

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

**PETITION NO. \_\_ OF 2023**

**IN THE MATTER OF:**

Application under Section 14 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for grant of Transmission License to Butwal-Gorakhpur Cross Border Power Transmission Limited (BGCPTL) for implementation of Indian portion of New Butwal- Gorakhpur 400 kV Double Circuit Cross-border interconnection transmission line and associated bay extension work.

**AND IN THE MATTER OF:**

**Butwal-Gorakhpur Cross Border**

**Power Transmission Limited (BGCPTL)**

- Applicant

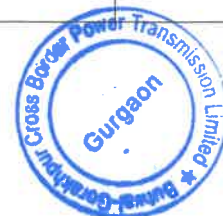
Versus

**Central Transmission Utility of India Limited & Ors.**

- Respondents

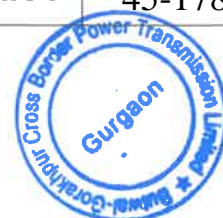
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**Applicant**  
**Butwal-Gorakhpur Cross Border**  
**Power Transmission Limited (BGCPTL)**

  
Represented by  
**Anil Mehra**  
**CEO**



**Place: Gurugram**

**Date: 20.11.2023**

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION  
3<sup>RD</sup> AND 4<sup>TH</sup> FLOOR, CHANDRALOK BUILDING,  
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**AND IN THE MATTER OF:**

**Butwal-Gorakhpur Cross Border  
Power Transmission Limited (BGCPTL)**

- Applicant

Versus

**Central Transmission Utility of India Limited & Ors.**

- Respondents

To  
The Secretary  
Central Electricity Regulatory Commission  
New Delhi

Sir,

The application filed under Section 14 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 with respect to Transmission License to Butwal-Gorakhpur Cross Border Power Transmission Limited (BGCPTL), may please be registered.

**Applicant  
Butwal-Gorakhpur Cross Border  
Power Transmission Limited (BGCPTL)**

  
**Represented by  
Anil Mehra  
CEO**

**Place: Gurugram**

**Date: 20.11.2023**





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**AND IN THE MATTER OF:**

**Butwal-Gorakhpur Cross Border  
Power Transmission Limited (BGCPTL)**

Through its Chief Executive Officer  
Plot No. 2, Sector 29, Gurugram-122001,  
Haryana

- Applicant

**Versus**

**1. Central Transmission Utility of India Limited**

Through its COO  
Plot No. 2, Sector 29, Saudamini  
Gurugram, Haryana-122001

**2. Nepal Electricity Authority**

Through its Coordinator/Liaison Officer-BGCPTL & MCA Nepal

**3. Central Electricity Authority**

Through its Chief Engineer (PSPM)



Sewa Bhawan, Ramakrishna Puram,  
Sector-1, New Delhi-110 066

- Respondents

**APPLICATION UNDER SECTION 14 OF THE ELECTRICITY ACT, 2003 READ WITH THE CENTRAL ELECTRICITY REGULATORY COMMISSION (PROCEDURE, TERMS AND CONDITIONS FOR GRANT OF TRANSMISSION LICENSE AND OTHER RELATED MATTERS) REGULATIONS, 2009 FOR GRANT OF TRANSMISSION LICENSE TO BUTWAL-GORAKHPUR CROSS BORDER POWER TRANSMISSION LIMITED (BGCPTL) FOR IMPLEMENTATION OF INDIAN PORTION OF NEW BUTWAL- GORAKHPUR 400 KV DOUBLE CIRCUIT CROSS-BORDER INTERCONNECTION TRANSMISSION LINE AND ASSOCIATED BAY EXTENSION WORK**

**MOST RESPECTFULLY SHOWETH:**

1. The Applicant – Butwal-Gorakhpur Cross Border Power Transmission Limited (hereinafter **BGCPTL**) is a company incorporated under the provisions of the Companies Act, 2013 having its registered office at Plot No. 2, Saudamini, Sector 29, Gurugram-122001, Haryana. BGCPTL is a joint venture company of Power Grid Corporation of India Limited (hereinafter **POWERGRID**) and Nepal Electricity Authority (hereinafter **NEA**) with 50:50 equity participation.
2. The present Application is for the grant of a transmission license to the Applicant for implementation of Indian portion of New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line and associated bay extension work. The detailed scope of work under implementation is as under:
  - Indian Portion of New Butwal-Gorakhpur 400 kV D/C (Quad Moose) transmission line
  - Extension of existing 400 kV substation of POWERGRID at Gorakhpur with 2 Nos. GIS Bays

**(hereinafter referred as Transmission Project)**



3. The developments leading to the filing of the present Petition are as under:
4. The peak load of Nepal was expected to be about 2000MW in FY 2018-19 and the deficit was expected to be about 1000MW. Presently, only one high capacity Muzaffarpur (India) – Dhalkebar (Nepal) cross-border link exists between India and Nepal, which is presently being operated at 400 kV. In case of outage of the above line, it was considered that Nepal might experience grid disturbance/blackout. Thus, to supply secure and reliable power to Nepal, the second High Capacity Cross-Border Interconnection line [Gorakhpur (India) – New Butwal (Nepal) 400kV D/c (Quad Moose) line] between India and Nepal was proposed. Further, to ensure reliability in Nepal grid, NEA proposed to complete 400 kV New Butwal-New Hetauda-Dhalkebar 400 kV line.
5. That an agreement “Electric Power Trade, Cross Border Transmission Interconnections and Grid Connectivity” has been signed between the Government of Nepal and Government of the Republic of India on 21.10.2014. As per article V(a), a Joint Working Group (JWG) has been set up which is co-chaired by Joint Secretaries of the Power/ Energy Ministries of the two countries. In addition, as per article V(b), a Joint Steering Committee (JSC) has been set up which is co-chaired by Secretaries of the Power/ Energy Ministries of the two countries. A copy of the agreement is attached hereto and marked as **Annexure A**.
6. On 27.06.2016, the 3rd Joint Working Group (JWG) on Indo-Nepal Cooperation in Power Sector noted the above and directed that JTT may be entrusted with the task to prepare Joint-DPR for the New Butwal-Gorakhpur 400 kV D/c (Quad Moose) Cross-Border Interconnection line including investment requirement on either side and also suggest mode of payment of transmission charges based on prevailing regulations and usage by both the countries. A copy of the Minutes of 3rd Joint Working Group (JWG) meeting on Indo-Nepal Cooperation in Power Sector held on 27.06.2016 are attached hereto and marked as **Annexure B**.
7. On 28.06.2016, the 3<sup>rd</sup> Joint Steering Committee (JSC) on Indo-Nepal Cooperation in Power Sector recommended the JWG for construction of New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line to supply

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additional power to Nepal along with construction of New Butwal-New Hetauda-Dhalkebar 400 kV D/c line in line in Nepal in matching time frame. A copy of the Minutes of 3<sup>rd</sup> Joint Steering Committee (**JSC**) meeting on Indo-Nepal Cooperation in Power Sector held on 28.06.2016 are attached hereto and marked as **Annexure C**.

8. In February 2017, the JTT prepared the Project Report in regard to the construction of the New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line.
9. From February 2017 till October 2019, there were numerous rounds of discussions between the parties on the course of implementation of the New Butwal - Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line. Meanwhile, during 5<sup>th</sup> Joint Technical Team (JTT) Meeting between India and Nepal held at POWERGRID Office, Gurugram on 27.12.2018, the Joint Technical Team (JTT) of Nepal and India recommended the construction of the New Butwal- Gorakhpur 400 kV Double Circuit Cross-border interconnection transmission line.
10. On 14.10.2019, the 7<sup>th</sup> Meeting of the Joint Working Group (**JWG**) on Indo-Nepal Cooperation in Power Sector was held wherein it has been, inter-alia, decided that the New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line shall be implemented by a Joint Venture (JV) between POWERGRID and NEA with 50:50 equity participation and debt: equity ratio of 80:20. It was further agreed that NEA would pay transmission charges for Indian portion of the said line for 25 years for availing entire capacity of the Indian portion of the transmission line.
11. In the above meeting, it was also found that the two nos. of GIS bays can be accommodated in the existing Gorakhpur (POWERGRID) Substation instead of investing in construction of new substation at Gorakhpur. A copy of the minutes of the 7<sup>th</sup> Meeting of the Joint Working Group (**JWG**) on Indo-Nepal Cooperation in Power Sector held on 14.10.2019 are attached hereto and marked as **Annexure D**.

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12. On 15.10.2019, the 7<sup>th</sup> Meeting of the Joint Steering Committee (**JSC**) on Indo-Nepal Cooperation in Power Sector was held wherein, inter-alia, JSC agreed to the above proposal of **JWG**. A copy of the Minutes of the 7<sup>th</sup> Meeting of the Joint Steering Committee (**JSC**) on Indo-Nepal Cooperation held on 15.10.2019 are attached hereto and marked as **Annexure E**.
13. In pursuance to the above, on 16.03.2020, the Ministry of Power issued a letter to POWERGRID enclosing the letter dated 16.03.2020 from NITI Aayog wherein NITI Aayog has concurred the formation of 50:50 Joint Venture between Power Grid Corporation of India Ltd. (PGCIL) and the Nepal Electricity Authority (NEA), for implementation of Indian portion of New Butwal-Gorakhpur 400 kV Cross-border Interconnection. A copy of the communication dated 16.03.2020 from the Ministry of Power to POWERGRID enclosing the letter dated 16.03.2020 from NITI Aayog is attached hereto and marked as **Annexure F**.
14. On 31.08.2022, BGCPTL was incorporated under the provisions of the Companies Act, 2013 with equity participation of 50:50 between POWERGRID and NEA. A copy of the Certificate of Incorporation issued by the Ministry of Corporate Affairs is attached hereto and marked as **Annexure G**.
15. On 30.09.2022, a Board Meeting of BGCPTL was held wherein it had been resolved that POWERGRID be engaged as Project Management Consultant (PMC) for implementation of Indian portion of 400 kV New Butwal (Nepal)-Gorakhpur (India) Cross Border Transmission line and associated bay extension work.
16. On 24.05.2023, a Project Management Consultancy Agreement (PMC) Agreement has been entered into between BGCPTL and POWERGRID for Implementation of Butwal - Gorakhpur 400 kV D/c (Quad Moose) transmission line & associated 2 Nos. GIS Bays at Gorakhpur. A copy of the Project Management Consultancy Agreement (PMC) dated 24.05.2023 entered into between BGCPTL and POWERGRID is attached hereto and marked as **Annexure H**.
17. An Implementation and Transmission Service Agreement (ITSA) has been entered into BGCPTL and NEA on 01.06.2023 A copy of the Implementation and

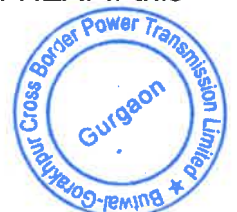
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Transmission Service Agreement dated 01.06.2023 entered into between BGCPTL and NEA is attached hereto and marked as **Annexure I**.

18. That, in view of the above, the instant application is being filed under Section 14 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for grant of Transmission License to Butwal-Gorakhpur Cross Border Power Transmission Limited (BGCPTL) for implementation of Indian Portion of New Butwal-Gorakhpur 400 kV D/C (Quad Moose) transmission line and 2 Nos. GIS Bays at 400 kV substation of POWERGRID at Gorakhpur.
19. It is submitted that upon grant of the transmission license, BGCPTL shall implement the aforementioned scheme under the RTM mode. The estimated cost of the Project as per the Project Management Agreement dated 24.05.2023 is Rs. 461.96 Crores (including IDC of INR. 32.22 Crores). The Commissioning schedule of the transmission project is 36 months from signing of the ITSA dated 01.06.2023 i.e. 30.05.2026.
20. On completion of the 'Indian portion of New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line and 02 nos GIS bays at Gorakhpur, BGCPTL shall claim the monthly transmission service charges from Nepal Electricity Authority (NEA) from the Commercial Operation Date as per the terms and conditions stipulated under ITSA dated 01.06.2023.
21. That in accordance with the CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009, the Applicant has fulfilled the following:-
  - (a) Duly filled in Form I for grant of transmission license in accordance with the Transmission License Regulations is enclosed herewith and marked as **Annexure J**.
  - (b) The Application has been served as per Regulation 7(4) of the Transmission License Regulations on the long-term customer of the project i.e. NEA. If this

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- Hon'ble Commission deems necessary to implead any other party, then the Applicant shall implead such party as directed by this Hon'ble Commission.
- (c) The application has been hosted on the website and is accessible on [www.powergrid.in/jv](http://www.powergrid.in/jv) in compliance with Regulation 7(4) of the Transmission License Regulations.
- (d) The application has also been marked to CTUIL as per Regulation 7 (6) of Transmission License Regulations.
- (e) It is undertaken that the notice of the application as per Form-II shall be posted on the e-filing portal of this Hon'ble Commission and on its website within 7 days after filing of the application inviting comments from general public in compliance with the Order dated 22.01.2022 passed by this Hon'ble Commission in 01/SM/2022.
- (f) Appropriate fee for grant of transmission license stands paid.

22. It is submitted that Section 14 of the Electricity Act, 2003 empowers this Hon'ble Commission to grant transmission license and as such this Hon'ble Commission has jurisdiction to grant transmission license to BGCPTL for the Implementation of 'Indian portion of New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line and 02 nos GIS bays at Gorakhpur.

23. **PRAYER**

It is respectfully prayed that this Hon'ble Commission may be pleased to:

- (a) Grant transmission license to the Applicant- Butwal-Gorakhpur Cross Border Power Transmission Limited for implementation of Indian portion of New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line and 02 nos GIS bays at Gorakhpur under RTM mode;

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- (b) Condone any inadvertent omissions/shortcomings/errors and permit the Applicant to add/modify/alter this application and make further submissions as may be required at a future date; and
- (c) Pass such other order/orders, as may be deemed fit and proper in the facts and circumstances of the case.

