafted by APGENCO and attached as FORM 7 in the ITB) cl.3.0 and Information form 7- Format of Joint Venture/Consortium Agreement each JV member are jointly and severally responsible for the execution of their portion of the project. The JV leader is ONLY a co-ordinator between other JV members and APGENCO to keep informed of the progress/developments from time to time. This is the way APGENCO wanted the JV to perform in execution of the project. All the past documents show that TECPRO had performed their obligations as a coordinator without fail till APGENCO desired to change the leader of the JV from TECPRO to VA-Tech in May 2014.

The fact remains that at no time in the past, APGENCO had found any lacunae in TECPRO's functioning either as JV leader or as the partner in executing TECPRO portions of the project. There is no such documents available on record to show TECPRO working is found wanting. Now, after 3 years after TECPRO had relinquished their post as JV leader in 2014, APGENCO had made allegation vide letter dt 4.10.17, that TECPRO had delayed the project for 6 years (though the JV leadership has been changed at the Insistence of APGENCO from Tecpro to VaTech Wabag on 01.06.2014 i.e., 3yrs and 6 months back).

The fact remains that APGENCO had awarded the project to JV as per LOI No. CPP/131/RTPP Stage -IV/BOP/LOI/D.No.304/2010 Dt 30.10.2010 with 30 months completion period which ended on 30th April 2013. Again the contract was extended for 5 times from 1st May 2013 to 31st of October 2017 and the change in JV agreement that VaTech shall be the leader from 1st June 2014. Does it mean till May 2014 TECPRO was the JV leader, the project had never taken-off and no progress was achieved. Assuming, without accepting that APGENCO is right, nothing had prevented APGENCO to terminate the contract of the JV on 30.4.13 itself being the scheduled date of completion. Instead the project got extended, which means there was no adverse observations by APGENCO on TECPRO working as leader of the JV. But, with effect from 1.6.14 the JV leadership was changed to VA-Tech-Wabag at the insistence of APGENCO, for the reasons best known to APGENCO, even though TECPRO was not at fault in managing the JV affairs as laid out in JV agreement.

If APGENCO had any doubts about TECPRO's capabilities about JV leadership capabilities, in the past 42 months (from change of JV leadership date 1.6.14 till today i.e., the date11.12.2017) the project should have been completed/nearing completion as the original contract completion is only 30 months. But the truth is, it is not so. This proves the allegations on TECPRO by APGENCO are baseless, vexatious, and contrary to the truth. The only reason why APGENCO have come out with 'corporate image assassination' on TECPRO which was built up by TECPRO over the years, is to cover-up the mistakes of APGENCO and are in the process of finding a scape-goat to take the blame.

...Contd...3...
It is APGENCO who have, disrespect to GCC and had failed to fulfil any of their contractual obligations which has led us to the current situation. We list below all the breaches of contract of APGENCO even after our repeated requests to you to adhere to contract provisions. While even one breach is sufficient to make the contract void as per Indian Contract Act 1872, you have breached all of the listed contractual obligations which make the contract NULL and VOID. The details are shown below.

1. Delay in payments

As per GCC cl. 13.5.1 payments should have been released within 30 days of receipt of invoices which are submitted as per the agreed billing schedule. While at no stage there was any dispute to the billing schedule submitted by us, the stoppage of payments by APGENCO which should have been released within 30 days of submission is a gross violation and major breach of contract, considering the fact that APGENCO have unilaterally decided not to release any payments from June 2014 onwards (for the past 41 months- almost more than the original project completion schedule of 30 months).

In a total contract value of Rs 1256.31cr and an amount of Rs. 182.05cr is outstanding for more than 41 months including BG of value Rs 134.98cr encashed for the work done till May 2014. The total outstanding of pending payments to TECPRO as of date is Rs 19.13 Cr. This is a gross and major violation of the contract and one of the major reasons which had affected the progress in spite of TECPRO’s best efforts. This unmindful action of APGENCO has also attracted the Force Majeure cl. 20 of GCC and Contract Act 1872.

2. Delay in approvals for the Drawings.

As per GCC cl 2.4.6 , 3.2.2(b) it was the obligation of the employers in this case APGENCO to expedite all approvals whereas APGENCO have behaved ONLY like a spectator. This has very much affected the project schedule, cash flow and all other activities.

Likewise the Wagon Tippler Complex General Arrangement which was submitted by Tecpro has been taken up for manufacturing after many revisions due to changes in the location and other feature which is out of bound of Tecpro. These types of breaches are very common by APGENCO in this project site and we have produced the above details as a sample. A detailed list would be provided at appropriate time.

The Wagon tippler was designed and fabricated by Tecpro through Elecon engineering and some major parts were manufactured and sent to site. After changeover of leadership the same was given to Thyssen Krupp and being manufactured. The payment for the items which were sent has not been released (about 8 crores) so far. This is another major breach of contract by APGENCO

...Contd...
3. **ROW not provided.**

There are consistent threat and agitation by local villagers even as of date which had affected TECPRO project activities. So much so, land owners who had parted their land in 2008/2009 even as of date were not given employment. Due to the non employment they had vandalised and broken Tecpro's office in which there has been severe damages for no fault of TECPRO for which Tecpro has to be compensated. This is another major breach of contract by APGENCO who have miserably failed to protect their contractors from public fury. TECPRO was left to fend themselves without any legal protection.

4. **Change of approvals at the mid stage.**

As per GCC cl. 3.2.2(b) once design and drawings were approved they cannot be withdrawn. In the event it is withdrawn due to unforeseen circumstances, the contractor will be provided with extra time and additional cost for the rectification/re-fabrication of the same.

Initially the Railway track which was envisaged to be laid for the above project as per the scope in Tender. But later as per present condition there have been modifications at site and hence there has been a major shift of the line which lead to addition of Railway track network. This addition has invited heavy extra work for which design changes were necessitated and the same was carried out by Tecpro. Finally the track approval was obtained from RITES (Railways) and the work was completed to the satisfaction. This is one of the Major breaches of contract for which APGENCO is answerable and the additional cost incurred due to the changes for the above needs to be reimbursed.

This had affected the entire fabrication works and in turn the entire project schedule for which APGENCO need to compensate TECPRO.

5. **Delay in dispatch instructions**

There was an abnormal delay in dispatch instructions which had largely affected the transportation of fabricated structures and equipments from our shops to work site. As per approved L2 network, within 14 days of request for clearances every approval need to be provided by APGENCO without any delay which is one of their major obligations of APGENCO so that TECPRO shall perform their contractual obligations in time. Where as in this case there are delays in delivery extension up to 10 months in certain cases for which we have ample proof. This had affected the entire contract performance of TECPRO and created a cash flow constraint. Had the materials been transported to site we could have billed and received the payments on time. This another major breach of contract by APGENCO.
6. Termination notice

From the above forgoing it is amply clarified that the progress has got affected solely due to breach of contract by APGENCO. Though APGENCO is not a party to JV agreement between Tecpro, VaTech and Gammon India Limited, and the agreement is only between the JV partners. APGENCO had gone further ahead and had issued letter only to Tecpro stating words near about terminating the contract vide their letter no. 148 and 149 dated 4.10.2017 as per JV cl 16.2. The content of these letter were vehemently denied and a reply was sent to the Chief Engineer, APGENCO vide Tecpro letter dated 22.11.2017. This is also a gross violation as per the contract Act 1872, cl 37. If APGENCO wanted to terminate the contract of TECPRO they should have operated their contract conditions as per ITB, GCC, and SCC etc. But APGENCO had wrongfully taken shelter under the JV agreement to which APGENCO is not at all a party. So APGENCO operating JV agreement is illegal. This act of APGENCO renders the entire contract null and void as per the said act for which APGENCO is liable to pay damages, compensation and all other costs as laid out in the Indian Contract Act 1872.

This is another major breach of contract by APGENCO as APGENCO had acted against the natural justice and Law of the land.

7. Force Maleure.

The entire breach of contract by APGENCO has attracted GCC cl.20. As time is no more the essence of contract, since APGENCO have failed to perform their obligations it has to pay heavy compensation in the form of claims and damages under the contract Act 1872 cl.55 & 73.

8. Conclusion

Due to above forgoing it is established beyond doubt that for no fault of TECPRO, there is a threatening that the contract shall be terminated by APGENCO without quoting any contract provisions, which is illegal and is against the spirit of Indian contract act 1872 and the law of the Land.

When the contract itself has become void due to breach of contract by APGENCO, as provided in sec 55 and 73 of Contract act 1872, APGENCO is liable to pay damages and compensation to TECPRO under this breach as listed out in the following heads( All figures are excluding Taxes and duties as applicable as per contract.)

1. Release of all pending payments for the supply invoices submitted as on November 2017 – Rs.19.13 cr.

...Contd...6...
2. Release of Encashed BGs of Rs.134.98cr (Original BG value of Rs.126.88cr & Excess ABG encashed Rs.8.11cr).

3. Loss of profit at 15% of the contract value of Rs.1256.31cr for illegal termination as per Supreme Court order- Rs.188.45cr.

4. Price escalation at 15% of the contract value of Rs.1256.31cr from the original contract completion date - Rs.867.88cr.

5. Damages for loss of reputation - Rs 100 cr

6. Damages for loss of opportunities. Rs. 628.155cr (20% of 2.5 times of APGENCO contract value)

7. Reimbursement of legal expenses. Rs 5 cr.

8. Reimbursement of payment of Wagon Tippler parts which are sent to site. – Rs.8cr

All of above damages and compensation totalling to Rs.1951.595cr is due and payable to us as per Contract act 1872. You are requested to pay the said amount of Rs.1951.595cr within 30 days of issue of this letter. In the event APGENCO has any reservations to accept our claims, this letter may be treated as notice to invoke Arbitration as per GCC cl.22.3 and the Arbitration act 1996. Hence APGENCO and Tecpro shall appoint an independent Arbitrator, so that, both the arbitrators shall appoint a presiding Arbitrator. As per contract cl.22.2, any amount of reconciliation efforts were nullified/failed by the letter dt 4.10.17 issued by APGENCO without any conciliation proceedings. This proves the only option left to Tecpro is to invoke Arbitration as per GCC 22.3 and as per Act 1996.

This letter is issued without any prejudice to our rights to enlarge, increase all the above existing claims and also to add additional claims during the course of time.

This letter is also issued without any prejudice to TECPRO rights to defend our interest legally, contractually, as per the statutory law of the land and contract Act 1872.

Thanking you,

Yours faithfully

For Tecpro Systems Limited

[Signature]

Authorised Signature
Sir,


This has reference to the letter cited above, wherein it was requested to pay Rs. 1951.59 Cr towards damages and compensation as per Contract Act 1872.

In reply to the averment that at every stage APGENCO disregarded the contract provisions and breached all their contractual obligations as provided in GCC cl.2.0 read in conjunction with Clause 37 of Contract Act, 1872., it is stated that APGENCO has always performed its duties and obligations as provided in the GCC.

In reply to the averment that all the past documents show that M/S.Tecpro Systems Limited had performed their obligations as a coordinator without fail till APGENCO desired to change the leader of the JV from M/s.Tecpro Systems Ltd. to M/s. VATech-Wabag Ltd in May 2014, it is informed that M/s.Tecpro Systems Ltd., after completion of the Boiler & ESP foundation works, stopped the works at RTPP site from June 2013 onwards, due to their financial problems. The Consortium Partner, M/s. Gammon India Ltd., vide their letter addressed to M/s.Tecpro Systems Ltd., have informed that since they have not received the payment against the Running Account Bills, they are unable to make the payments to their suppliers and the suppliers in turn have come to the site and locked the office of M/s. Gammon India Ltd. Copy of letter is attached. The works pertaining to Chimney and NDCT were stalled, as the labour was reluctant to come to the site. M/s. Gammon India Ltd thereby requested M/s.Tecpro Systems Ltd. to look into the matter seriously and release the payments immediately to resume the Chimney and NDCT works. Various letters were also addressed from this office to M/s. Tecpro Systems Ltd, to resume the works at site and complete the supplies in advance to complete the contract in all respects duly satisfying all the requirements of performance of each individual equipment/system within 30 months. Hence it clearly shows that statement of M/s.Tecpro Systems Ltd. that "All the past documents show that M/s.Tecpro Systems Ltd. had performed their obligations as a coordinator without fail till APGENCO desired to change the leader of the JV from M/s.Tecpro Systems Ltd. to M/s. VATech-Wabag Ltd in May 2014" is incorrect.

In reply to the averment that APGENCO desired to change the leader of JV from M/s.Tecpro Systems Limited to M/s. VATech Wabag Ltd in May 2014, it is stated that during a meeting held on 29.03.2014 with APGENCO, M/s.Tecpro Systems Ltd. informed that due to some financial problem, M/s.Tecpro Systems Ltd. is unable to restore the works at RTPP site and has thereby proposed to change the Consortium leadership for taking forward the project. M/s. Tecpro Systems Ltd and their Consortium partners, vide their letter dated 04.04.2014; have informed that M/s. VATech Wabag...
M/s. Tecpro Systems Ltd shall be the leader of Consortium in place of M/s. Tecpro Systems Ltd, as was agreed in the Consortium agreement dt. 17.08.2010. Copy of the correspondence is enclosed.

In reply to the averment that APGENCO had not found any lacunae in M/s. Tecpro Systems Ltd's functioning either as JV leader or as partner in executing M/s. Tecpro Systems Ltd's portions of the project, it is submitted that M/s. Tecpro Systems Ltd. as JV leader made a few supplies and executed the Boiler & ESP foundation works till May 2013 and had stopped the supplies and works at site. The works were stopped till 31.05.2014, nearly for 1 year. During this period several letters were addressed from this office to M/s. Tecpro Systems Ltd. to resume the works and several meetings were convened for restoration of the works but, no action was initiated from the end of M/s. Tecpro Systems Ltd. The following letters were written by APGENCO:-

5. Lr. No. CPP/132/RTPP IV/BOP/Tecpro cores/D.No. 165/13, dt. 05.08.2013.
13. Minutes of Meeting held at Vidyut Soudha on 15.02.2014.
14. Lr.No.CPP/132/RTPP-IV/ BOP/D.No.309/13, dt.06.03.2014.
16. Lr No. CPP/132/RTPP IV/BOP/Site cores/D.No. 38/14, dt. 07.05.2014.
17. Lr No. CPP/132/RTPP IV/BOP/ Site cores /D.No. 49/14, dt. 23.05.2014.
18. Lr No. CPP/132/RTPP IV/BOP/ Site cores /D.No. 52/14, dt. 28.05.2014.

It may also be noted that several letters were addressed to M/s. Tecpro Systems Ltd. from RTPP site also. The copies of the letters are herewith attached.