**Applicant**  
**Butwal-Gorakhpur Cross Border**  
**Power Transmission Limited (BGCPTL)**

  
**Represented by**  
**Anil Mehra**  
**CEO**



**Place: Gurugram**  
**Date: 20.11.2023**



**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**3<sup>RD</sup> AND 4<sup>TH</sup> FLOOR, CHANDRALOK BUILDING,**  
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**AFFIDAVIT**

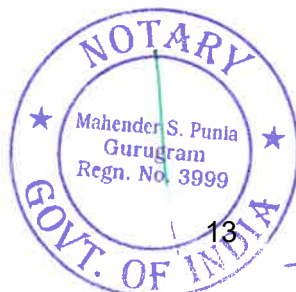
I, Anil Mehra, son of Late Sh. M. L. Mehra residing at E 236, 1st Floor, East of Kailash, New Delhi, do hereby solemnly affirm and state as follows:



1. I say that I am the CEO in **Butwal-Gorakhpur Cross Border Power Transmission Limited** and am authorised and competent to swear to the present affidavit.
2. I say that the contents of the accompanying Petition is based on the records of **Butwal-Gorakhpur Cross Border Power Transmission Limited** maintained in its ordinary course of business and believed by me to be true.
3. I say that the annexures to the Petition are true copies of their originals.

  
**Deponent**  


**VERIFICATION:**

I, the Deponent, above named hereby solemnly hereby affirm that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom. Verified by me on this the 20<sup>th</sup> day of November 2023 at Gurugram.



**ATTESTED**  
  
**M. S. PUNIA**  
**ADVOCATE & NOTARY**  
Distt. Gurugram (Haryana) India  
**Deponent**  


AGREEMENT  
BETWEEN  
THE GOVERNMENT OF NEPAL  
AND  
THE GOVERNMENT OF THE REPUBLIC OF INDIA  
ON  
ELECTRIC POWER TRADE, CROSS-BORDER TRANSMISSION  
INTERCONNECTION AND GRID CONNECTIVITY

The Government of Nepal and the Government of the Republic of India (hereinafter referred to as the 'Party' and collectively as 'Parties');

Bearing in mind the friendly relations and the mutual trust existing between the two Governments and their peoples;

Realizing the ever increasing demand of electricity for the socio-economic development and progress of their peoples;

Desiring to enhance their ties of friendship between the two countries through increased cooperation in the field of transmission interconnection, grid connectivity and power trade;

And

Recognizing that the cooperation in cross-border power exchange and trading through enhanced transmission interconnections and grid connectivity would mutually benefit both the countries by moving towards a common electricity market that could extend to sub-regional and regional levels;





HAVE AGREED AS FOLLOWS:

ARTICLE-I

This Agreement will enable cooperation in the power sector, including developing transmission interconnections, grid connectivity, power exchange and trading through the governmental, public and private enterprises of the two countries on mutually acceptable terms.

ARTICLE-II

(a) The Parties shall mutually work out a coordinated procedure for secure and reliable operation of the national grids interconnected through cross-border transmission interconnection(s) and prepare scheduling, dispatch, energy accounting, settlement and procedures for cross-border power trade and unscheduled interchange.

(b) The Parties shall allow non-discriminatory access to the cross-border interconnection(s) for all authorized/licensed participants in the common electricity market.

ARTICLE-III

(a) The Parties shall encourage and facilitate investments, including joint venture investments between the two countries, in power sector on mutually agreed terms in accordance with their laws in force to enhance power trade.

(b) The Parties shall take necessary measures to speed up interconnection planning and construction by inviting and facilitating governmental, public or private sector enterprises of the two countries.

(c) The investments and related terms and conditions in developing

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*Jay*

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specific cross-border transmission projects for power trade shall be governed by separate agreement(s) between the concerned entities on project to project basis.

#### ARTICLE-IV

(a) The Parties shall cooperate on the various aspects of policy harmonization for the realization of cross-border interconnections, grid connectivity and power trade. Both Parties shall work towards removing, and mutually resolving issues relating to, barriers, including tariff, levies, fees, taxes, duties or charges of similar effects, if any, in the cross-border exchange and trading of electricity.

(b) The Parties shall allow the authorized/licensed electricity producers/buyers/traders of each country to engage in cross-border electricity trading, including that through Power Exchanges, and to seek cross-border transmission access as per the laws of the respective country.

(c) The Parties shall facilitate the sale and purchase of electric power in respective countries depending on the potential to generate and demand of electricity as may be applicable.

(d) The Parties shall put their best efforts to ensure unrestricted flow of power subject to safety, security, stability and reliability requirements of their power grids as per the applicable standards.

#### ARTICLE-V

(a) The Parties shall set up a Joint Working Group co-chaired by Joint Secretaries of the Power/Energy Ministries of the two countries to promote and facilitate cooperation in the areas identified under this Agreement. The Joint Working Group shall take lead role for planning





and identification of cross-border interconnections, selection of transmission technologies, preparation of Detailed Project Reports (DPRs), and modes of investment for timely implementation of projects, and preparation and finalization of operation and maintenance guidelines.

(b) A Joint Steering Committee co-chaired by the Power/Energy Secretaries of the two countries shall be constituted to review the progress made by the Joint Working Group. The Joint Working Group and the Steering Committee will meet at least twice a year and once a year respectively at mutually agreed venues.

#### ARTICLE-VI

This Agreement shall not affect in any way the obligations of the Parties under existing bilateral agreements between the Parties as well as their existing agreements with other countries.

#### ARTICLE-VII

Any divergence in the interpretation and implementation of this Agreement will be settled through mutual consultation between the Parties themselves.

#### ARTICLE-VIII

This Agreement shall enter into force upon signature and shall remain in force for a period of twenty-five years, and shall be automatically renewed thereafter every ten years, unless either Party gives the other Party a written notice three months in advance of its intention to terminate this Agreement.

 4



Amendments to this Agreement can be made anytime by mutual consent of the Parties.

Notwithstanding the termination of this Agreement, the contractual obligations or activities already underway under this Agreement shall not be affected and shall continue till their completion.

IN WITNESS WHEREOF, the undersigned being duly authorized thereto by their respective Governments, have signed this Agreement.

Signed at Kathmandu on 21<sup>st</sup> October 2014 in two originals each in English, Hindi and Nepali languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

On behalf of the  
Government of Nepal



(Rajendra Kishore Kshatri)  
Secretary  
Ministry of Energy  
Government of Nepal

On behalf of the  
Government of  
the Republic of India



(Pradeep Kumar Sinha)  
Secretary  
Ministry of Power  
Government of  
the Republic of India

**Minutes of the 3<sup>rd</sup> Joint Working Group (JWG) Meeting  
on Indo - Nepal Cooperation in Power Sector  
27<sup>th</sup> June 2016, New Delhi**

Smt. Jyoti Arora, Joint Secretary, Ministry of Power, Government of India welcomed the delegation of Nepal. Sh. Dinesh Kumar Ghimire, Joint Secretary, Ministry of Energy, Government of Nepal thanked her and Government of India for the hospitality extended to the Nepal delegation. List of delegation is given (Annexure-A).

**(1) Adoption of agenda**

Both side adopted the agenda provided at Annexure-B.

**(2) Review of the decisions of the 2<sup>nd</sup> JWG meeting held on 27-01-2016 in Kathmandu, Nepal**

Decisions of the 2<sup>nd</sup> JWG meeting were reviewed and discussed under the agenda items below.

**(3) Review of progress of Long Term Integrated Transmission Plan Study by Joint Technical Team (JTT)**

As mandated by JSC/JWG, JTT completed the studies for developing “Integrated Master Plan for Evacuation of Power from Hydro Projects in Nepal” for various time frames and submitted the report to JWG.

In this regard, JTT made a presentation on the Long Term Integrated Transmission Plan. The transmission plan has been evolved for four (4) time-frames viz. 2018-19, 2021-22, 2025 and 2035. In the 2018-19 condition, Nepal is expected to be deficit of about 1000MW during the peak conditions while during 2021-22, 2025 and 2035 Nepal is expected to have net exportable surplus of about 5.7GW, 13.2GW and 24.9GW respectively. The comprehensive transmission plan comprises of Generation Linked Schemes, India-Nepal Cross-Border Interconnections, East-West Power Highway in Nepal and other strengthening system in Nepal for 279 hydro projects with aggregate installed capacity of about 27.8GW by 2035.

Total eleven (11) nos. of Cross-Border Interconnections have been proposed for transfer of about 25GW of power from Nepal to India in phased manner upto 2035 time-frame. As mandated by 2<sup>nd</sup> JSC/JWG meeting, JTT studied 2018-19 time-frame delinking with the commissioning of new hydro projects in Nepal and suggested to take up New Butwal – Gorakhpur (New) 400kV D/c (Quad Moose) line as 2<sup>nd</sup> High Capacity Cross-Border Interconnection line between India and Nepal in addition to 400kV operation of Muzaffarpur – Dhalkebar line for reliable and secure power supply to Nepal along with completion of a section of East – West Power Highway in Nepal from New Butwal – New Hetauda (via New Damauli and Naubise) –Dhalkebar line at 400kV.

*Ji*

*50-21-15*



The JWG appreciated the work done by the JTT and accepted the report. It was highlighted that cross border links envisaged in the report with the new generation projects would be taken up for implementation depending upon the progress / commissioning schedule of hydro generation projects and exportable surplus power in Nepal.

The report shall be put up to JSC for endorsement.

**(4) Review of progress of 400kV Muzaffarpur-Dhalkebar inter connection transmission line and arrangement of power supply to Nepal over 132kV/ 220kV/ 400kV line**

The JWG noted with satisfaction that at present Nepal is drawing about 300-320 MW power on existing 33 kV /132 kV links between India and Nepal including 80 MW on recently commissioned Muzaffarpur-Dhalkebar 400 kV line charged at 132 kV.

Nepal side informed that the Muzaffarpur-Dhalkebar line would be charged at 220kV by December 2016 and the same would be operated at 400kV by December 2017. For operation of the line at 400kV, in case required, Nepal side will approach for funding from Line-of-Credit from Exim Bank of India. MEA, India agreed for the same and asked to send the proposal expeditiously. Nepal side informed that establishment of communication system i.e. laying of Optical Ground Wire (OPGW) in Nepal side for establishing communication link between Muzaffarpur and Dhalkebar substations has been completed and the terminal equipment at Dhalkebar substation will be installed within a fortnight.

Indian side informed that after the commissioning of Kataiya – Kusaha 132kV S/c on D/c & Raxaul – Parwanipur 132kV S/c on D/c lines and charging of Muzaffarpur – Dhalkebar line at 220kV level which are now envisaged by December 2016, Nepal can draw additional power of about 250MW. Further, with charging of Muzaffarpur-Dhalkebar line at its rated voltage level of 400kV which is envisaged by December 2017, Nepal can draw additional power of about 300-400MW.

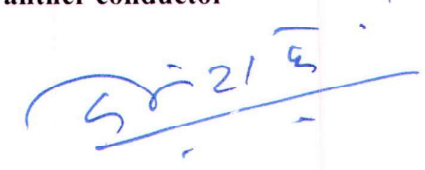
Further, JWG agreed that the quantum of power transfer and mode of operation of above links (synchronous or radial mode) would be based on recommendation of Joint Operation Committee (JOC).

Indian side informed that for operation of Muzaffarpur – Dhalkebar line at 400kV level, Nepal Electricity Authority (NEA) needs to sign an agreement with POWERGRID for payment of transmission charges for 2 nos. of 400kV line bays at Muzaffarpur substation, similar to the agreement signed by NEA with Cross Border Transmission Company (CPTC) for payment of transmission charges for the line. Nepal side agreed to sign the same within a month.

**(5) Review of progress of ongoing cross-border system strengthening work-new 132kV interconnection lines to export about 100MW power to Nepal:**

- (i) Kataiya – Kusaha S/c on D/c line with Panther conductor**
- (ii) Raxaul - Parwanipur S/c on D/c line with Panther conductor**







**Minutes of the 3<sup>rd</sup> Joint Steering Committee (JSC) Meeting  
on Indo - Nepal Cooperation in Power Sector on  
28<sup>th</sup> June, 2016 in New Delhi**

The 3<sup>rd</sup> meeting of the Joint Steering Committee (JSC) between the Government of India (GoI) and Government of Nepal (GoN) on Indo-Nepal cooperation in Power Sector was held in New Delhi on 28<sup>th</sup> June, 2016. The Indian delegation was led by Mr. P. K. Pujari, Secretary, Ministry of Power, Government of India and Nepal delegation was led by Mr. Suman Prasad Sharma, Secretary, Ministry of Energy, Government of Nepal. Nepal delegation thanked Ministry of Power, Govt. of India for the hospitality extended to them. The lists of delegation are given at Annexure-I.

**(1) Adoption of Agenda**

Both sides adopted the Agenda placed at Annexure-II.

**(2) Review of decisions of the 2<sup>nd</sup> JSC meeting held on 29<sup>th</sup> January 2016 in Kathmandu, Nepal**

The decisions of the 2<sup>nd</sup> JSC meeting were reviewed under respective agenda items below.

**(3) Review of decisions of the 3<sup>rd</sup> JWG meeting held on 27<sup>th</sup> June 2016 in New Delhi**

The decisions of the 3<sup>rd</sup> JWG meeting were reviewed and discussed under respective agenda items below.

**(4) Review of progress of Long Term Integrated Transmission Plan Study by Joint Technical Team (JTT)**

A brief presentation was made on the Long Term Integrated Transmission Plan developed by JTT for four (4) time-frames viz. 2018-19, 2021-22, 2025 and 2035. In the 2018-19 time-frame, Nepal is expected to be deficit of about 1000MW during the peak conditions while during 2021-22, 2025 and 2035 Nepal is expected to have net exportable surplus of about 5.7GW, 13.2GW and 24.9GW respectively. Total eleven (11) nos. of Cross-Border Interconnections have been proposed for transfer of about 25GW of power from Nepal to India in phased manner up to 2035 time-frame. For the 2018-19 time-frame when Nepal shall be in deficit New Butwal – Gorakhpur (New) 400kV D/c (Quad Moose) line has been proposed as the 2<sup>nd</sup> High Capacity Cross-Border Interconnection line between India and Nepal in addition to operation of Muzaffarpur – Dhalkebar line at 400kV along with completion of a section of East – West Power Highway in Nepal from New Butwal – New Hetauda (via New Damauli and Naubise) – Dhalkebar line at 400kV.

The JSC appreciated the work done by JTT and accepted the report.




Nepal side stated that the JTT report does not include Evacuation System for Pancheswar HEP (4800MW), which is also expected by 2025 time-frame. Indian side informed that the JTT report mentions the requirement of dedicated transmission system for evacuation of power from three mega projects namely - Karnali Chisapani, Pancheshwar and Saptakoshi. JSC directed JTT to review the evacuation system for Pancheshwar HEP indicated in its Detailed Project Report (DPR), which is currently under finalisation and suggest any modification/addition.

**(5) Review of progress of 400kV Muzaffarpur-Dhalkebar inter-connection transmission line and arrangement of power supply to Nepal over 132kV/ 220kV/ 400kV line**

The JSC noted that at present Nepal is drawing about 300-320MW power on existing 33kV /132 kV links between India and Nepal including 80MW on recently commissioned Muzaffarpur-Dhalkebar 400kV line charged at 132kV. After charging of Muzaffarpur-Dhalkebar line at 220kV and commissioning of Kataiya-Kusaha & Raxaul-Parwanipur 132kV lines, which are now envisaged to be commissioned by December 2016, Nepal can draw about additional 250MW of power from India. Further, with the charging of Muzaffarpur-Dhalkebar line at 400kV, which is envisaged by December 2017, Nepal can draw about 300-400MW additional power from India through this line. For operation of the line at 400kV, in case required, Nepal side may approach for funding from Line-of-Credit from Exim Bank of India. MEA, India agreed for the same and asked to send the proposal expeditiously.

In addition to above, Nepal side requested for enhancement of power transfer over Tanakpur – Mahendranagar 132kV line by installing an additional 50MVA transformer or replacing the existing 50MVA transformer with 100MVA transformer. JSC decided that CEA shall examine the technical and related commercial issues in consultation with NHPC and NEA.

JSC ratified the decision of JWG regarding signing of agreement between Nepal Electricity Authority (NEA) and POWERGRID for payment of transmission charges for 2 nos. 400kV line bays at Muzaffarpur substation.

**(6) Review of progress of ongoing cross-border system strengthening work-new 132kV interconnection lines to export about 100MW power to Nepal:**

- (i) Kataiya – Kusaha S/c on D/c line with Panther conductor**
- (ii) Raxaul – Parwanipur S/c on D/c line with Panther conductor**

The JSC noted that the above lines are expected to be ready by December 2016.





**Minutes of the 7<sup>th</sup> Meeting of Joint Working Group (JWG) on India – Nepal Cooperation in Power Sector held on 14<sup>th</sup> October 2019 in Bengaluru, India**

The 7<sup>th</sup> meeting of the JWG on Cooperation in Power Sector was held in Bengaluru, India on 14<sup>th</sup> Oct 2019. Mr. S. K. G. Rahate, Additional Secretary (Transmission), MoP welcomed Mr. Pravin Raj Aryal, Joint Secretary, Ministry of Energy, Water Resources & Irrigation, Govt. of Nepal and the Nepali delegation. Mr. Pravin Raj Aryal thanked him and Government of India for the warm welcome and hospitality extended to the Nepali delegation.

List of delegation is given at **Annexure-A**.

**1. Adoption of agenda.**

Both sides adopted the agenda as provided at **Annexure-B**.

**2. Review of the decisions of the 6<sup>th</sup> JWG meeting held on 23<sup>rd</sup> Jan 2019 in Pokhara, Nepal.**

Decisions of the 6<sup>th</sup> JWG meeting were reviewed and discussed under the agenda items as below.

**3. Power Trade through existing links:**

**(a) Muzaffarpur – Dhalkebar 400kV line (operated at 220kV)**

It was informed that Nepal is drawing up to 250MW power through this line. In the FY 2018-19 and FY 2019-20 (upto Aug 2019) about 1230MU and 735MU respectively have been transferred to Nepal through this link.

**(b) Other 132kV and below links**

It was informed that the total power transfer to Nepal through various 132kV and below links is up to 350MW.

JWG expressed satisfaction on the above.

**4. Review of under-construction interconnections:**

**(a) Operation of Muzzafarpur – Dhalkebar 400kV D/c cross border transmission line at 400kV level.**

Both sides agreed that the line may be operated at 400kV level by 31<sup>st</sup> Dec 2019. It is expected that with 400kV operation of the link the power flow would enhance from 250MW to about 500-600MW. On enquiry from Indian side regarding onward transmission system from Dhalkebar, Nepali side informed that at present Dhalkebar S/s comprises of 220/132kV, 2x160MVA transformers along with six no. of 132kV circuits. The transformation capacity at Dhalkebar S/s is being augmented through additional 220/132kV, 2x315MVA and 400/220kV, 3x315MVA transformers. Further, two no. of 400kV D/c (Quad Moose) lines (to be initially

*A.P.*

*all*

operated at 220kV) viz. Dhalkebar – Inaruwa –and Dhalkebar – New Hetauda are also under construction.

**(b) Coordinated Grid Operation of India and Nepal Grid – Study of JOC**

In line with the JOC report on implementation of Special Protection Scheme (SPS) and communication etc. in Nepal power system for synchronous grid operation, POWERGRID has sent a techno-commercial proposal to Nepal side on 07<sup>th</sup> Oct 2019. Nepali side stated that in order to finalise the BoQ, they intend to depute a team to POWERGRID on 16<sup>th</sup> Oct 2019. It was decided that in the proposed meeting, the matter regarding UFR, df/dt relay etc. may also be deliberated and finalized.

It was agreed that necessary efforts would be made to implement these systems within next six months.

**5. Future transmission interconnections:**

**(a) Review of tasks assigned to JTT:**

**(i) Stringing of second circuit of Kataiya – Kusaha and Raxaul – Parwanipur 132kV S/c lines on D/c tower.**

**Kataiya – Kusaha 2<sup>nd</sup> circuit stringing**

Nepali side informed in the 6<sup>th</sup> JWG/JSC meeting that this line including Indian portion would be implemented by them at their own cost. In this regard, they informed that contract for Nepal portion of the line has already been awarded.

Indian side informed that based on the inputs from Bihar State Power Transmission Company Ltd. (BSPTCL), the estimated cost of Indian portion of the line (including bay) is around INR 2.83 Cr.

After detailed deliberation, it was decided that Indian portion of this line (including bay) would be implemented by BSPTCL on deposit work basis of NEA. In this regard, Indian side informed that the Indian portion of the line (including bay) would be owned by BSPTCL.

It was further agreed that Indian side would formally communicate the estimated cost of Indian portion of the line to Nepal. Based on the same, NEA and BSPTCL would take-up necessary actions for implementation of the Indian portion of the line and the associated bay.

**Raxaul - Parwanipur 2<sup>nd</sup> circuit stringing**

Indian side informed that based on the inputs from Bihar State Power Transmission Company Ltd. (BSPTCL), the estimated cost of Indian portion of the scheme comprising stringing of 2<sup>nd</sup> circuit of Raxaul (Old) – Parwanipur line up to the border and about 15km 132kV D/c line between Raxaul (Old) and Raxaul (New) along with associated bays, is around INR 24 Cr. (excluding taxes). It was further informed that BSPTCL has been requested for preparation of DPR of the scheme.





In regard to request of Nepali side for grant from Govt. of India for Indian portion of the system, the Indian side mentioned that the request is being considered favorably and the matter would be taken up further upon submission of DPR by BSPTCL.

**(ii) Study of 400kV New Lumki (Dododhara) – Bareilly New and Inaruwa – Purnea New cross-border transmission lines**

JTT presented the Project Reports of the above lines as per the task assigned to it in the 6<sup>th</sup> JWG/JSC meetings held in Jan 2019. It was informed that as per the JTT's revised master plan report submitted in the 6<sup>th</sup> JWG/JSC meetings, about 11 GW hydro generation projects are expected to materialize in Nepal upto 2025, out of which maximum of about 6 GW is expected to be exported to India. For transfer of this power, five cross-border high capacity 400kV links inter-alia including the New Lumki (Dododhara) – Bareilly New and Inaruwa – Purnea New lines were envisaged.

JTT made a presentation on the final project reports in the meeting. The brief highlights of the project reports are as follows:

(At Mar'19 price level)	New Lumki (Dododhara) – Bareilly New 400kV (Quad Moose) line		Inaruwa – Purnea New 400kV (Quad Moose) line	
	Cost (INR Cr.)	km	Cost (INR Cr.)	km
Indian portion	614.07	185	413.43	109
Nepal Portion	256.87	33	200.65	26
<b>Total</b>	<b>870.94</b>	<b>218</b>	<b>614.08</b>	<b>135</b>

JWG appreciated the work done by the JTT.

Indian side requested for the list of hydro projects which are expected to be pooled at New Lumki (Dododhara) and Inaruwa along with their expected commissioning schedule. Nepali side stated that they have recently updated the earlier list and shared it with Indian JTT side today.

After detailed deliberations, it was decided that JTT may review the project reports, if required, based on the latest data provided by Nepali side and accordingly, present in the next meeting of JWG.

**(b) Review of New Butwal – Gorakhpur 400kV D/c (Quad Moose) cross-border transmission line**

Indian side mentioned that in order to reduce the cost of Indian portion of the scope, space availability at existing Gorakhpur (POWERGRID) S/s for accommodating 2 no. of 400kV Bays for terminating New Butwal – Gorakhpur 400kV D/C (Quad Moose) line was examined. It was found that the two nos. of GIS bays can be accommodated in existing Gorakhpur (POWERGRID) S/s instead of investing in construction of a new substation at Gorakhpur. This has resulted in savings of about INR 128.47 Cr. (at Dec 2018 price level).



JWG appreciated the efforts of JTT.

In regard to implementation modalities, it was informed that a meeting was held between NEA and CEA on 09-07-2019 in CEA, New Delhi, as mandated in the 6<sup>th</sup> meeting of JWG/JSC. During the meeting, NEA had stated that they could be agreeable to pay the transmission charges for 25 years for the Indian portion of the New Butwal – Gorakhpur line. Further, NEA desired to jointly implement Indian portion of this transmission line with an Indian company. Accordingly, following was proposed in the meeting held on 09-07-2019:

- (a) As discussed in the 6<sup>th</sup> JSC/JWG meeting for implementation of the line through Joint Venture(JV) of Indian and Nepali entity having 50:50 equity participation and grant/interest-free loan of respective Governments without any debt.
- (b) In case, Governments do not agree to grant/interest-free loan, it could be implemented through the JV of Indian and Nepali entity with 50:50 equity participation and 80:20 debt-equity ratio. In this case, the concessional loan can be arranged from financial institutions including multi-lateral agencies.

After detailed deliberations, it was agreed to propose to JSC the option (b) above. Furthermore, NEA will pay the transmission service charges for Indian portion of line for 25 years for availing the entire capacity of the Indian portion of the transmission line. Further, Nepali side insisted that in view of importance of this line and urgency, the Joint Venture (JV) company of Indian and Nepali entities may be formed at the earliest. Accordingly, it was proposed that the national utility / central transmission utility of the both the countries viz. Nepal Electricity Authority (NEA) and Power Grid Corporation of India Ltd. (POWERGRID) may form a Joint Venture (JV) company for implementation of the Indian portion of the New Butwal – Gorakhpur 400kV (Quad Moose) line. Thus, following action points were agreed to be proposed to JSC:

- (i) Formation of JV company between NEA and POWERGRID with 50:50 equity participation and 80:20 debt-equity ratio.
- (ii) Signing of Implementation & Transmission Service Agreement (ITSA) between JV company and NEA (the ITSA may also inter alia include detailed scope of works)

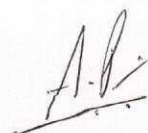
It was proposed to carry out the above tasks in next six months.

**(c) Additional 132kV transmission lines between UP (India) and Nepal**

**(i) Nanpara (UP, India) – Kohalpur (Nepal) 132kV line**

Indian side informed that feasibility report for implementation of this line has been prepared taking inputs from UPPTCL and the same was placed in the JWG meeting. Following are key highlights of the report:

- Space for 2 nos. 132kV bays is not available at Nanpara. Total Length of the line will be about: 55 km (Indian portion: 35 km, Nepal portion: 20 km). As per





tentative alignment of the line, it has 02 nos. of National Highway (NH) crossing & 01 no. of railway crossing and no major crossing of forest and river.

- In view of N-1 reliability, it was recommended that the line may be implemented as 132kV D/c line.
- Considering present grid conditions of UP grid, power transfer of about 35 MW would be feasible through this link to Nepal.
- Regarding implementation of this line, it was stated that UPPTCL can implement the line on deposit work basis, however ownership of the line would be with UPPTCL. The annual O&M charges would have to be paid by NEA as per UPERC norms. NEA would also need to sign necessary agreements with UPPTCL before construction of this line.
- Estimated Cost (as per UPPTCL's rates) will be about INR 50 Cr. (Indian portion: INR 31 Cr. & Nepal portion: INR 19 Cr.)

JWG appreciated the works carried out by CEA and CTU in the preparation of feasibility report of the line.

Nepal side stated that they would examine the feasibility report. They requested to implement the Nanpara-Kohalpur 132kV line with the grant of Govt. of India similar to as in the case of construction of Kataiya-Kushaha and Raxaul-Parwanipur 132kV transmission lines.

Indian side informed that this line is different from the ongoing 132kV links between Nepal and Bihar (India) and there is no specific fund allocated for this line. The request of Nepal may be examined; however, Nepal side was also requested to simultaneously explore their own funding arrangements. The same was agreed to be placed before the JSC.

**(ii) New Nautanwa (UP, India) – Mainhiya (Nepal) 132kV line**

Indian side informed that no space is available for implementation of 132kV line bays at New Nautanwa of UPPTCL. However, power to Mainhiya can be supplied from nearby Maharajganj 220/132kV, 2x160MVA or Anandnagar 220/132kV, 2x160MVA substations of UPPTCL, both are new under construction substations. Indian side requested Nepal to confirm for the revised proposal viz. Anandnagar/Maharajganj – Mainhiya 132kV D/c line.

It was decided that a feasibility report for Indian portion of Mainhiya to Anandnagar (Alt-1) / Maharajganj (Alt-2) / New Nautanwa (Alt-3) 132kV D/c line may be prepared by CEA in consultation with CTU and UPPTCL. For preparation of the feasibility report, Nepal side will convey the crossover point on the India-Nepal border to CEA.

**(d) Augmentation of transformation capacity at Tanakpur**

Indian side informed that as per the meeting held at CEA on 09-07-2019, NEA has agreed that the augmentation at Tanakpur will take place by shifting a spare 220/132kV, 100MVA ICT to Tanakpur. Indian side also informed that the ICT has been identified and as agreed by Nepal, one time expenditure of INR 1.45 Cr. towards transportation & installation of transformer & other equipment, services related to civil works, erection etc. will be paid by NEA. Further, NEA will also



make one-time payment of INR 1,94,33,695/- (present book value of ICT) to cover the annual transmission charges. NEA will also sign O&M agreement as per charges notified by CERC for five years block and amended from time-to-time.