As seen from the above, it clearly shows that M/s. Tecpro Systems Ltd. working was found wanting. After several meetings held with the Management level officials of M/s. Tecpro Systems Ltd., M/s. VATech Wabag Ltd and M/s. Gammon India Ltd, the Consortium partners had come up with a proposal that M/s. VATech Wabag Ltd will be the new Consortium leader instead of M/s. Tecpro Systems Ltd. and APGENCO accepted the proposal of the BOP Consortium partners and the Purchase Orders were amended accordingly on 31.05.2014.

Even after changing Consortium leader from M/s. Tecpro Systems Ltd. to M/s. VATech Wabag Ltd, M/s. Tecpro Systems Ltd. did not take up the works pertaining to M/s. Tecpro Systems Ltd., i.e., Works pertaining to Coal Handling Plant, Ash Handling Plant, AC & Ventilation System, Fire Fighting System, Fuel Oil System, Electrical works, Control & Instrumentation works, Various Fabrication works & Civil works of TG Building, etc. which shall be completed within the completion period to achieve the Trial Operation and COD of the unit. Since, M/s. Tecpro Systems Ltd. even after changing the Consortium leader, failed to execute the works of the project as per the terms and conditions of the Purchase order, read with Tender Specification which forms part of the order and read with subsequent Amendments issued from this office, APGENCO was forced to en-cash the Bank Guarantees of M/s. M/s. Tecpro Systems Ltd., duly withdrawing the Advance awarded earlier.
It is once again specified that APGENCO had never insisted the Consortium to change the leader; instead, the Consortium Leader, i.e. M/s. Tecpro Systems Ltd. had requested to change the Consortium leader from M/s. Tecpro Systems Ltd to M/s. Vatech Wabag Ltd.

Hence, it may be understood that a repetition of a false statement can never prove it to be true. The request letters and the Consortium agreement furnished by the Consortium stand proof to APGENCO’s contention. It is further stated that APGENCO could have terminated the contract but, the Consortium came up with a request to change the Consortium leader and committed to complete the works. The Consortium had also requested to consider extension of time without levying Liquidated Damages and with an intention to complete the Project. APGENCO was considerate enough to accede to the requests made by the Consortium. It is further stated that M/s. Vatech Wabag Ltd. had been working at a a slow pace because of delayed cash flows as it took considerably high time for processing the invoices from M/s. Tecpro Systems Ltd.

In reply to the averment that there has been a delay in payments, it is stated that despite the delay in works, APGENCO was considerate enough and had been making payments to the Consortium well within the stipulated time as per the terms and conditions of the purchase order. The payments were processed as soon as APGENCO received all the documents in order and if at all any delay took place, it is only due to the negligent attitude of M/s Techpro Systems Ltd in not submitting the relevant documents to be attached along with the invoice. Hence, the contention that there was a delay in payments is not on the part of APGENCO since, the project funding is tied up with M/s. Power Finance Corporation.

In reply to the averment of delay in approvals for the drawings, it is stated that as per the terms and conditions of the Purchase Order (Clause 2.2.2 of the Purchase Order), the Contractor shall be responsible for applying and obtaining all the Permits, licenses or approvals as required to be obtained by Contractor for carrying out and completion of the Works and operation of the Plant, in time as per the Project Schedule agreed in the Contract. The approval of the drawings pertaining to the Marshalling Yard, which need to be obtained from the Indian Railways under consultations with RITES, an engineering consultancy company which is the responsibility of M/s. Tecpro Systems Ltd could not be obtained by the Contractor. As far as the drawings pertaining to the Coal Handling Plant are concerned, it had undergone several revisions due to inferior drawings submitted by M/s. Tecpro Systems Ltd and not due to changes in the location and other features. Also it may be noted that if the location of the wagon tippler or the track hopper had to be changed, it was due to the Research Designs and Standards Organisation (RDSO) norms, which M/s. Tecpro Systems Ltd, had not adhered to and not for the fancy of APGENCO.

With regard to the wagon tippler manufactured material, it is stated that for the material supplied, the invoices were raised and accordingly the payments were released. Hence the claim for release of payments of about Rs. 8 Cts. is not genuine.

In reply to the averment that ROW was not provided, it is stated that the issue with the villagers has been settled. Presently, APGENCO is operating the Units without any such trouble and it is a manifestation of the fact that thing have settled down.

In reply to the averment that change of approvals took place at the mid stage, it is stated that the Change of approvals at mid-stage was never done and no re-fabrication/rectification
was done in site &. It is further stated that the works pertaining to the Railway track has not yet commenced.

In reply to the averment that there was a delay in dispatch instructions, it is stated that the approvals were awarded as and when requested and there was never any delay. It is further stated that had there been such delays from APGENCO, the supply of almost 95% of the material /equipment, pertaining to Ash Handling Plant, could not have been possible and the payment could not have been made, then. Hence, it is not fair on your part to make such an allegation without any knowledge of the Project.

In reply to the averment that the progress of the works has got affected solely due to breach of contract by APGENCO, it is stated that being the Consortium Leader, M/s. Tecpro Systems Ltd, then, did not play the leader's role and due to their financial problem had stalled all works at Rayalaseema TPP Stage-IV, Unit - 6(1X600 MW) site. Due to the delay in completion of the project, APGENCO incurred huge amounts towards interest during construction which undoubtedly need to be recovered from the Consortium and APGENCO has to take a call on the issue.

It may be noted that due to the non-performance of the Consortium, APGENCO has incurred huge loss and since the works could not be completed by the Consortium; as per the terms and conditions of the Purchase Order, the issue is a clear example of breach of trust and contract.

Regarding the claim for damages and compensation made is concerned; it is outrageous to see that M/s. Tecpro Systems Ltd, being the defaulter is trying to thrust the fault on APGENCO and making futile efforts to clutch money.

The point wise 8 claims made are discussed below:

i) All the payments were made with an endorsement of M/s. Tecpro Systems Ltd till the cancellation of the Consortium.

ii) The Bank Guarantees were en-cashed due to non-performance of M/s. Tecpro Systems Ltd.

iii) Due to delay in completion of the Project, APGENCO has incurred huge amount towards interest during construction which undoubtedly need to be recovered from the Consortium. Further, as per the RBI norms the project execution was delayed by more than 60 months the account has been treated as NPA and the financial institution has provided Rs.400/- Crs of loans as NPA and hence, the same has to be recovered from the defaulter agency i.e. M/s. Tecpro Systems Ltd.

iv) As per the terms and conditions of the Purchase Order, the price quoted by the Consortium, is Firm and you may be aware that price escalation cannot be allowed.

v) APGENCO has a very good track record of completion of the Projects well within the schedule completion period. The reputation of APGENCO is at stake due this particular project, which was assigned to M/s. Tecpro Systems Ltd and the Consortium Partners, which got delayed so much. Hence, APGENCO has to claim damages for loss of reputation, and not M/s. Tecpro Systems Ltd.

vi) Loss of opportunities to M/s. Tecpro Systems Ltd was due to its mismanagement and blaming APGENCO for the loss is ridiculous.
vii) If the situation arises and APGENCO approaches legally for the generation loss, the interest during construction and the legal expenses from M/s. Tecpro Systems Ltd along with the Consortium Partners and not the other way.

viii) Invoices were raised for the wagon tippler and other CHP material supplied and the payments were made. Hence the claim for release of payments of about Rs. 8 Crs. as informed by you is not genuine.

Before making the wrongful claims, it is requested to go through the Contract and the correspondence. Here in after APGENCO will not entertain any correspondence on this matter.