Indian side further informed that as the ICT would be located at Tanakpur switchyard of NHPC, therefore it would be advisable to sign tripartite agreement between NEA, POWERGRID and NHPC wherein NEA would make payment of O&M charges directly to NHPC. Nepali side agreed for the same.

Indian side informed that the expected commissioning schedule for installation of transformer is Dec 2019, for which shutdown period of about 4-6 weeks would be required.

Nepali side requested to reduce the commissioning schedule and shutdown period. Indian side informed that POWERGRID engineering team is already at site to plan various activities and all out efforts shall be made to have the minimum shutdown and advancing of commissioning schedule.

Nepal side appreciated the efforts made by India in this regard and requested that the transformer should not be allowed to be used by any other parties without consent of NEA.

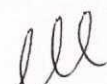
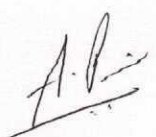
The same was agreed to be placed before the JSC.

**6. Progress of generation and transmission system of Arun-III and other hydro power projects in Nepal.**

Indian side informed that for Arun-III (900MW) hydro generation project, the work is going ahead as per schedule and financial closure is expected to take place by Nov 2019.

Regarding transmission line for this project, it was informed that the award of two tower packages is being placed by 22-10-2019. The award for the substation and conductor packages is expected by end of Dec 2019. It was further informed that detailed survey, tower spotting, land identification and socio-economic survey of the transmission line has been completed and updated Initial Environmental Examination (IEE) report would be submitted by 01<sup>st</sup> Nov 2019. The following was requested by SAPDC/SJVNL to Govt. of Nepal:

- (i) To expedite forest approvals and approval of IEE along with land for substation by Dec 2019
- (ii) To expedite acquisition of land for tower foundation by Feb 2020.
- (iii) Improvement of Kosi highway, specially stretches between Deurali & Mude and Khandbari & Pathivara.
- (iv) Issue of withholding tax on interest earned on investment from the Indian lenders to SAPDC.
- (v) Simplification of custom clearance procedure for importing equipment / machinery from India and other third countries.
- (vi) Availing 1% custom duty and nil VAT for equipment etc. imported from India of Electro Mechanical packages.





Nepali side informed that land acquisition for substation and tower base would be expedited to match the proposed timeline. Govt. of Nepal is also giving top priority to Kosi highway as a Govt. priority road. Regarding withholding tax, Nepali side informed that it should be paid as per their existing tax law and the same has already been communicated to SAPDC. Custom clearance formalities from IBN end ordinarily take 1-2 days. Regarding availing 1% custom duty and nil VAT for equipment etc., Nepali side informed that the necessary action would be taken by Investment Board of Nepal (IBN) in consultation with MoF, GoN.

Indian side informed that there are Right of Way (RoW) constraints in transmission line corridor for termination of Dhalkebar – Muzaffarpur line (associated with Arun-III HEP) near Muzaffarpur end. Accordingly, it is proposed to terminate the line on Indian side at under-construction Sitamarhi substation keeping the border crossing point as same. In this regard, Nepali side mentioned that SAPDC may take up the matter with IBN. Indian side would also take up this change in scope with their stakeholders.

**7. Exchange of Power through Energy Banking**

Nepali side requested to update the status regarding Regulations on Energy Banking. Indian side stated that the transaction through energy banking should be through a regulated mechanism more so when these are envisaged to take place with neighbouring countries. Indian side informed that the matter is being taken up at appropriate level for more extensive consultations with all stakeholders. After deliberations, it was agreed that the matter would be placed to the JSC.

**8. Review of progress regarding Guidelines / Regulations for Import / Export (Cross Border) of Electricity including procurement of power through open competitive bidding.**

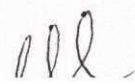
Indian side informed that the Guidelines for Import / Export (Cross Border) of Electricity – 2018 were published by Ministry of Power, Govt. of India in Dec 2018 and Designated Authority (DA) for implementing provisions of the Guidelines has also been appointed. The Procedure of DA is under active consideration and is expected to be notified shortly. Nepali side stated that approval of Procedure by MoP, GoI at the earliest is very important to start the transactions in the Indian power exchanges.

Indian side requested Nepali side to appoint an appropriate authority of Nepal with whom DA of Indian side would co-ordinate for facilitating planning, grid operations, electricity transactions, etc. Nepali side assured to nominate the same at the earliest.

**9. Any Other Matter**

**(a) Annual supply of 70MU of free energy to Nepal from Tanakpur Power Station:**

Indian side stated that as per the 1996 India-Nepal Mahakali Treaty, India is supplying 70 MU of energy to Nepal annually free of cost from Tanakpur power station since 2000. Indian side further stated that Nepal has overdrawn in the recent past. To address this issue of over drawl, Indian side suggested that a practical mechanism for treatment of deviations needs to be devised.



The JWG agreed that the JOC may devise suitable modality for treatment of deviation in future in the transactions through this line and submit its report within 3 months, and accordingly the same can be implemented.

**(b) Exchange of power between Nepal and Bangladesh grid through Indian grid**

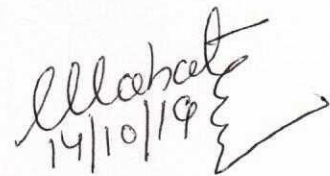
Nepali side informed that they have convened the 2<sup>nd</sup> meeting of JSC/JWG on Cooperation in the Field of Power Sector with Bangladesh and enquired about mechanism of involving India in trilateral arrangement regarding grid connectivity and power trading. Indian side informed that the provisions in this regard already exist in the extant Guidelines for Import / Export (Cross Border) of Electricity – 2018 and suitable provisions for their implementation are being incorporated in the Procedure of Designated Authority.

**10. Meeting of the 8<sup>th</sup> Joint Working Group (JWG)**

Nepal side proposed to host next meetings of JWG and JSC in March 2020 in Nepal, for which the decision will be taken up in JSC.



**(Pravin Raj Aryal)**  
Joint Secretary  
Ministry of Energy,  
Water Resources and Irrigation  
Government of Nepal



**(S. K. G. Rahate)**  
Additional Secretary (Transmission)  
Ministry of Power  
Government of India



Annexure-A

7<sup>th</sup> Joint Working Group (JWG) Meeting on India - Nepal Cooperation in Power Sector  
held on 14<sup>th</sup> October 2019 in Bengaluru, India

List of Delegates from Nepal

Sl. No.	Name and Designation	Position
1.	Mr. Pravin Raj Aryal Joint Secretary, Ministry of Energy, Water Resources and Irrigation	Co-chair
2.	Mr. Toya Nath Adhikari Joint Secretary, Ministry of Energy, Water Resources and Irrigation	Member
3.	Mr. Sandip Kumar Dev Deputy Director General, Department of Electricity Development	Member
4.	Mr. Braj Bhushan Chaudhary Deputy Managing Director (Transmission), Nepal Electricity Authority	Member
5.	Mr. Manoj Silwai Off. Deputy Managing Director, Nepal Electricity Authority	Member
6.	Mr. Hari Prasad Odari Counsellor, Embassy of Nepal, New Delhi	Member
7.	Mr. Prabal Adhikari Director, Power Trade Department, Nepal Electricity Authority	Member
8.	Mr. Suresh Bahadur Bhattarai Chief, System Operation Department, Nepal Electricity Authority	Member
9.	Mr. Sagar Raj Goutam Senior Divisional Engineer, Ministry of Energy, Water Resources and Irrigation	Member
10.	Mr. Sunil Poudel Senior Divisional Engineer, Investment Board of Nepal	Invitee
11.	Mr. Sanjeev Ray Engineer, Ministry of Energy, Water Resources and Irrigation	Invitee
12.	Ms. Soni Kumari Sah Engineer, Ministry of Energy, Water Resources and Irrigation	Invitee





7<sup>th</sup> Joint Working Group (JWG) Meeting on India - Nepal Cooperation in Power Sector  
held on 14<sup>th</sup> October 2019 in Bengaluru, India

List of Delegates from India

Sl. No.	Name and Designation	Position
1.	Shri S. K. G. Rahate Additional Secretary (Trans), Ministry of Power, Government of India	Co-chair
2.	Shri Dhiraj Srivastav Director (Trans), Ministry of Power, Government of India	Member
3.	Shri Pardeep Jindal Chief Engineer (PSPA-II), Central Electricity Authority	Member
4.	Shri R.K. Chauhan Director (Projects), Power Grid Corporation of India Ltd.	Member
5.	Shri P. K. Agarwal Director (Market Operations), POSOCO	Member
6.	Ms. Ann Haokip Under Secretary (Nepal), Ministry of External Affairs, Government of India	Member
7.	Shri B. S. Bairwa Director (PSPA-II), Central Electricity Authority	Delegate
8.	Shri R. K. Bansal Director (Electrical), SJVN Ltd.	Delegate
9.	Shri Subir Sen COO (CTU-Plg.), Power Grid Corporation of India Ltd.	Delegate
10.	Shri Anil Mehra ED (International Business), Power Grid Corporation of India Ltd.	Delegate
11.	Shri Ashok Pal Chief General Manager, Power Grid Corporation of India Ltd.	Delegate
12.	Shri P. K. Jena AGM, NVVN Ltd.	Delegate
13.	Shri Manish Ranjan Keshari Dy. Manager, (CTU-Plg.), Power Grid Corporation of India Ltd.	Delegate
14.	Shri Anupam Kumar Dy. Manager, (CTU-Plg.), Power Grid Corporation of India Ltd.	Delegate





**Agenda for the 7<sup>th</sup> Meeting of JWG on Indo – Nepal Cooperation in Power Sector held on 14<sup>th</sup> October 2019 in Bengaluru, India**

1. Adoption of Agenda.
2. Review of the decision of the 6<sup>th</sup> JWG meeting held on 23-01-2019 in Pokhara, Nepal.
3. Power trade through existing links:
  - a. Muzaffarpur – Dhalkebar 400kV line (operated at 220kV)
  - b. Other 132kV and below link.
4. Review of under construction interconnections:
  - a. Operation of Muzaffarpur – Dhalkebar 400kV D/c cross border transmission line at 400kV level.
  - b. Coordinated Grid Operation of India and Nepal Grid – Study of JOC
5. Future transmission interconnection:
  - a. Review of tasks assigned to JTT
    - i. Stringing of second circuit of Kataiya – Kusaha and Raxaul – Parwanipur 132kV S/c line on D/c tower
    - ii. Study of 400kV New Lumki (Dododhara) – Bareilly New and Inaruwa – New Purnea cross border transmission lines
  - b. Review of New Butwal – Gorakhpur 400kV D/c (Quad Moose) Cross Border transmission line.
  - c. Additional 132kV transmission line between UP (India) and Nepal.
  - d. Augmentation of transformation capacity at Tanakpur.
6. Progress of generation & transmission system of Arun-III and other Hydro Power Projects in Nepal.
7. Exchange of Power through Energy Banking.
8. Review of progress regarding Guidelines/ Regulations for Import/ Export (Cross Border) of Electricity including procurement of power through open competitive bidding.
9. Any other matter.
10. Meeting of the 8<sup>th</sup> Joint Work Group (JWG).



**Minutes of the 7<sup>th</sup> Meeting of Steering Committee (JSC) on India – Nepal Cooperation  
in Power Sector held on 15<sup>th</sup> October 2019 in Bengaluru, India**

The 7<sup>th</sup> meeting of the JSC on Cooperation in Power Sector was held in Bengaluru, India on 15<sup>th</sup> October 2019. Mr. S. C. Garg, Secretary (Power), Ministry of Power, Government of India welcomed Mr. Dinesh Kumar Ghimire, Secretary, Ministry of Energy, Water Resources and Irrigation, Government of Nepal and the Nepali delegation. Mr. Dinesh Kumar Ghimire thanked him and Government of India for the hospitality extended to the Nepali delegation.

List of delegation is given at **Annexure-A**.

**1. Adoption of Agenda.**

Both sides adopted the agenda as provided at **Annexure-B**.

**2. Review of the decision of the 6<sup>th</sup> JSC meeting held on 24-01-2019 in Pokhara, Nepal and 7<sup>th</sup> JWG meeting held on 14<sup>th</sup> October 2019 in Bengaluru, India.**

Decisions of the 6<sup>th</sup> JSC meeting and 7<sup>th</sup> JWG meeting will be reviewed and discussed under the agenda items as below.

**3. Facilitate power supply to Nepal from India**

**a. Power trade through existing links:**

- i. Muzaffarpur – Dhalkebar 400kV line (operated at 220kV), and
- ii. Other 132kV and below link.

JSC noted the deliberations of JWG that power up to 600 MW through the existing links are being transferred from India to Nepal.

**b. Power transfer through under construction interconnections:**

- i. **Operation of Muzaffarpur – Dhalkebar 400kV D/c cross border transmission line at 400kV level.**

JSC noted the deliberations of JWG that the Muzaffarpur – Dhalkebar 400kV D/c line would be operated at 400kV by 31<sup>st</sup> Dec 2019. With this, the total power transfer capacity through this link would be enhanced from about 250MW to about 500-600MW.

**c. Power transfer through future transmission interconnection:**

- i. **Stringing of second circuit of Kataiya – Kusaha 132kV S/c line on D/c tower**

JSC noted the deliberation of JWG that the Indian portion of the line and associated bay with an estimated cost of INR 2.83 Cr. would be implemented by BSPTCL as a deposit work of NEA. NEA and BSPTCL would take-up necessary actions for



implementation of the same within a specified time-frame. MoP, Gol may regularly follow-up with BSPTCL for implementation in a specified time-frame.

**ii. Stringing of second circuit of Raxaul – Parwanipur 132kV S/c line on D/c tower**

JSC noted the deliberations of JWG and agreed for implementation of Indian portion of this link viz. stringing of 2<sup>nd</sup> circuit of Raxaul (Old) – Parwanipur line up to the border and about 15 km 132kV D/c line between Raxaul (Old) and Raxaul (New) along with associated bays with an estimate cost of about INR 24 Cr. (excluding taxes) through funding in principle from MEA, Gol.

**iii. Review of New Butwal – Gorakhpur 400kV D/c (Quad) Cross Border transmission line.**

JSC noted the deliberations of the JWG and agreed to its proposal. Further, both sides would make best efforts to ensure that the execution of the above link would be completed in about three years after signing of Implementation & Transmission Service Agreement (ITSA).

**iv. Additional 132kV transmission line between UP (India) and Nepal.**

**(i) New Nautanwa (UP, India) – Mainhiya (Nepal) 132kV line**

JSC noted the deliberation of JWG that Indian portion of the link would be implemented through funding from NEA. After deliberations, it was decided that in order to avoid the RoW for termination of line at Anandnagar / Maharajganj, the line may be terminated at New Nautanwa. Nepali side also agreed to pay the cost of procurement of additional land adjacent to existing Nautanwa S/s, if required. In case, it is not possible to terminate the line at New Nautanwa for unavoidable reasons, then only the option of termination of the line at Anandnagar / Maharajganj will be explored.

**(ii) Nanpara (UP, India) – Kohalpur (Nepal) 132kV line**

JSC noted the deliberation of JWG that feasibility report for this link with an estimated cost of about INR 50Cr. would be examined by Nepali side. Also, the Nepali side confirmed that they will fund the line from their resources and thus the line would be implemented through deposit work basis. A DPR to be prepared by Indian side would be made available to Nepal in about 3 months.

**v. Augmentation of transformation capacity at Tanakpur.**

JSC noted the deliberation of JWG that the 220/132kV, 50MVA transformer would be replaced by 220/132kV, 100MVA transformer at Tanakpur by Dec 2019.

**4. Enabling synchronization of Nepal Grid with Indian Grid**

**a. Coordinated grid operation of India and Nepal grid – study of JOC**

JSC noted the deliberation of JWG that the implementation of Special Protection Scheme (SPS), UFR, df/dt relay, communication system etc. in Nepal power system for synchronous grid operation shall be carried out by NEA in consultation with



POWERGRID and POSOCO at the earliest. It is expected that the synchronous grid operation will be a reality in about six months.

**5. Future Interconnections for evacuating hydro power of Nepal for export to India from Nepal**

**a. Status of hydro projects in Nepal – Presentation by Nepali side**

Nepali side gave a presentation of the present and future hydro projects in Nepal. JSC noted the same.

**b. Progress of generation & transmission system of Arun-III hydro project**

JSC noted the deliberations of JWG in regard to progress of Arun-III hydro generation project and noted the outstanding issues being faced by SAPDC / SJVNL in execution of the project. Nepali side agreed that the outstanding issues impacting the execution of the project would be taken up for early resolution with their respective departments.

The deliberation regarding alternative location of termination of the associated transmission line in India at Sitamarhi in place of Muzaffarpur, keeping the border crossing point as same, in view of RoW constraint, was also noted by JSC.

**c. Study of 400kV New Lumki (Dododhara) – Bareilly (New) and Inaruwa – Purnea(New) cross border transmission lines**

JSC noted the deliberations of JWG and appreciated the works carried out by JTT in preparation of project report for New Lumki (Dododhara) – Bareilly (New) and Inaruwa – Purnea(New) 400kV D/c line. It was also noted that the project reports may be reviewed by JTT, if required, based on the latest data provided by Nepali side.

**6. Power Transmission through Energy Banking.**

JSC noted the deliberations of JWG. Indian side will consider to build the energy banking provisions in the Import/ Export (Cross Border) of Electricity Guidelines.

**7. Review of progress regarding Guidelines/ Regulations for Import/ Export (Cross Border) of Electricity including procurement of power through open competitive bidding.**

JSC noted the deliberations of JWG.

**8. Any other matter.**

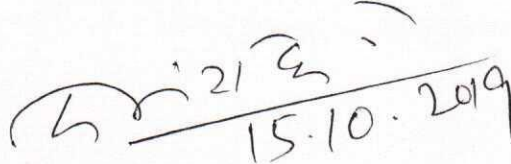
- (i) JSC noted the deliberations of JWG in regard to drawl of additional power over Annual supply of 70MU of free energy to Nepal from Tanakpur Power Station.
- (ii) JSC also noted the deliberation of JWG regarding exchange of power between Nepal and Bangladesh grid through Indian grid. In this regard, it was agreed that the requirement of tripartite agreement for transfer of power between Bangladesh



and Nepal may be discussed in a separate meeting to be convened by MEA, GoI in the next three months.

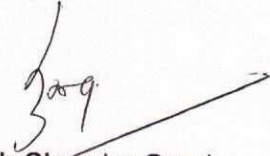
**9. Meeting of the 8<sup>th</sup> Joint Steering Committee (JSC).**

Nepal side proposed to host next meetings of JWG and JSC in March 2020 at Chitwan or any other suitable location in Nepal

  
15.10.2019

**(Dinesh Kumar Ghimire)**

Secretary  
Ministry of Energy,  
Water Resources and Irrigation  
Government of Nepal



**(Subhash Chandra Garg)**

Secretary (Power)  
Ministry of Power  
Government of India

Annexure-A

7<sup>th</sup> Joint Steering Committee (JSC) Meeting on Nepal-India Cooperation in Power Sector held on 15<sup>th</sup> October 2019 in Bengaluru, India

List of Delegates from Nepal

Sr. No.	Name and Designation	Position
1.	Mr. Dinesh Kumar Ghimire Secretary, Ministry of Energy, Water Resources and Irrigation	Co-chair
2.	Mr. Pravin Raj Aryal Joint Secretary, Ministry of Energy, Water Resources and Irrigation	Member
3.	Mr. Madhu Prasad Bhetuwal Director General, Department of Electricity Development	Member
4.	Mr. Kul Man Ghising Managing Director, Nepal Electricity Authority	Member
5.	Mr. Yagya Bahadur Hamal Joint Secretary, South Asia Division, Ministry of Foreign Affairs	Member
6.	Ms. Nirmala Adhikari Joint Secretary, International Law and Treaty Division, Ministry of Law, Justice and Parliamentary Affairs	Member
7.	Mr. Braj Bhushan Chaudhary Deputy Managing Director (Transmission), Nepal Electricity Authority	Member
8.	Mr. Sagar Raj Goutam Senior Divisional Engineer, Ministry of Energy, Water Resources and Irrigation	Member
9.	Mr. Sunil Poudel Senior Divisional Engineer, Investment Board Nepal	Member
10.	Mr. Toya Nath Adhikari Joint Secretary, Ministry of Energy, Water Resources and Irrigation	Invitee
11.	Mr. Manoj Silwai Off. Deputy Managing Director, Nepal Electricity Authority	Invitee
12.	Mr. Sandip Kumar Dev Deputy Director General, Department of Electricity Development	Invitee
13.	Mr. Suresh Bahadur Bhattarai Chief (System Operator Department), Nepal Electricity Authority	Invitee
14.	Mr. Prabal Adhikari Chief (Power Trade Department), Nepal Electricity Authority	Invitee
15.	Mr. Sanjeev Ray Engineer, Ministry of Energy, Water Resources and Irrigation	Invitee
16.	Ms. Soni Kumari Sah Engineer, Ministry of Energy, Water Resources and Irrigation	Invitee

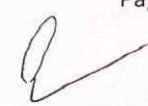


Annexure-A

7<sup>th</sup> Joint Steering Committee (JSC) Meeting on India - Nepal Cooperation in Power  
Sector held on 15<sup>th</sup> October 2019 in Bengaluru, India

List of Delegates from India

Sl. No.	Name and Designation	Position
1.	Shri Subhash Chandra Garg Secretary (Power), Ministry of Power, Government of India	Co-chair
2.	Shri S. K. G. Rahate Additional Secretary (Trans), Ministry of Power, Government of India	Member
3.	Shri P.S. Mhaske Chairperson, CEA	Member
4.	Shri Dhiraj Srivastav Director (Trans), Ministry of Power, Government of India	Member
5.	Shri Nand Lal Sharma CMD, SJVN Ltd.	Member
6.	Ms. Ann Haokip Under Secretary (Nepal), Ministry of External Affairs, Government of India	Member
7.	Shri Pardeep Jindal Chief Engineer (PSPA-II), Central Electricity Authority	Delegate
8.	Shri R.K. Chauhan Director (Projects), Power Grid Corporation of India Ltd.	Delegate
9.	Shri P. K. Agarwal Director (Market Operations), POSOCO	Delegate
10.	Shri B. S. Bairwa Director (PSPA-II), Central Electricity Authority	Delegate
11.	Shri R. K. Bansal Director (Electrical), SJVN Ltd.	Delegate
12.	Shri Subir Sen COO (CTU-Plg.), Power Grid Corporation of India Ltd.	Delegate
13.	Shri Anil Mehra ED (International Business), Power Grid Corporation of India Ltd.	Delegate
14.	Shri Ashok Pal Chief General Manager, Power Grid Corporation of India Ltd.	Delegate
15.	Shri P. K. Jena AGM, NVVN Ltd.	Delegate
16.	Shri Manish Ranjan Keshari Dy. Manager, (CTU-Plg.), Power Grid Corporation of India Ltd.	Delegate
17.	Shri Anupam Kumar Dy. Manager, (CTU-Plg.), Power Grid Corporation of India Ltd.	Delegate



**Annexure-B**

**Agenda for the 7<sup>th</sup> Meeting of JSC on India – Nepal Cooperation in Power Sector  
to be held on 15<sup>th</sup> October 2019 in Bengaluru, India**

1. Adoption of Agenda.
2. Review of the decision of the 6<sup>th</sup> JSC meeting held on 24-01-2019 in Pokhara, Nepal and 7<sup>th</sup> JWG meeting held on 14<sup>th</sup> October 2019 in Bengaluru, India.
3. Facilitate Power supply to Nepal from India
  - a. Power trade through existing links:
    - i. Muzaffarpur – Dhalkebar 400kV line (operated at 220kV)
    - ii. Other 132kV and below link.
  - b. Power Transfer through under construction interconnections:
    - i. Operation of Muzaffarpur – Dhalkebar 400kV D/c cross border transmission line at 400kV level.
  - c. Power Transfer through Future transmission interconnection:
    - i. Stringing of second circuit of Kataiya – Kusaha 132kV S/c line on D/c tower
    - ii. Stringing of second circuit of Raxaul – Parwanipur 132kV S/c line on D/c tower
    - iii. Review of New Butwal – Gorakhpur (New) 400kV D/c (Quad) Cross Border transmission line.
    - iv. Additional 132kV transmission line between UP (India) and Nepal.
    - v. Augmentation of transformation capacity at Tanakpur.
4. Enabling synchronization of Nepal Grid with Indian Grid
  - a. Coordinated grid operation of India and Nepal grid – study of JOC
5. Future Interconnections for evacuating hydro power of Nepal for export to India from Nepal
  - a. Status of hydro projects in Nepal – Presentation by Nepali side
  - b. Progress of generation & transmission system of Arun-III hydro project
  - c. Study of 400kV New Lumki (Dododhara) – Bareilly(New) and Inaruwa – Purnea(New) cross border transmission lines
6. Power Transmission through Energy Banking.
7. Review of progress regarding Guidelines/ Regulations for Import/ Export (Cross Border) of Electricity including procurement of power through open competitive bidding.
8. Any other matter.
9. Meeting of the 8<sup>th</sup> Joint Steering Committee (JSC).





No. 25-11/24/2019-PG  
Government of India  
Ministry of Power  
Shram Shakti Bhawan, Rafi Marg, New Delhi – 110001  
\*\*\*\*\*

New Delhi, 16<sup>th</sup> March, 2020

To,

CMD,  
POWERGRID,  
Gurugram

**Subject: Formation of 50:50 Joint Venture between POWERGRID & Nepal Electricity Authority (NEA) - Regarding.**

Sir,

I am directed to refer to PGCIL's letter dated 15.11.2019, 31.1.2020 and 5.2.2020 on the above cited subject forwarding therewith the proposal for formation of 50:50 Joint Venture between POWERGRID & Nepal Electricity Authority (NEA) for Implementation of Indian Portion of New Butwal – Gorakhpur 400 kV Cross-border Double Circuit (Quad Moose) interconnection transmission line.

2. In this regard, it is stated that in light of DPE OM dated 04.02.2010, 10.08.2016 and DIPAM circular dated 26.12.2018 & 11.11.2019, the matter has been considered in consultation with NITI Aayog in this Ministry. NITI Aayog vide their O.M. dated 16.03.2020 conveyed their concurrence for the formation of 50:50 Joint Venture between Power Grid Corporation of India Ltd. (PGCIL) and the Nepal Electricity Authority (NEA), for implementation of Indian portion of New Butwal-Gorakhpur 400 kV Cross-Border Interconnection (copy enclosed).

Yours faithfully,

Encl: As above

(Sanjeev Jain)  
Under Secretary to the Govt. of India  
Telephone No. 23730264

**File No. I-22/2/115/2019-P&E**  
**Government of India**  
**NITI Aayog**  
**(Energy Vertical)**

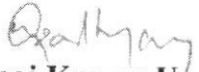
**Sansad Marg, New Delhi-110001**  
**Dated: 16th March, 2020**

**Office Memorandum**

**Subject: Concurrence of NITI Aayog for formation of 50:50 Joint Venture between Power Grid Corporation of India Ltd. (PGCIL) and the Nepal Electricity Authority (NEA), for implementation of Indian portion of New Butwal-Gorakhpur 400 kV Cross-border Interconnection-reg.**

The undersigned is directed to refer Ministry of Power letter No.25-11/24/2019-PG dated 23rd December, 2019 & 13th March, 2020 on the above mention subject and to convey that NITI Aayog concurs the formation of 50:50 Joint Venture between Power Grid Corporation of India Ltd. (PGCIL) and the Nepal Electricity Authority (NEA), for implementation of Indian portion of New Butwal- Gorakhpur 400 kV Cross-border Interconnection.