APGENCO is not liable for the damages and compensations claimed with baseless allegations and as contented Rs.1951.59 Crs., need not be paid to M/s. Tecpro Systems Ltd. The delay in completion of the project was due to the failure of contractual obligations by M/s. Tecpro Systems Ltd and the Consortium. It is Tecpro Systems which has to pay damages to APGENCO. The claims of APGENCO are as follows:

- NPA (Non performing Asset): Rs. 400.00 Crs.
- Interest During construction for the delay period: Rs. 993.00 Crs.
- Loss of generation: Rs. 2500.00 Crs.
- Total loss to APGENCO due to delay in completion: Rs. 3893.00 Crs.

It may be noted that APGENCO is an Organization which has lot of faith and belief in the Indian Judiciary and the legal institutions and APGENCO will neither take a back step nor capitulate in approaching such honorable institutions for justice.

This is for favour of information.

Encl: As above.
(SHOW CAUSE NOTICE BEFORE ADMISSION)
IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
FRIDAY, THE EIGHTEENTH DAY OF OCTOBER,
TWO THOUSAND AND NINETEEN

PRESENT:

THE HON’BLE SRI JUSTICE A. RAJASHEKER REDDY

ARBITRATION APPLICATION No. 81 of 2019

Between:

Ms/ Tecpro Systems Limited, a company registered under Companies Act, having its Registered Office at Tecpro Towers, 11-A17, 5th Cross Road, SIPCOT IT Park, Siruseri - 603103, Chennai represented through its authorized representative, Mr. D. Venkatesubramanian duly authorized by the Resolution Professional Mr. Venkatesan Sankaranaryanan, appointed by the National Company Law Tribunal (NCLT) vide Order dated 07-08-2017 in CP C.A.No.(IB) 197 (PB)/2017.

....Applicant

AND

1. M/s. Andhra Pradesh Power Generation Corporation Limited (APGENCO), 4th Floor, Vidyut Soudha, Gunadhala, Vijayawada 520 004, represented by its Managing Director.
3. M/s. VA Tech Wabag Limited, WABAG House, No.17, 200 feet Thoraipakkam Pallavaram Main Road, Sunnambu Kolathur, Chennai 600 117, represented by its Managing Director.

....Respondent

Whereas the Applicant above named through its Advocate Sri G. Kalyan Chakravarthy, preferred the above Application under Section 11 of the Arbitration and Conciliation Act, 1996, praying that in the circumstances stated in the affidavit filed therein, the High Court may be pleased to appointment arbitrator, for resolving the disputes between parties arising out of the General Conditions of Contract which govern the three (3) Purchase Orders being (i) P.O.TMO-878/CPP/131/RTPP-IV/BOP/D.No.354/10, dated 15-12-2010 for supply and its amendments; (ii) P.O.TMO-879/CPP/131/RTPP-IV/BOP/D.No.355/10, dated 15-12-2010 for erection and its amendments; and (iii) P.O.TMO-880/CPP/131/RTPP-IV/BOP/D.No.356/10, dated 15-12-2010 for Civil and its amendments and claims raised in the Arbitration Notices 11-07-2017 and 03-04-2018 for the claims made there under and those that may be raised before the Arbitrator;

And whereas the High Court upon perusing the Application and the affidavit filed therein and upon hearing the arguments of Sri G. Kalyan Chakravarthy, Advocate for the Applicant, made the following;

ORDER:

“Notice to respondent.

Learned counsel for the applicant/s is permitted to take notice to respondent/s by RPAD and file proof of service.

Post after two (2) weeks.”
Therefore, you namely;

1. The Managing Director, Andhra Pradesh Power Generation Corporation Limited (APGENCO), 4th Floor, Vidyut Soudha, Gunadhala, Vijayawada 520 004.
3. The Managing Director, M/s. VA Tech Wabag Limited, WABAG House, No.17, 200 feet Thoraipakkam Pallavaram Main Road, Sunnambu Kolathur, Chennai 600 117.

are directed to show cause, either appearing in person or by Advocate on 01-11-2019 to which date the application stands posted, as to why in the circumstances set out in the affidavit filed therewith (copy enclosed) this Arbitration Application should not be admitted.

Sd/- K.GANGADHARA RAO
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. The Managing Director, Andhra Pradesh Power Generation Corporation Limited (APGENCO), 4th Floor, Vidyut Soudha, Gunadhala, Vijayawada 520 004.
3. The Managing Director, M/s. VA Tech Wabag Limited, WABAG House, No.17, 200 feet Thoraipakkam Pallavaram Main Road, Sunnambu Kolathur, Chennai 600 117. (Addresses 1 to 3 BY RPAD with a copy of petition and affidavit)
4. One CC to Sri G. Kalyan Chakravarthy, Advocate (OPUC)
5. One spare copy.
HIGH COURT

ARR,J

DATE: 18-10-2019

NOTE: POST ON 01-11-2019

NOTICE BEFORE ADMISSION

ARBITRATION APPLICATION No. 81 OF 2019
APPENDIX-1

BEFORE THE HONOURABLE DESIGNATED JUDGE:
HON’BLE HIGH COURT OF TELANGANA
AT HYDERABAD

ARBITRATION APPLICATION NO. 81 OF 2019

1. Provision under which the application is filed: Section 11 of the Arbitration and Conciliation Act, 1996

2. Name of the applicant with complete Address: M/s. Tecpro Systems Limited, a company registered under Companies Act, having its registered office at Tecpro Towers, 11-A17, 5th Cross Road, SIPCOT IT Park, Siruseri, 603103, Chennai. Represented Through its authorised representative, Mr. D. Venkatasubramaniam

Duly authorized by the Resolution Professional Mr. Venkatesan Sankaranarayanan, appointed by the National Company Law Tribunal (NCLT) vide Order dated 07.08.2017 in CP C.A.NO.(IB) 197 (PB) /2017

3. Name of the other parties in the Arbitration agreement with Complete Address:

1. M/s. Andhra Pradesh Power Generation Corporation Limited (APGENCO), 4th Floor, Vidyut Soudha, Gunadhal, Vijaywada, 520 004 represented by its Managing Director.


3. M/s. VA Tech Wabag Limited, WABAG House, No.17, 200 Feet Thoraipakkam Pallavaram Main Road, Sunnambu Kolathur, Chennai 600 117 represented by its Managing Director.
4 Name and address of the Arbitrators if any already appointed by the parties: Mr. Justice Sudershan B. Reddy (Retd.) Plot No.12A, MLA & MP Colony, Road No.10-C, Jubilee Hills, Hyderabad (On behalf of Applicants)

5 Name and address of the person or Institution if any, to whom any function has been entrusted by the parties to the Arbitration Agreement under the Arbitration Agreement under the Appointment procedure agreed upon by them: N.A

6 Qualification required, if any, of the Arbitrator by the agreement of parties: Not applicable

7 A brief statement describing the general Nature of disputes and the points of issue:

FACTS OF THE CASE:

1. The 1st Respondent ("APGENCO") invited bids from eligible bidders, inter alia, for the design, engineering, manufacture, procurement, supply, delivery, for the Rayalseema Thermal Power Project Stage-IV, Unit# 6 (600MW) ("RTPP"). A copy of the Invitation to Bid & General Conditions of Contract is hereto annexed and marked as Annexure-P1.
2. The Applicant ("Tecpro") along with the 2nd Respondent ("Gammon") and 3rd Respondent ("VA Tech"), who had formed a consortium amongst themselves submitted their bids with the 1st Respondent offering to execute the aforesaid works. Pertinently, the Applicant was the lead member of the Consortium. A copy of the Consortium Agreement executed by and between each of the Applicant, the 2nd Respondent and 3rd Respondent is hereto annexed and marked as Annexure-P2.