2. This issues with the approval of CEO, NITI Aayog.

  
**(Manoj Kumar Upadhyay)**  
**Senior Research Officer**  
**Tel:23042422**

**Sh. Goutam Ghosh,**  
**Director,**  
**Shram Shakti Bhawan,**  
**Rafi Marg, New Delhi-110001**



**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Central Registration Centre

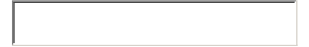
## **Certificate of Incorporation**

[Pursuant to sub-section (2) of section 7 and sub-section (1) of section 8 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014]

The Corporate Identity Number of the company is

\*

\*



Digital Signature Certificate

For and on behalf of the Jurisdictional Registrar of Companies

Registrar of Companies

Central Registration Centre

Disclaimer: This certificate only evidences incorporation of the company on the basis of documents and declarations of the applicant(s). This certificate is neither a license nor permission to conduct business or solicit deposits or funds from public. Permission of sector regulator is necessary wherever required. Registration status and other details of the company can be verified on [www.mca.gov.in](http://www.mca.gov.in)

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Mailing Address as per record available in Registrar of Companies office:



\* as issued by the Income Tax Department

Non Judicial


**Indian-Non Judicial Stamp  
Haryana Government**


Date : 23/05/2023

Certificate No. G0W2023E182



Stamp Duty Paid : ₹ 101

(Rs. Only)

GRN No. 102799430



Penalty : ₹ 0

(Rs. Zero Only)

**Seller / First Party Detail**

Name: Butwal gorakhpur Cross border power Transmission ltd  
 H.No/Floor : Na Sector/Ward : Na LandMark : Na  
 City/Village : Gurugram District : Gurugram State : Haryana  
 Phone: 98\*\*\*\*\*10


**Buyer / Second Party Detail**

Name : Powergrid Corporation of India ltd  
 H.No/Floor : Na Sector/Ward : Na LandMark : Na  
 City/Village: Gurugram District : Gurugram State : Haryana  
 Phone : 98\*\*\*\*\*10

Purpose : AGREEMENT

The authenticity of this document can be verified by scanning this QrCode Through smart phone or on the website <https://egrashry.nic.in>

**Project Management Consultancy Agreement**

THIS AGREEMENT is made on this 24<sup>th</sup> day of May 2023 between **Butwal-Gorakhpur Cross Border Power Transmission Limited**, a Company incorporated under the Companies Act, having its registered office at Saudamani, Plot No. 2, Sector 29, Gurgaon, Haryana, India 122001 (hereinafter referred to as “**BGCPTL**” or “**Owner**” which expression shall unless repugnant to the context or meaning thereof include its Administrators, Successors, Executors and Permitted assigns) of the **First part**

**And**

**Power Grid Corporation of India Ltd**, a Company incorporated under the Companies Act, 1956, having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 (hereinafter referred to as “**POWERGRID**” or “**Consultant**” which expression shall unless repugnant to the context or meaning thereof include its Administrators, Successors, Executors and Permitted assigns) of the **Second part**,



(POWERGRID and BGCPTL are hereinafter individually referred to as the 'Party' and collectively as 'Parties').

WHEREAS, BGCPTL desires to avail Project Management Constancy services from POWERGRID for execution of Indian portion of 400 kV D/C New Butwal (Nepal) – Gorakhpur (India) Cross Border Transmission Line and associated bay extension work.

Whereas, in terms of discussions held amongst POWERGRID and BGCPTL, POWERGRID has consented to provide Project Management Constancy services to BGCPTL for implementation of Indian portion of 400 kV D/C New Butwal (Nepal) – Gorakhpur (India) Cross Border Transmission Line and associated bay extension work and BGCPTL having conveyed its acceptance on the terms and conditions stipulated herein.

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:**

For the purpose of this Agreement, the terms used herein shall, unless repugnant to the context thereof, have the meaning assigned to them as under:

**1.0 DEFINITIONS:**

- 1.1 **“Agreement”** means the Agreement herein containing the Terms & Conditions set forth & agreed therein, including all other documents expressly annexed thereto or incorporated therein.
- 1.2 **“Project”** shall mean Indian portion of 400 kV New Butwal (Nepal) – Gorakhpur (India) Cross Border Transmission Line and associated bay extension work comprises of following elements:
  - a) Indian Portion of New Butwal – Gorakhpur 400 kV D/C (Quad Moose) transmission line – about 94 kms
  - b) Extension of existing 400 kV substation of POWERGRID at Gorakhpur with 2 Nos. GIS Bays.
- 1.3 **“Bid Documents”** shall mean the tender documents containing technical specifications and other terms & conditions of contract pursuant to which proposals shall be invited for procurement of goods and services for the Project.



- 1.4 **“Contractor”** shall mean the Bidder whose bid is accepted for award of contract for the total work or any part of the work of the Project resulting in a contract and shall include such contractor’s legal representatives, successors and permitted assigns.
- 1.5 **“Sub-Contractor”** shall mean any person (other than the contractor) named in the contract for execution of any part of the works or any person to whom any part of the contract has been entrusted and include such sub-contractor and the Sub-contractor’s legal successors in title but not any assignee of the contractor.
- 1.6 **“Engineer”** shall mean the officer nominated by the Owner to act as co-ordinator for the works and to be associated in its execution to verify the progress.
- 1.7 **“Equipment/Material”** shall mean the equipment/material procured by BGCPTL for this Project.
- 1.8 **“Project Manager”** shall mean the official nominated by POWERGRID in writing who shall be responsible for co-ordination with the Owner and for all activities concerning the execution of the Project.
- 1.9 **“Site”** shall mean and include the land & other places at which the Project and related facilities are to be constructed and any adjacent land, path etc., which may be allocated or used by the Owner/POWERGRID/Contractor in performance of work under this Agreement.
- 1.10 Words singular shall include the plural and vice versa, where the contexts so desire.

**2.0 POWERGRID SCOPE OF WORK:**

The scope of services to be provided by POWERGRID for execution of the Project mentioned above shall be as under subject to specific exclusions as brought out in clause 3.0 hereinafter:

- i. Preparation of Master Network for various Project activities Design & Engineering, supply, construction/erection testing & commissioning





- ii. Preparation of Technical specification including BOQs & Bid documents
- iii. NIT cost estimate, Issue of NIT & inviting proposals from bidders
- iv. Opening & Evaluation of Bids
- v. Award Recommendation and preparation of LOA
- vi. Post contract execution of contracts, design and Engineering
- vii. Opening of site offices & supervision of site work
- viii. Project Management activities
- ix. Post contract QA & I including Inspection at site and at Manufacturers works and monitoring as may be required, for expeditious delivery of material
- x. Supervision of Testing & Commissioning activities.
- xi. Preparation of Manuals, documentation after commissioning of the Project
- xii. Carry out environment and social assessment studies and preparation of report in line with POWERGRID policy
- xiii. Carry out necessary activities and to provide support to JV Company for obtaining forest clearance, Right of Way, Power & Telecom Coordination Committee (PTCC) clearance, Railway Crossing Clearance, Aviation/ Defence Clearance, Road, River Crossing Clearances as applicable. The requisite fee including compensation payable shall be paid by JV Company.
- xiv. Certification of bills for release of payment to contractor(s) by JV Company.
- xv. Assistance in Liaising and coordination with government Agencies.
- xvi. All other related matters required for completion of work except JV Company responsibilities.

### **3.0 EXCLUSION FROM POWERGRID'S SCOPE OF WORK (BGCPTL RESPONSIBILITIES)**

The following works shall be under the scope of **BGCPTL**:

- i. Liaison & coordination with lenders for disbursement of loan component and reconciling
- ii. Interaction /coordination with stakeholders for equity disbursement
- iii. Budgeting & monitoring
- iv. Being the owner of the project, the responsibility of obtaining the Forest clearance, Right of Way, Power & telecom Co-ordination Committee

*Alum*

*[Signature]*

(PTCC) clearance, Railway crossing clearance, Aviation/Defense clearance, Road/River Crossing Clearances as applicable etc. as per requirement, shall be that of JV Company. However, modalities shall be as per clause (xiii) above in Consultant responsibilities.

- v. Progressive payment to the contractors on certification of work by POWERGRID and reconciliation thereof with JV Company
- vi. Interface for interconnection with Indian portion and Nepal portion Transmission line

#### **4.0 WORKING PROCEDURE:**

- 4.1 POWERGRID shall execute the work as defined in clause 2.0 above. To enable POWERGRID to discharge its obligations in a smooth and efficient manner, BGCPTL shall issue necessary authorization in favour of POWERGRID to act on behalf of Owner for the scope of services under this Agreement and also provide all other necessary documents required for this purpose.
- 4.2 It is clearly understood by the parties that POWERGRID shall not finance any portion of the work from its own funds at any time during the execution of the Project.
- 4.3 To ensure proper co-ordination between POWERGRID and BGCPTL for carrying out the works under the scope of this Agreement, both BGCPTL and POWERGRID shall nominate their respective Project Managers who shall be the focal point for all matters relating to this Agreement.
- 4.4 The recovery of applicable Taxes & Duties related to this work shall be done by BGCPTL from the Contractor's bills. TDS so deducted by BGCPTL shall be deposited to the concerned Tax authorities by BGCPTL. TDS certificates shall be issued by BGCPTL using their Permanent A/C No.& GST.
- 4.5 To review progress of work, meetings shall be arranged quarterly by BGCPTL to be attended by BGCPTL, POWERGRID & Contractor(s) at New Delhi/Gurgaon or at site.







## **5.0 RELEASE OF FUNDS:**

- 5.1 To facilitate smooth execution of work and to complete the work within the stipulated time schedule as per Master Network, BGCPTL shall ensure timely release of payments to contractor(s) and other activities in the scope of Owner. BGCPTL shall also ensure release of consultancy fee payable to POWERGRID as per clause No. 8.0 of this Agreement.
- 5.2 POWERGRID shall commence the work under this Agreement from the date of signing of the agreement and receipt of 1<sup>st</sup> installment of consultancy fee, whichever is later as indicated in terms of payment hereinafter.
- 5.3 It is clearly understood by the parties that funding of the Project cost and consultancy fee along with applicable Taxes & Duties as applicable in India is the responsibility of BGCPTL.

## **6.0 AWARD OF CONTRACT (METHODOLOGY):**

- 6.1 For the purpose of execution of work under this agreement, the entire work of Transmission line may be in one package or divided into more contract packages to be executed by various contractors. Accordingly, POWERGRID shall prepare the bid documents.
- 6.2 POWERGRID shall invite the tenders, evaluate the same submit award recommendation to BGCPTL along with Draft of Award letter & Contract to be placed by BGCPTL. However, all payments to the contractor(s) shall be made by BGCPTL on certification by POWERGRID as consultant.

## **7.0 PROJECT COST:**

- 7.1 The Project cost shall include the following:
- i. The work shall be executed by POWERGRID on Cost Plus Basis.



- ii. The Project cost shall include the following subject to clarification given in para 7.0(iii) below:
- a. Cost of all equipment and services as paid to the contractor(s) or any other Agency as required under the various contracts to be placed by BGCPTL for executing the Project.
  - b. Cost towards Land compensation, Crop, Tree & PTCC compensation/clearance, cost towards preliminary survey & soil investigation and Compensation towards forest etc. Cost towards Right of Way, Railway, Aviation, Road, River Crossing clearances or any other cost forming part of the actual Project cost, which has not been included in estimated cost and shall be incurred during execution.
  - c. Cost incurred in carrying out environment assessment studies & preparation of IEAR report in line with POWERGRID policy has not been included in estimated project cost and shall be incurred during execution (Shall be charged on actual basis by POWERGRID).
- iii. The estimated Project Cost on the above basis is ₹ 461.96 Crores including taxes and duties (excluding Consultancy fees payable to POWERGRID and corresponding applicable Taxes as applicable). Abstract Cost Estimate for consultancy purpose is attached as **Annexure-I**.
- iv. The estimate cost of the Project may undergo change during the implementation of the Project, depending upon site conditions or for any other reason. As such the final executed cost of the Project will be certified by POWERGRID based on the actual works executed. The final consultancy fee thereof to be paid by BGCPTL shall be arrived at by POWERGRID only after the completion of the Project and the same shall be payable on the final executed cost of the project.





## **8.0 CONSULTANCY FEE:**

The Consultancy Fee payable to POWERGRID for the services as set out in Clause 2.0 above shall be 7% (Seven percent) of the final executed cost of the project (excluding taxes & duties) as per Clause 7.0 above.

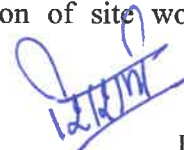
## **8.1 TAXES AND DUTIES:**

The Consultancy Fee indicated above does not include any taxes & duties as applicable in India. All present and future applicable statutory taxes, duties and levies (including any variation thereof) as applicable by any Act / Notification of Government (Central/State) or any other local bodies /authorities as applicable in India shall be to the Owner's account. At present GST @ 18% is applicable on Consultancy Fee.

## **8.2 TERMS OF PAYMENT:**

BGCPTL shall arrange to release the consultancy fee to POWERGRID as per following terms of payment:

- i) 10% (Ten Percent) of Consultancy Fee along with corresponding applicable Taxes & Duties on Consultancy Fee shall be paid within 15 days of signing of the Agreement.
- ii) 20% (Twenty Percent) of Consultancy Fee along with corresponding applicable Taxes & Duties on Consultancy Fee shall be paid on placement of LOA by BGCPTL on contractor(s).
- iii) Any difference between estimated cost and actual awarded cost shall be adjusted within 30 days of the placement of LOA(s) by BGCPTL on contractors.
- iv) 60% (Sixty Percent) of Consultancy Fee along with corresponding applicable Taxes & Duties on Consultancy Fee shall be paid during post contract Engg., QA & I activities and supervision of site works on





quarterly basis in proportion to the expenditure incurred towards project cost during the period.

- v) Balance 10% (Ten Percent) of the Consultancy Fee and any variation in consultancy Fee adjusted as per actual executed cost of work as defined at Clause No-3.0 above along with corresponding applicable Taxes & Duties on consultancy Fee shall be paid after Testing & Commissioning of the Transmission system.
- vi) No Bank Guarantee shall be furnished by POWERGRID for receiving payments from BGCPTL.
- vii) At no stage POWERGRID shall use its own funds for execution of these works.
- viii) Any delay in implementation of the project on account of services to be provided by BGCPTL shall not be attributable to POWERGRID and the period of implementation shall be deemed to have been extended to such delays.

## 9.0 TIME SCHEDULE:

9.1 POWERGRID shall complete the execution of the Project in 26 months from the date of signing of the agreement and receipt of 1st installment of consultancy fee, whichever is later. This is, however, subject timely release of payments to contractor(s) as well as to POWERGRID and timely availability of Forest Clearance, Right of Way, PTCC, Railway Crossing clearance, River/Road crossing clearance, any other statutory clearances from the concerned authorities.

9.2 Any delay on account of above, will affect the completion schedule and therefore, the period of implementation of this Agreement shall be deemed to have been extended to cover such delay as may occur.



9.3 If by reason of extra or additional work or any industrial dispute or any cause or causes outside of and beyond the reasonable control of POWERGRID and contractor(s), the work is delayed or impeded, the delayed period shall be construed as automatic time extension.

9.4 The completion period is indicated in good faith and is subject to fulfillment of obligation on part of the Owner and POWERGRID.

**10.0 FACILITIES/INFORMATION TO BE PROVIDED BY OWNER:**

10.1 All necessary information/data and facilities as may be required by POWERGRID in connection with services shall be promptly rendered by BGCPTL under this Agreement.

10.2 BGCPTL shall give their views on all matters pertaining to this Project as may be referred to by POWERGRID from time to time within a reasonable time which would normally not exceed fifteen (15) days and shall discharge faithfully all its obligations.

**11.0 FORCE MAJEURE:**

11.1 Force Majeure is hereby defined as any cause, which is beyond the control of POWERGRID or Contractor(s) or BGCPTL as the case may be, which they could not foresee or with a reasonable amount of diligence could not have foreseen and which substantially affects the performance of the said work including, but not limited to the followings:

- a) Natural phenomena including but not limited to floods, droughts, earthquakes, epidemics etc.,
- b) Acts of any Government, domestic or foreign, including but not limited to war, declared or undeclared, quarantines, embargoes etc.,
- c) Hostilities, revolutions, riots, civil commotions, strike, including in the premises of the Contractors.

*Allen*

*12/12/11*

11.2 During the period of their inability to perform the services as a result of any event of Force Majeure, POWERGRID shall be entitled to continue to be paid under the terms of this contract as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the services and in reactivating the services after the end of such period, provided that the party affected shall within thirty (30) days from the occurrence of such cause, notify the other in writing of such causes.

11.3 POWERGRID or BGCPTL shall not be liable for any delays in performing its obligation resulting from Force Majeure causes as referred to and/or defined herein above. The date of completion will be extended by corresponding period equal to the period of Force Majeure if the situation so warrants and by such period to be mutually agreed to by POWERGRID and BGCPTL. Should one or both Parties be prevented from fulfilling their obligations by state of Force Majeure lasting for a period of more than three months, the two (2) parties shall consult each other and decide as to further course of action.

**12.0 TAKING OVER:**

12.1 POWERGRID shall intimate BGCPTL upon successful commissioning and test charging of Transmission lines for taking over of the transmission system. BGCPTL shall furnish the taking-over certificate within thirty (30) days from the date of such intimation by POWERGRID. The issue of taking-over certificate shall not be unreasonably withheld by BGCPTL. The final transfer of the systems shall be made to BGCPTL only after receipt of entire consultancy fee by POWERGRID.

**13.0 TERMINATION OF AGREEMENT:**

13.1 In the event when the Parties mutually agree to terminate the Agreement, on account of Force Majeure or any other reasons, the termination shall take effect from the date and time to be agreed upon mutually.





13.2 In the event of termination of this Agreement, POWERGRID shall be paid proportionately for consultancy fee for such of those items of work, which have been completed/partially completed and mutually agreed and also a reasonable amount of compensation for the holding out or premature termination as may be decided amicably.

**14.0 SETTLEMENT OF DISPUTE & ARBITRATION:**

14.1 This Agreement shall be governed by and construed in accordance with the laws of India.

14.2 Any dispute(s) or difference(s) arising out of or in connection with this agreement shall, to the extent possible, be settled amicably between POWERGRID & BGCPTL.

14.3 All dispute(s) or difference(s) between BGCPTL and POWERGRID arising out of or in connection with this agreement that could not be settled under clause 14.2 above, the Parties shall resolve the dispute(s) or difference(s) in accordance with the arbitration procedures stipulated under Arbitration and Conciliation Act 1996.

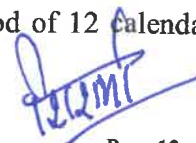
14.4 The place of Arbitration shall be New Delhi or any other place mutually agreeable to the Parties.

**15.0 THIRD PARTY DISPUTE:**

If any litigation / Arbitration cases crop up due to the various contract orders placed by BGCPTL during the currency of this Agreement, BGCPTL shall resolve the same themselves as per provision laid down in respective contracts. However, POWERGRID shall provide necessary assistance to BGCPTL wherever required.

**16.0 PERFORMANCE GUARANTEE:**

POWERGRID should suitably incorporate the provision of Contract performance Guarantee Clause in Contract with Contractor(s) valid up to a period of 12 calendar



months commencing after commissioning of the Project, which will be enforceable by Owner.

**17.0 AMENDMENT:**

This Agreement may be amended or modified if necessary by a written instrument signed by the Parties and the same shall be considered as an integral part of this Agreement.

**18.0 EFFECTIVE DATE:**

This Agreement shall be deemed to have come into force with effect from the date of signing of Agreement and receipt of 1st installment of consultancy fee whichever is later. All rights, obligations and responsibilities of Owner and POWERGRID shall be deemed to have commenced and accrued from the above date.

**19.0 NOTICE OF DEFAULT:**

Notice of default given by either Party to the other Party under this Agreement shall be in writing and shall be deemed to have been duly and properly served upon the Parties addressed to the signatories/Project Managers to this Agreement.

**20.0 CORRESPONDENCE:**

20.1 All communications from BGCPTL to POWERGRID shall be addressed to the Project Manager to be nominated by POWERGRID in writing for the purpose of this work.

20.2 All communication from POWERGRID to BGCPTL shall be addressed to the Project Manager to be nominated by BGCPTL in writing for the purpose of this work.

**21.0 DISCLAIMER:**

The Consultancy for implementation of Indian portion of 400 kV D/C New Butwal (Nepal) – Gorakhpur (India) Cross Border Transmission Line and associated bay extension work is a separate isolated consultancy assignment to POWERGRID as



Consultant on the request of BGCPTL and should not be construed in the capacity of Central Transmission Utility of India. This consultancy has no direct relation with grant of Long Term Open Access for the subject Transmission system, which is mandatory as per Indian Electricity Act, 2003.

IN WITNESS WHEREOF the Parties hereto have fully executed these present through their duly authorized representatives on the Day, Month and Year mentioned above

For and on behalf of  
Butwal-Gorakhpur Cross Border Power  
Transmission Limited

For and on behalf of  
Power Grid Corporation of India Limited


  
24/5/23

Name: Mr. Nitin Kumar Shrivastava  
Designation: CEO (BGCPTL)


  
24/05/2023

Name: Mr. Shiv Jyoti Sharma  
Designation: Chief GM  
(International Business)

WITNESS:

Signature   
Name Girdhar Khanchahal  
Designation Sr. DAM (IB)

WITNESS:

Signature   
Name Ashwani Deygure  
Designation Sr. DAM-IB.



**ANNEXURE – I**

**ABSTRACT COST ESTIMATE**

**Estimated Cost of New Butwal – Gorakhpur 400 kV (Quad Moose)  
Transmission System (as per Minutes of 7<sup>th</sup> JTT meeting between India & Nepal)**

(Dec 2018 Price Level)

All costs (in ₹ Cr.) are at Dec 2018 price level		Indian portion	
		Substation	Trans. Line
	Line Length (in km) →	-	94
A	Survey & Soil	0.00	0.30
B	Land for S/s + R&R	0.00	0.00
C	Crop, Tree & Forest Comp	0.00	39.50
D	Civil	0.20	0.00
E	Equipment	43.63	284.46
F	<b>Sub-total (A to E)</b>	<b>43.83</b>	<b>324.26</b>
G	Others (IEDC, Contin., etc.)	19.66	41.99
H	IDC	10.28	21.94
	<b>Total (F to H)</b>	<b>73.77</b>	<b>388.19</b>
	<b>Grand Total</b>	<b>₹ 461.96 Cr.</b>	

*N. Kumar*  
24/5/23

*[Signature]*

**IMPLEMENTATION AND TRANSMISSION  
SERVICE AGREEMENT**

**between**

**Nepal Electricity Authority**

**and**

**Butwal Gorakhpur Cross-Border Power Transmission  
Limited**

***for***

**Gorakhpur – TLP Nepal Connection Point in India**

**of**

**NEW BUTWAL – GORAKHPUR 400 kV DOUBLE  
CIRCUIT (QUAD MOOSE) CROSS-BORDER  
TRANSMISSION LINE**

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## SCHEDULES

Schedule 1	Definitions
Schedule 2	Interpretation
Schedule 3	Scope of TLP-India and TLP-Nepal
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Non Judicial



Indian-Non Judicial Stamp  
Haryana Government



Date : 30/05/2023

Certificate No. G0302023E33



Stamp Duty Paid : ₹ 101

GRN No. 103031992



Penalty : ₹ 0

(Rs. Zero Only)

**Seller / First Party Detail**

Name: Butwal Gorakhpur cross border power Transmission ltd  
H.No/Floor : Na Sector/Ward : Na LandMark : Na  
City/Village : Gurugram District : Gurugram State : Haryana  
Phone: 98\*\*\*\*\*10



**Buyer / Second Party Detail**

Name : Nepal Electricity Authority  
H.No/Floor : Na Sector/Ward : Na LandMark : Na  
City/Village: Kathmandu District : Kathmandu State : Nepal  
Phone : 98\*\*\*\*\*10

Purpose : IMPLEMENTATION AND TRANSMISSION SERVICE AGREEMENT

The authenticity of this document can be verified by scanning this QrCode Through smart phone or on the website <https://egrashry.nic.in>

This Implementation and Transmission Service Agreement (the "Agreement") is entered into on [..1<sup>st</sup>....] of [..June..] 2023 at New Delhi, India.

Between

Nepal Electricity Authority, an undertaking of Govt. of Nepal (GON), established under the Nepal Electricity Authority Act, 2041 having its head office at Durbar Marg, Kathmandu, Nepal (hereinafter referred to as the "NEA", which expression, unless repugnant to the context or meaning thereof shall include its successors and permitted assigns). NEA, among other responsibilities, is responsible for the planning and coordination, supervision & control relating to transmission of electricity through cross border transmission system so as to facilitate the bulk exchange of power between India and Nepal with reliability, security and with technical and economic efficiency.

And

Butwal Gorakhpur Cross-Border Power Transmission Limited (BGCPTL) BGCTCL, having its registered office at Suadamani, Plot No. 2, Sector 29, Gurgaon, Haryana, India 122001, a joint venture company of POWERGRID Corporation of India, and Nepal Electricity Authority (NEA), (hereinafter referred to as BGCPTL which expression, unless

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repugnant to the context or meaning thereof shall deem to include its successors and permitted assigns).

BGCPTL & NEA together shall be called "**Parties**" and individually as "**Party**".

AND WHEREAS:

- a) The Government of Nepal and The Government of India have entered into an agreement dated 21st October, 2014 on "**Electric Power Trade, Cross-Border Transmission Interconnection and Grid Connectivity**". As per the Article – V of the said agreement, both the governments shall constitute Joint Working Group (JWG), and Joint Steering Committee (JSC) co-chaired by Power/Energy Ministries' Joint Secretaries and Secretaries respectively. These committees shall work towards planning and identification of cross-border interconnections, selection of transmission technologies, preparation of DPRs and mode of investment for timely implementation of the projects, etc.
- b) As per its mandate, the JWG/JSC have identified New Butwal – Gorakhpur 400 kV Double Circuit (Quad Moose) transmission system for enhancement of Grid interconnection capacity between the two countries. During its 7<sup>th</sup> meeting held on 14th October, 2019, NEA had agreed to pay Transmission Service Charge for Indian portion of the said line for 25 years for availing entire capacity of the Indian portion of the transmission line. In the said meeting, it was also decided that looking into importance and urgency of the link, the same shall be implemented by Joint Venture between national utility/central transmission utility of two countries. Further, the Joint Venture shall have 50:50 equity participation of both the entities and shall be implemented with 80:20 debt: equity ratio.
- c) Accordingly, a 400 kV D/C (Quad Moose) cross border transmission line of approximately 112 km in length, running from Butwal (in Nepal) to Gorakhpur (in India), and associated bay extension work at Gorakhpur and New Butwal substations, hereinafter referred to as Transmission Line Project (**TLP**) shall be implemented as stated hereunder:





- (i) Approximately 94 km of transmission line from Gorakhpur (in India) to the TLP-Nepal Connection Point, and bay extension at Gorakhpur substation is being implemented by BGCPTL, and
- (ii) Approximately 18 km of transmission line from Butwal (in Nepal) to the TLP-Nepal Connection Point and substation extension at New Butwal substation, is being implemented by NEA;
- d) BGCPTL has agreed to make available the entire transmission capacity of TLP-India to NEA on a commercial basis subject to the conditions of this Agreement for transmitting electric power of NEA.
- NEA can use this line for their own requirement or make available to the other users in Nepal and/or India for transmittal of power.
- e) NEA agrees to take the entire transmission capacity of TLP-India and pay BGCPTL the Transmission Service Charges as determined in accordance with the terms of this Agreement.
- f) NEA may make part of its available capacity to users in Nepal and/or India through a separate Transmission Service Agreement in respect to the terms and conditions of this Agreement.
- g) BGCPTL shall apply for and obtain all Consents from the applicable Governmental Authorities required for setting up of TLP-India and make available Transmission capacity for use by NEA.
- h) The terms and conditions stipulated in such Consents shall also be applicable to this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES, COVENANTS AND CONDITIONS SETFORTH HEREIN, THE PARTIES HEREBY AGREE AS FOLLOWS:



*[Handwritten signature]*

*[Handwritten signature]*



For the sake of convenience of the Parties herein, this Agreement has been divided into three parts, **Part I, (starting from SECTION 1 and ending at SECTION 5)** pertaining to implementation of the TLP-India while **Part II, (starting from SECTION 6 and ending at SECTION 10)** pertaining to operation and maintenance of the TLP-India including levying of the Transmission Service Charge, **Part III (starting from SECTION 11 and ending at SECTION 22)** dealing with other clauses common to Part I and Part II. Each of Part I, Part II and Part III shall together form the entire Agreement herein.



## Part I IMPLEMENTATION STAGE

### SECTION 1

#### 1.0 EFFECTIVENESS AND TERM

##### 1.1 Effective Date

This Agreement shall enter into force when it is executed and delivered by the Parties.