3. Having emerged as the successful bidders the Applicant's Consortium was awarded a letter of intent dated 30th October 2010 by the 1st Respondent (APGENCO). A copy of the Letter of Intent is hereto annexed and marked as Annexure-P3.

5. It is submitted that the Applicant (Tecpro) had dutifully performed all its obligations as the lead member of the Consortium. However, in or around May 2014 – the 1st Respondent (APGENCO) instructed the parties to change the leader of the Consortium from the Applicant (Tecpro) to the 3rd Respondent (VA Tech). Accordingly, by an amendment agreement dated 1st June 2014 executed by and between the Applicant (Tecpro) and the 3rd Respondent (VA Tech) the Consortium Agreement was amended by which the Applicant (Tecpro) stepped down as the leader of the Consortium and the 3rd Respondent (VA Tech) was designated as the leader of the Consortium. A copy of the agreement executed by and between the Applicant (Tecpro) and the 3rd Respondent (VA Tech) is hereto annexed and marked as Annexure-P5.

6. Three years after the Applicant relinquished its leadership in the consortium, the 1st Respondent (APGENCO) by its letters dated 4th October 2017, inter alia, alleged that the Applicant (Tecpro) had delayed the project by six (6) years. Copies of the letters dated 4th October 2017 addressed by the 1st Respondent (APGENCO) are hereto annexed and marked as Annexure-P6.

7. In response to the aforesaid letter, the Applicant by its letter dated 11th December 2017, inter alia, rejected the allegations made by the 1st Respondent (APGENCO). The
Applicant also set out the various breaches of contract committed by the 1st Respondent (APGENCO) and quantified the damage caused to the Applicant at Rs.1951.595 Crores. The Applicant further called upon the 1st Respondent (APGENCO) to pay the said sum within a period of 30 days and stated that in the event the 1st Respondent (APGENCO) disputes the claim of the Applicant (Tecpro) then the said letter should be treated as a notice to invoke Arbitration as per Clause 22.2.3 of the General Conditions of Contract read with the Arbitration Act. A copy of the letter dated 11th December 2017 is hereto annexed and marked as **Annexure-P7**.

8. The claims made by the Applicant against the 1st Respondent (APGENCO) are summarized as under:

a. Release of all pending payments for the supply invoices submitted as on November 2017 - Rs.19.13 Crores.

b. Release of encashed BGs of Rs.190.23 Crores

c. Loss of profit at 15% of the contract value of Rs.1256.31 Crores.

d. Price escalation at 15% of the contract value of Rs.1256.31 crores from the original contract completion date due to the delay by the Respondent.

e. Damages for loss of reputation -Rs.100 crores.

f. Damages for loss of opportunities -Rs. 628 Crores (20% of 2.5 times of APGENCO Contract value).

g. Reimbursement of legal expenses - Rs.5 Crores.
h. Reimbursement of payment of Wagon Tippler parts which are sent to site -Rs. 8 crores.

It is submitted that the aforesaid claims directly arise out of the contract between the Applicant (Tecpro) and the 1st Respondent (APGENCO)

9. Since, the 1st Respondent (APGENCO) failed to release the aforesaid claim amount of Rs.1951.595 Crores - the Applicant (Tecpro) was constrained to address another letter dated 3rd April 2018 to the 1st Respondent (APGENCO), inter alia, stating that since disputes have very clearly arisen between the parties, the Applicant (Tecpro) is once again invoking Arbitration as per the General Conditions of Contract and is appointing Hon’ble Justice Sudershan B Reddy (Retd.) as the nominee arbitrator of the Applicant. The Applicant (Tecpro) further called upon the 1st Respondent (APGENCO) to appoint its nominee arbitrator in accordance with the arbitration agreement between the parties. A copy of the letter dated 3rd April 2018 addressed by the Applicant (Tecpro) is hereto annexed and marked as Annexure-P8.

10. Clause 22.2 of the General Conditions of Contract which contains the agreement to refer the disputes to arbitration and which applies to the present case reads as under:
22.2 **Arbitration**

22.2.1 Any disputes or differences arising out of or in connection with the Contract shall, to the extent possible, be settled amicably between the Parties.

22.2.2 If any dispute or difference of any kind whatsoever shall arise between Purchaser and Contractor, arising out of the Contract for the performance of the Works whether during the progress of Works or after its completion or whether before or after termination, abandonment or breach of Contract, it shall, in the first place be referred to and settled by Purchasers Representative, who within a period of 30 (thirty) Days on request by either Party to do so, shall give Written Notice of his decision to the Purchaser and the Contractor.

Save as hereinafter provided, such decision in respect of every matter so referred shall be final and binding upon the Parties until the completion of the entire Works and shall forthwith be given effect to by the Purchaser and/or the Contractor, as applicable, who shall comply with all such decisions with all due diligence.

If the Purchaser's Representative has given Written Notice of his decision to the Parties and no claim to arbitration has been communicated to him by either Party within 30 (Thirty) Days from receipt of such notice, the said decision shall become final and binding on the Parties.

In the event of the Purchaser's Representative failing to notify his decision as foresaid within 30 (Thirty) Days after being requested as aforesaid, or in the event of either the Purchaser or the Contractor being dissatisfied with any such decision, as the case may be, within 30 (Thirty) Days after the expiry of first mentioned period of 30 (Thirty) Days, as the case may be, either Party may require that the matter in dispute be referred to arbitration as hereinafter provided.

22.2.3 All disputes or differences in respect of which the decision, if any, of the Purchaser's Representative has not become final or binding as aforesaid, shall be referred for arbitration in accordance with The Indian Arbitration and Conciliation Act 1996, or any statutory modification or enactment thereof for the time being in force.

22.2.4 The Contractor and the Purchaser will continue to perform their respective obligations under the Contract during the Arbitration proceedings unless such performance itself relates to the dispute referred to Arbitration pursuant to this sub-clause.

22.2.5 The Arbitrator Panel shall consist of three (3) arbitrators, one to be appointed by the Purchaser and Contractor, respectively and a third one to be appointed by the two arbitrators so appointed by the Purchaser and the Contractor and the third arbitrator shall be appointed in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996. It is to
be noted that when one party appoints as Arbitrator, the other party should appoint their Arbitrator within thirty (30) Days. The arbitration shall be held in Hyderabad and the courts in Hyderabad shall have jurisdiction on any matter connected with any Arbitration under this clause 22.2.

22.2.6 Arbitration shall be sole and exclusive remedy between the Parties regarding the dispute referred to Arbitration and any claims, counterclaims issues or accountings presented or plead to the arbitrators in connection with such dispute.

22.2.7 The award rendered in any Arbitration commenced hereunder shall be final and conclusive. The award should be implemented and promptly paid.

22.2.8 The Arbitrators shall have full powers to review or revise the decisions, opinions, certifications or valuations of the Purchaser's Representative. The Purchaser and the Contractor hereby undertake to carry out the award without delay. The expenses of Arbitration shall be paid as may be determined by the arbitrators. They may from time to time, with the consent of the Parties, enlarge the time for making the award. In case of aforesaid arbitrators dying, neglecting, resigning or being unable to act for any reason, it will be lawful for the Parties to nominate another arbitrator with mutual consent of both the parties.

22.2.9 No decision of the Purchaser's Representative in accordance with a foregoing provisions shall disqualify him as being called as a witness or giving evidence before the arbitrators on any matter whatsoever relevant to the dispute or difference referred to arbitrators as foresaid.

22.2.10 This clause 22.2 shall remain in full force and effect notwithstanding any lawful termination of the Contract where either Arbitration has already commenced or the liabilities between the Purchaser and the Contractor have not been fully determined.

11. It is submitted that, from the very correspondence of the 1st Respondent (APGENCO) it is clear that the 1st Respondent (APGENCO) has disputes with the Applicant pertaining to the subject contract – furthermore the Applicant (Tecpro) has categorically made claims against the 1st Respondent (APGENCO) arising out of the subject contract which are governed by the General Conditions of Contract – which in turn
contains the agreement between the parties to refer the disputes to arbitration by a tribunal consisting of three members.

12. Although the Applicant has already appointed its nominee arbitrator, the 1st Respondent has failed to appoint its nominee arbitrator. In the circumstances, it is prayed that this Hon’ble Court may be pleased to appoint the 2nd arbitrator in terms of Section 11 of the Arbitration Act.

13. In view of the above, the Applicant is left with no other alternative, except to approach this Honourable Court under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment of the an arbitrator to adjudicate and decide the disputes between the Applicant and the Respondent.

14. The applicants have not filed any other application or proceedings in any court of law with regard to the above cause of action against the respondent and to the best of their knowledge no application or proceedings are pending in any court of law.

15. It is further submitted that applicant hereby reserves its right to raise additional issues or claims before the Arbitrator, apart from the issues raised in this application.
16. Valuation of the subject Matter: In excess of Rs.1951.595 Crores

17. Jurisdiction of the court: Only courts at Hyderabad

   a) Pecuniary Jurisdiction: The value of the subject matter is In excess of Rs.1951.595 Crores and this Hon'ble Court is having jurisdiction to entertain this matter.

   b) Territorial Jurisdiction: The agreement which is subject matter of dispute, i.e General Conditions of Contract which govern the three (3) Purchase Orders being (i) P.O.TMO-878/CPP/131/RTPP-V/BOP/D.No.354/10, dated 15.12.2010 for supply and its amendments; (ii) P.O.TMO-879/CPP/131/RTPP-IV/BOP/D.No.355/10, dated 15.12.2010 for erection and its amendments; and (iii) P.O.TMO-880/CPP/131/RTPP-IV/BOP/D.No.356/10, dated 15.12.2010 for Civil and its amendments has been entered and the execution of project is in the State of Andhra Pradesh, and the parties thereto have fixed the territorial jurisdiction of any dispute only at Hyderabad courts. As such, this Hon'ble court is having Territorial Jurisdiction to entertain this matter.

18. Cause of action: The cause action and the territorial jurisdiction of the arbitration agreement is conferred within Hyderabad courts. Hence, this Hon'ble Court has jurisdiction and
19. Relief of the remedy sought

: For appointment of arbitrator pursuance to Section 11 (c) of Arbitration and conciliation Act, 1996 R/W sub - sections 5 and 6 of Section 11 of Arbitration and Conciliation Act, 1996 R/W Scheme of Appointment of Arbitrators, 2000 as framed by this Hon’ble High Court, for resolving the disputes between parties arising out of the General Conditions of Contract which govern the three (3) Purchase Orders being (i) P.O.TMO-878/CPP/131/RTPP-IV/BOP/D.No.354/10, dated 15.12.2010 for supply and its amendments; (ii) P.O.TMO-879/CPP/131/RTPP-IV/BOP/D.No.355/10, dated 15.12.2010 for erection and its amendments; and (iii) P.O.TMO-880/CPP/131/RTPP-IV/BOP/D.No.356/10, dated 15.12.2010 for Civil and its amendments and claims raised in the Arbitration Notices 11.12.2017 and 03.04.2018 for the claims made there under and those that may be raised before the Arbitrator in the interest of justice.

PLACE: HYDERABAD
DATE: 04.2019

APPLICANT
VERIFICATION STATEMENT

I, D. Venkatasubramaniam, S/o. V Dhandapany, aged about 49 years, Occ: Chief Restructuring Officer (CRO) of the Applicant Company, R/o. Chennai, of the applicant herein, do hereby declare that the facts stated above are true and correct to the best of my knowledge, belief, information and advise of our counsel. Hence, verified on this [insert date] day of April 2019 at Hyderabad.

[Signature]
COUNSEL FOR APPLICANT

[Signature]
APPLICANT

[Stamp]
HYDERABAD DISTRICT

IN THE HIGH COURT OF JUDICATURE FOR THE STATE OF TELANGANA AT HYDERABAD

A.A NO. 81 OF 2019

ARBITRATION APPLICATION

FILED ON:

FILED BY:

G KALYAN CHAKRAVARTHY (8182)
G VAMSHI KRISHNA ADVOCATES

COUNSEL FOR APPLICANTS
BEFORE THE HONOURABLE DESIGNATED JUDGE: HON’BLE HIGH COURT OF TELANGANA AT HYDERABAD

ARBITRATION APPLICATION NO. 81 OF 2019

M/s. Tecpro Systems Limited, a company registered under Companies Act, having its Registered office at Tecpro Towers, 11-A17, 5th Cross Road, SIPCOT IT Park, Siruseri -603103, Chennai Represented Through its authorised representative, Mr. D. Venkatasubramaniam duly authorized by the Resolution Professional Mr Venkatesan Sankaranarayanan, appointed by the National Company Law Tribunal (NCLT) vide Order dated 07.08.2017 in CP C.A.NO.(IB) 197 (PB) /2017.

And

1. Andhra Pradesh Power Generation Corporation Limited (APGENCO), 4th Floor, Vidyut Soudha, Gunadhala, Vijayawada 520 004, represented by its Managing Director.


3. M/s. VA Tech Wabag Limited, WABAG House, No.17, 200 Feet Thoraipakkam Pallavaram Main Road, Sunnambu Kolathur, Chennai 600 117, Represented by its Managing Director.

... RESPONDENTS

1. Arbitration application filed under Section 11 (c) of Arbitration and conciliation Act, 1996 R/W Para (3) (c) of pursuance to sub - sections 5 and 6 of Section 11 of Arbitration

2. Petition under Section 11 (c) of Arbitration and conciliation Act, 1996 R/W sub - sections 5 and 6 of Section 11 of Arbitration and Conciliation Act, 1996 R/W Scheme of Appointment of Arbitrators, 2000 as framed by this Hon’ble High Court, for appointment of arbitrator, for resolving the disputes between parties arising out of the General Conditions of Contract which govern the three (3) Purchase Orders being (i) P.O.TMO-878/CPP/131/RTPP-IV/BOP/ D.No.354/10, dated 15.12. 2010 for supply and its amendments; (ii) P.O.TMO-879/CPP/131/RTPP-IV/BOP/ D.No.355/10, dated 15.12. 2010 for erection and its amendments; and (iii) P.O.TMO-880/CPP/131/RTPP-IV/BOP/D.No.356/10, dated 15.12.2010 for Civil and its amendments and claims raised in the Arbitration Notices 11.12.2017 and 03.04.2018 for the claims made there under and those that may be raised before the Arbitrator and pass such other order or orders as this Hon’ble court deems fit and proper in the circumstances of the case.

PLACE: HYDERABAD
DATE: -04-2019

COUNSEL FOR APPLICANTS
HYDERABAD DISTRICT

IN THE HIGH COURT OF JUDICATURE FOR THE STATE OF TELANGANA AT HYDERABAD

A.A NO. 8 OF 2019

ARBITRATION APPLICATION

FILED ON:

FILED BY:

G KALYAN CHAKRAVARTHY (8182)
G VAMSHI KRISHNA ADVOCATES

COUNSEL FOR APPLICANTS
BEFORE THE HONOURABLE DESIGNATED JUDGE:
HON'BLE HIGH COURT OF TELANGANA
AT HYDERABAD

ARBITRATION APPLICATION NO. 81 OF 2019

M/s. Tecpro Systems Limited,
a company registered under Companies Act,
having its Registered office at Tecpro Towers,
11-A17, 5th Cross Road, SIPCOT IT Park,
Siruseri - 603103, Chennai Represented
Through its authorised representative,
Mr. D. Venkatasubramaniam duly authorized
by the Resolution Professional Mr Venkatesan
Sankaranarayanan, appointed by the National
Company Law Tribunal (NCLT) vide Order
dated 07.08.2017 in CP C.A.NO.(IB) 197
(PB)/2017.

... Applicant

And

1. Andhra Pradesh Power Generation
Corporation Limited (APGENCO),
4th Floor, Vidyut Soudha, Gunadhala,
Vijayawada 520 004, represented by its
Managing Director.

2. M/s. Gammon India Limited,
Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai 400 025, represented
by its Managing Director.

3. M/s. VA Tech Wabag Limited,
WABAG House, No.17, 200 Feet
Thoraipakkam Pallavaram Main Road,
Sunnambu Kolathur, Chennai 600 117,
Represented by its Managing Director.

... RESPONDENTS

AFFIDVIT OF THE APPLICANT

1. Mr. D. Venkatasubramaniam S/o. V Dhandapany, aged about
50 years, Occ: Chief Restructuring Officer (CRO) of the
Applicant Company, R/o, Chennai do hereby solemnly affirm and sincerely state on oath as follows:

1. I am the Chief Restructuring Officer (CRO) and authorized signatory of the Applicant company herein, as such from the records of the Applicant Company and also personally I am well acquainted with the facts of the case and do hereby swear to the contents of this affidavit.

2. The 1st Respondent ("APGENCO") invited bids from eligible bidders, inter alia, for the design, engineering, manufacture, procurement, supply, delivery, for the Rayalseema Thermal Power Project Stage-IV, Unit# 6 (600MW) ("RTTP"). A copy of the Invitation to Bid & General Conditions Of Contract is hereto annexed and marked as Annexure-P1.

3. The Applicant ("Tecpro") along with the 2nd Respondent ("Gammon") and 3rd Respondent ("VA Tech"), who had formed a consortium amongst themselves submitted their bids with the 1st Respondent offering to execute the aforesaid works. Pertinently, the Applicant was the lead member of the Consortium. A copy of the Consortium Agreement executed by and between each of the Applicant, the 2nd Respondent and 3rd Respondent is hereto annexed and marked as Annexure-P2.
4. Having emerged as the successful bidders the Applicant’s Consortium was awarded a letter of intent dated 30th October 2010 by the 1st Respondent (APGENCO). A copy of the Letter of Intent is hereto annexed and marked as Annexure-P3.


6. It is submitted that the Applicant (Tecpro) had dutifully performed all its obligations as the lead member of the Consortium. However, in or around May 2014 – the 1st Respondent (APGENCO) instructed the parties to change the leader of the Consortium from the Applicant (Tecpro) to the 3rd Respondent (VA Tech). Accordingly, by an amendment agreement dated 1st June 2014 executed by and between the Applicant (Tecpro) and the 3rd Respondent
(VA Tech) the Consortium Agreement was amended by which the Applicant (Tecpro) stepped down as the leader of the Consortium and the 3rd Respondent (VA Tech) was designated as the leader of the Consortium. A copy of the agreement executed by and between the Applicant (Tecpro) and the 3rd Respondent (VA Tech) is hereto annexed and marked as **Annexure-P5**.

7. Three years after the Applicant relinquished its leadership in the consortium, the 1st Respondent (APGENCO) by its letters dated 4th October 2017, inter alia, alleged that the Applicant (Tecpro) had delayed the project by six (6) years. Copies of the letters dated 4th October 2017 addressed by the 1st Respondent (APGENCO) are hereto annexed and marked as **Annexure-P6**.

8. In response to the aforesaid letter, the Applicant by its letter dated 11th December 2017, inter alia, rejected the allegations made by the 1st Respondent (APGENCO). The Applicant also set out the various breaches of contract committed by the 1st Respondent (APGENCO) and quantified the damage caused to the Applicant at Rs.1951.595 Crores. The Applicant further called upon the 1st Respondent (APGENCO) to pay the said sum within a period of 30 days and stated that in the event the 1st Respondent (APGENCO) disputes the claim of the Applicant
(Tecpro) then the said letter should be treated as a notice to invoke Arbitration as per Clause 22.2.3 of the General Conditions of Contract read with the Arbitration Act. A copy of the letter dated 11<sup>th</sup> December 2017 is hereto annexed and marked as **Annexure-P7**.

9. The claims made by the Applicant against the 1<sup>st</sup> Respondent (APGENCO) are summarized as under:

a. Release of all pending payments for the supply invoices submitted as on November 2017 – Rs.19.13 Crores.
b. Release of encashed BGs of Rs.190.23 Crores
c. Loss of profit at 15% of the contract value of Rs.1256.31 Crores
d. Price escalation at 15% of the contract value of Rs.1256.31 crores from the original contract completion date due to the delay by the Respondent
e. Damages for loss of reputation -Rs.100 crores.
f. Damages for loss of opportunities -Rs. 628 Crores (20% of 2.5 times of APGENCO Contract value)
g. Reimbursement of legal expenses - Rs.5 Crores.
h. Reimbursement of payment of Wagon Tippler parts which are sent to site -Rs. 8 crores.

It is submitted that the aforesaid claims directly arise out of the contract between the Applicant (Tecpro) and the 1<sup>st</sup> Respondent (APGENCO)

10. Since, the 1<sup>st</sup> Respondent (APGENCO) failed to release the aforesaid claim amount of Rs.1951.595 Crores - the Applicant (Tecpro) was constrained to address another letter dated 3<sup>rd</sup> April 2018 to the 1<sup>st</sup> Respondent (APGENCO), inter alia, stating that since disputes have very clearly arisen
between the parties, the Applicant (Tecpro) is once again invoking Arbitration as per the General Conditions of Contract and is appointing Hon’ble Justice Sudershan B Reddy (Retd.) as the nominee arbitrator of the Applicant. The Applicant (Tecpro) further called upon the 1st Respondent (APGENCO) to appoint its nominee arbitrator in accordance with the arbitration agreement between the parties. A copy of the letter dated 3rd April 2018 addressed by the Applicant (Tecpro) is hereto annexed and marked as **Annexure-P8**.

11. Clause 22.2 of the General Conditions of Contract which contains the agreement to refer the disputes to arbitration and which applies to the present case reads as under:

**22.2 Arbitration**

22.2.1 Any disputes or differences arising out of or in connection with the Contract shall, to the extent possible, be settled amicably between the Parties.

22.2.2 If any dispute or difference of any kind whatsoever shall arise between Purchaser and Contractor, arising out of the Contract for the performance of the Works whether during the progress of Works or after its completion or whether before or after termination, abandonment or breach of Contract, it shall, in the first place be referred to and settled by Purchasers Representative, who within a period of 30 (thirty) Days on request by either Party to do so, shall give Written Notice of his decision to the Purchaser and the Contractor.

Save as hereinafter provided, such decision in respect of every matter so referred shall be final and binding upon the Parties until the completion of the entire Works and shall forthwith be given effect to by
the Purchaser and/or the Contractor, as applicable, who shall comply with all such decisions with all due diligence.

If the Purchaser’s Representative has given Written Notice of his decision to the Parties and no claim to arbitration has been communicated to him by either Party within 30 (Thirty) Days from receipt of such notice, the said decision shall become final and binding on the Parties.

In the event of the Purchaser’s Representative failing to notify his decision as foresaid within 30 (Thirty) Days after being requested as aforesaid, or in the event of either the Purchaser or the Contractor being dissatisfied with any such decision, as the case may be, within 30 (Thirty) Days after the expiry of first mentioned period of 30 (Thirty) Days, as the case may be, either Party may require that the matter in dispute be referred to arbitration as hereinafter provided.

22.2.3 All disputes or differences in respect of which the decision, if any, of the Purchaser’s Representative has not become final or binding as aforesaid, shall be referred for arbitration in accordance with The Indian Arbitration and Conciliation Act 1996, or any statutory modification or enactment thereof for the time being in force.

22.2.4 The Contractor and the Purchaser will continue to perform their respective obligations under the Contract during the Arbitration proceedings unless such performance itself relates to the dispute referred to Arbitration pursuant to this sub-clause.

22.2.5 The Arbitrator Panel shall consist of three (3) arbitrators, one to be appointed by the Purchaser and Contractor respectively and a third one to be appointed by the two arbitrators so appointed by the Purchaser and the Contractor and the third arbitrator shall be appointed in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996. It is to be noted that when one party appoints as Arbitrator, the other party should appoint their Arbitrator within thirty (30) Days. The arbitration shall be held in Hyderabad and the courts in
Hyderabad shall have jurisdiction on any matter connected with any Arbitration under this clause 22.2.

22.2.6 Arbitration shall be sole and exclusive remedy between the Parties regarding the dispute referred to Arbitration and any claims, counterclaims issues or accountings presented or plead to the arbitrators in connection with such dispute.

22.2.7 The award rendered in any Arbitration commenced hereunder shall be final and conclusive. The award should be implemented and promptly paid.

22.2.8 The Arbitrators shall have full powers to review or revise the decisions, opinions, certifications or valuations of the Purchaser’s Representative. The Purchaser and the Contractor hereby undertake to carry out the award without delay. The expenses of Arbitration shall be paid as may be determined by the arbitrators. They may from time to time, with the consent of the Parties, enlarge the time for making the award. In case of aforesaid arbitrators dying, neglecting, resigning or being unable to act for any reason, it will be lawful for the Parties to nominate another arbitrator with mutual consent of both the parties.

22.2.9 No decision of the Purchaser’s Representative in accordance with a foregoing provisions shall disqualify him as being called as a witness or giving evidence before the arbitrators on any matter whatsoever relevant to the dispute or difference referred to arbitrators as foresaid.

22.2.10 This clause 22.2 shall remain in full force and effect notwithstanding any lawful termination of the Contract where either Arbitration has already commenced or the liabilities between the Purchaser and the Contractor have not been fully determined.

12. It is submitted that, from the very correspondence of the 1st Respondent (APGENCO) it is clear that the 1st Respondent
(APGENCO) has disputes with the Applicant pertaining to the subject contract – furthermore the Applicant (Tecpro) has categorically made claims against the 1st Respondent (APGENCO) arising out of the subject contract which are governed by the General Conditions of Contract – which in turn contains the agreement between the parties to refer the disputes to arbitration by a tribunal consisting of three members. Other correspondence between parties is filed herewith as material papers.

13. Although the Applicant has already appointed its nominee arbitrator, the 1st Respondent has failed to appoint its nominee arbitrator. In the circumstances, it is prayed that this Hon’ble Court may be pleased to appoint the 2nd arbitrator in terms of Section 11 of the Arbitration Act read with the General Conditions of Contract which govern the three (3) Purchase Orders being (i) P.O.TMO-878/CPP/131/RTPP-IV/BOP/D.No.354/10, dated 15.12.2010 for supply and its amendments; (ii) P.O.TMO-879/CPP/131/RTPP-IV/BOP/D.No.355/10, dated 15.12.2010 for erection and its amendments; and (iii) P.O.TMO-880/CPP/131/RTPP-IV/BOP/D.No.356/10, dated 15.12.2010 for Civil and its amendments.

14. I humbly submit that the above claims raised are within the limitation as there is no intimation towards the final bill
which is contended by the Respondents in their reply. It is also submitted that there are dues pending under Clause 10CC even after the final payment is made and the applicants have also received an amount of Rs. 28,23,372/- on 10.12.2018 towards 10CC of the Contract and the applicants are not barred by any limitation as such.

15. I humbly submit that, in view of the above, the applicant is left with no other alternative, except to approach this Hon’ble Court under Section 11 of the Arbitration and Conciliation Act, 1996 seeking appointment arbitrator to adjudicate and decide the disputes between applicant and the Respondent.

16. I humbly submit that the applicant has not filed any other application or proceedings in any court of law with regard to the above cause of action against the Respondent and to the best of their knowledge no application or proceedings are pending in any court of law.

17. I humbly submit that the applicant reserves its right to raise additional issues or claims before the panel of Arbitrators, apart from the issues raised in this application.
It is therefore prayed that this Hon'ble court may be pleased to appoint arbitrator, for resolving the disputes between parties arising out of the General Conditions of Contract which govern the three (3) Purchase Orders being (i) P.O.TMO-878/CPP/131/RTPP-IV/BOP/ D.No.354/10, dated 15.12.2010 for supply and its amendments; (ii) P.O.TMO-879/CPP/131/RTPP-IV/BOP/ D.No.355/10, dated 15.12.2010 for erection and its amendments; and (iii) P.O.TMO-880/CPP/131/RTPP-IV/BOP/D.No.356/10, dated 15.12.2010 for Civil and its amendments and claims raised in the Arbitration Notices 11.12.2017 and 03.04.2018 for the claims made there under and those that may be raised before the Arbitrator and pass such other order or orders as this Hon'ble court deems fit and proper in the circumstances of the case.

Sworn and signed on this the day of April 2019 at Hyderabad

DEPONENT

ADVOCATE : NOTARY

VERIFICATION

I, Mr. D. Venkatasubramaniam, S/o. V Dhandapaney, aged about 50 years, Occ: CRO of the Applicant Company, R/o Chennai, authorized signatory of the Applicant above named solemnly declare that what is stated in paragraph nos. 1 to is true to my own knowledge and what is stated in remaining paragraph nos. to is stated on information and belief, and I believe the same to be true. Verified at Hyderabad on this the day of April, 2019.

COUNSEL FOR APPLICANT

DEPONENT
HYDERABAD DISTRICT

IN THE HIGH COURT OF JUDICATURE FOR THE STATE OF TELANGANA AT HYDERABAD

A.A NO. 81 OF 2019

ARBITRATION APPLICATION

FILED ON:

FILED BY:

G KALYAN CHAKRAVARTHY (8182)
G VAMSHI KRISHNA ADVOCATES

COUNSEL FOR APPLICANTS