##### 1.2 Term and Termination

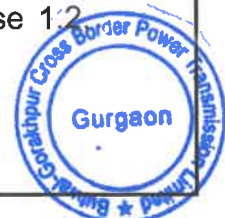
1.2.1 Subject to Clause 1.2.2, this Part I of Agreement shall continue to be effective until the Expiry Date (subject to Clause 1.3), when it shall automatically terminate.

1.2.2 Subject to Schedule 4, this Part I of Agreement shall terminate before the Expiry Date:

- i) If the Conditions Precedent referred to in Section 2 are neither satisfied nor waived and either Party serves a notice to terminate in accordance with Clause 2.3;
- ii) If a Termination Notice is served in accordance with Section 16:
  - a) by NEA following a BGCPTL Event of Default; or
  - b) by BGCPTL following a NEA Event of Default; and
- iii) If NEA or BGCPTL serves a notice to terminate in accordance with Clause 16.1.5.

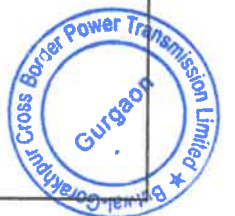
##### 1.3 Survival

The expiry or termination of this Part I of Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Part I of Agreement, nor shall it affect the survival of any continuing obligations for which this Part I of Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination including those under Clause 1.2





Clause 12.6 (Application of Insurance Proceeds), Section 13 (Force Majeure), Section 16 (Events of Default and Termination), Section 17(Liability & Indemnification), Section 19 (Governing Law & Dispute Resolution), and Section 21 (Miscellaneous).



## SECTION 2

### 2.0 CONDITIONS PRECEDENT

2.1 The Parties recognize and agree that this Agreement other than those set out in Clause 3.1(vii) and 3.2(iv) shall not become effective unless and until the following Conditions Precedent have been satisfied:

- (i) Financial Close for TLP- India has been achieved by BGCPTL;
- (ii) Financial Close for TLP-Nepal has been achieved by NEA; and
- (iii) Transmission License has been obtained by BGCPTL in favour of BGCPTL for TLP-India from the CERC.

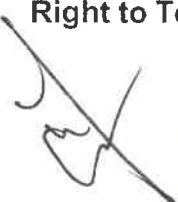
### 2.2 Non-compliance with Conditions Precedent

2.2.1 Parties shall use their reasonable endeavors to ensure either the satisfaction or waiver of the Conditions Precedent relating to the effectiveness of their obligations under this Agreement. No Conditions Precedent may be waived unless mutually agreed by the Parties in writing.

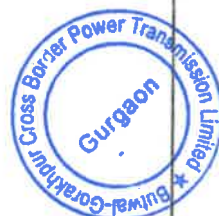
2.2.2 Each Party shall take all reasonable efforts to satisfactorily comply with each terms, each of the Conditions Precedent at its own cost & expense and are under the duty to for which it is responsible as soon as practicable and shall notify the other Party when such Conditions Precedent is satisfied.

2.2.3 Without prejudice, if any of the Party fails to carry out any of its obligations as specified above, reasonable time shall be provided to allow it to comply with the Conditions Precedent. The non-responsible Party may in its sole discretion, waive any Condition Precedent by written notice to the responsible Party.

### 2.3 Right to Terminate



Page 10



2.3.1 If Conditions Precedent in Clause 2.1(i) and Clause 2.1 (ii) have not been satisfied within 12 (twelve) months from the Effective Date (or such other period mutually extended by the Parties), NEA may terminate this Agreement by giving a written notice of termination to BGCPTL.

2.3.2 If Conditions Precedent in Clause 2.1(ii) have not been satisfied within 12 (twelve) months from the Effective Date (or such other period mutually extended by the Parties), BGCPTL may terminate this Agreement by giving a written notice of termination to NEA.

2.3.3 In the event of a termination of this Agreement pursuant to Clause 2.3, both Parties shall have no financial or other liability towards each other for the termination of this Agreement due to non-fulfillment of the Conditions Precedent.

## 2.4 Reports

Each Party shall notify the other Party in writing at least once a month on the progress made in satisfying the Conditions Precedent referred in Clause 2.1, and shall promptly inform in writing if any Condition Precedent for which it has responsibility has been satisfied.





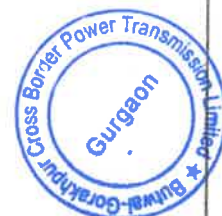
## SECTION-3

### 3.0 DEVELOPMENT OF TLP-INDIA

#### 3.1 BGCPTL Obligations in Development of TLP-India

Subject to the terms and conditions of this Agreement, BGCPTL at its own cost shall be responsible for the development of TLP-India including specifically the following:

- i) for procuring and maintaining in full force and effect the Consents required by it pursuant to this Agreement and in accordance with applicable Law;
- ii) for the development, procurement, construction, commissioning, implementation, financing, owning, operation and maintenance of each Element for the scope of work set out in this Agreement and in accordance with the scope of TLP-India as per Schedule 3 for the development and construction of works as per Schedule 3 with Prudent Utility Practices;
- iii) for entering into Project Coordination Procedure which governs the interaction between the Parties in connection with the development and construction of the Transmission Line Project;
- iv) for entering into Connection Agreements (a) between NEA and BGCPTL regarding interconnection of TLP-Nepal and TLP-India; and (b) between POWERGRID and BGCPTL regarding interconnection of TLP-India into the POWERGRID network
- v) for owning TLP-India throughout the term of this Agreement free and clear of any encumbrance except those permitted under this Agreement;

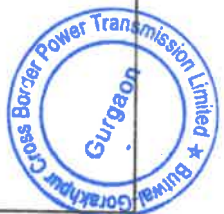


- vi) to co-ordinate and liaise with concerned agencies and provide on a timely basis relevant information with regard to the specifications of TLP-India that may be required for interconnecting with the Interconnection Facilities;
- vii) to interconnect TLP-India with Interconnection Facilities in India and to arrange, on or prior to the Required Commercial Operation Date, for the required connections of each Element with the Interconnection Facilities up to NEA network;
- viii) to make available the entire transmission capacity of TLP-India to NEA for the transmission of energy at NEA's discretion, subject to the requirements of this Agreement. It is agreed and understood that in addition to the use of transmission capacity, BGCPTL shall install 24 pairs OPGW in TLP-India, and upto six pairs of OPGW shall be used to cater to the communication and protection needs for the operation of TLP-India. The remaining pairs of OPGW shall be used by BGCPTL for any other purpose subject to terms and conditions to be mutually agreed by the Parties;
- ix) for appointing Contractors as per the provisions of this Agreement;
- x) to comply with its obligations under this Agreement;
- xi) to provide to NEA, on a monthly basis, progress reports with regard to TLP-India and its execution (in accordance with Agreed Form) to enable NEA to monitor and co-ordinate the development of TLP India matching with the Interconnection Facilities;
- xii) to obtain necessary approvals for TLP-India from applicable Governmental Authorities to facilitate commencement of implementation of TLP-India pursuant to this Agreement and in accordance with all applicable Laws;
- xiii) to follow all applicable rules, regulations and procedures pertaining to implementation of transmission system in India; and to ensure timely



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finalization of the Financing Agreements by giving due consideration to the requirements of the prospective lenders.

### 3.2 NEA Obligations during the Implementation of TLP-India

Subject to the terms and conditions of this Agreement, NEA, at its own cost but without incurring any significant additional cost to NEA's normal operations shall be responsible to undertake the following:

- i) to reasonably assist BGCTCL in obtaining necessary Consents for the execution of TLP-India pursuant to this Agreement and in accordance with applicable Laws; if required.
- ii) to arrange, on or prior to the Required Commercial Operation Date, for the required connections of each Element with the Interconnection Facilities up to NEA network. Notwithstanding the foregoing, BGCPTL shall provide necessary assistance to NEA, wherever required.
- iii) for complying with its obligations under this Agreement; and
- iv) to provide reasonable assistance to BGCPTL in connection with the finalization of the Financing Agreements, provided that NEA shall not be liable for any failure of the Financial Close to occur.

### 3.3 Time for Commencement and Completion

- (i) BGCPTL shall take all necessary steps to commence work on TLP-India from the Effective Date and shall proceed with TLP-India in accordance with the time schedule as specified herein.
- (ii) The Commercial Operation Date of TLP-India shall occur on or before the Required Commercial Operation Date, or within such extended time to which BGCPTL shall be entitled under Clause 3.4 hereto.
- (iii) Time shall be of essence of this Agreement. However, the Parties may meet at such intervals as they may decide to discuss the progress and



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implementation of TLP-India and accordingly may mutually agree on the adjustment of the Required Commercial Operation Date.

### 3.4 Extension of Time

3.4.1 The Required Commercial Operation Date shall be extended on day to day basis:

- (a) if and to the extent that BGCPTL is prevented from performing its obligations under Clause 3.1 by the Required Commercial Operation Date due to reasons attributable to NEA or
- (b) if Parties are prevented from performing their obligations for reasons not attributable to either Parties.

3.4.2 The Required Commercial Operation Date may be extended by up to one hundred eighty (180) days by reason of one or more Force Majeure Events. Such extension shall be on a day for day basis for each day by which the Required Commercial Operation Date was delayed due to such Force Majeure Events. If there is a further delay due to such Force Majeure Events beyond one hundred eighty (180) days in the aggregate, the Parties may agree to extend the Required Commercial Operation Date. If the Parties do not reach an agreement and the delay due to Force Majeure Events continues beyond one hundred eighty (180) days, either Party shall have the right to terminate the Agreement with immediate effect upon delivery of a Termination Notice to the other Party in this regard, with neither Party having liability to the other in the event of such termination.



## SECTION 4

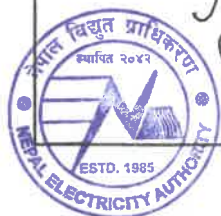
### 4.0 CONSTRUCTION OF TLP-India

#### 4.1 BGCPTL's Construction Responsibilities

- i) BGCPTL, at its own cost and expense, shall be responsible for designing, procuring, constructing, erecting, completing and commissioning each Element and achieving commercial operation of TLP-India by the Required Commercial Operation Date in accordance with the Consents, the Technical Particulars, Prudent Utility Practices and all applicable Laws.
- ii) BGCPTL acknowledges and agrees that it shall not be relieved from any of its obligations under this Agreement or be entitled to any extension of time or financial compensation by reason of the unsuitability of the Site or any line route(s) for whatever reason except to the extent approved by CERC responsible for approving the Transmission Service Charge, if required.
- iii) BGCPTL shall be responsible for constructing the complete TLP-India as per the scope of TLP-India given in Schedule 3 of this Agreement.
- iv) BGCPTL shall be responsible to obtain all Consents, at its own cost required under applicable Laws for construction of TLP-India.
- v) BGCPTL shall be responsible to obtain approval of the Transmission Service Charge from CERC, if required.

4.1.1 It shall be the responsibility of BGCPTL to arrange any Consents required by any Governmental Authority, at its own cost.

4.1.2 The BGCPTL shall be responsible for: (a) Right of Way for tower foundations; (b) final selection of the Site including its geo-technical investigation; (c) survey and



geo-technical investigation of line route in order to determine the final route of the transmission line; and (d) necessary compensation for the right of way.

4.1.3 Seeking actual access and entries to the Site and other places where TLP-India is being executed shall also be the responsibility of BGCPTL, at its own cost, including crop compensation on each occasion, or any other compensation as may be required under the applicable Law.

4.1.4 BGCPTL shall meet the requirements of the civil aviation authorities by providing, including without limitation, aviation lighting, aviation spheres and painting of towers, at its own cost.

## 4.2 Appointing Contractors

4.2.1 BGCPTL shall finalize the award to each Contractor at an optimal cost in accordance with its policy, system, procedure and terms and conditions to meet its obligations in this Agreement.

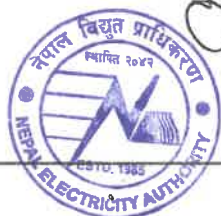
4.2.2 The appointment of such Contractor(s) shall neither relieve BGCPTL of any of its responsibilities under this Agreement nor make NEA liable for the performance of such Contractor(s).

## 4.3 Information to NEA

4.3.1 BGCPTL shall provide to NEA and any other agencies as required, on a monthly basis, progress reports with regard to TLP-India and its execution, in accordance with the approved formats.

4.3.2. Upon request by NEA, BGCPTL shall provide NEA with all technical details on TLP-India that it is reasonably able to provide.

## 4.4 Quality of Workmanship and Supervision of Work





4.4.1 BGCPTL shall ensure that TLP-India is built and completed in accordance with Prudent Utility Practices.

4.4.2 BGCPTL shall provide all necessary superintendence for the execution of TLP-India and its supervisory personnel shall be constantly available on the Site to provide full-time superintendence. BGCPTL shall provide and employ only skilled personnel who are experienced in their respective fields.

#### 4.5 Inspection by NEA

NEA may designate any of its employees or authorized representatives for the purpose of inspecting the progress and the quality of the works being carried out by BGCPTL. Nothing contained in this Section shall create any contractual relation between NEA and any of the Contractors assigned by BGCPTL for the execution of its works.

#### 4.6 Remedial Measures

If NEA identifies any activities to be carried out to mitigate or remedy any lapses and shortfalls with regard to the execution of TLP-India BGCPTL shall, without prejudice, carry out such activities on its own. However, such intimation by NEA shall not relieve BGCPTL of its obligations in the Agreement.

#### 4.7 Taxes and Duties

4.7.1 Except as otherwise specifically provided in the Agreement, BGCPTL shall ensure payment of all taxes, duties, levies and charges assessed on BGCPTL and its employees as per applicable Law in connection with TLP-India.

4.7.2 BGCPTL shall bear and promptly pay all customs and import duties as well as other local taxes including GST, works contract taxes and tax on earnings that are required to be paid by BGCPTL as per applicable Law.



4.7.3 NEA shall be indemnified and held harmless by BGCPTL against any claims that may be made against NEA in relation to the matters set out in Clauses 4.7.1 and 4.7.2 above.

#### 4.8 Adherence to Time Schedule

During the implementation of the TLP-India, BGCPTL, shall make all efforts to ensure strict adherence to the time schedule, as defined by RCOD.

#### 4.9 Changes in TLP-India

4.9.1 Subject to the provisions under this Agreement, during the implementation of TLP-India, any change, modification, addition or deletion to, in or from TLP-India (a "Change") shall be mutually agreed by the Parties.

4.9.2 BGCPTL may from time to time during its performance of the Agreement propose to NEA any Change that BGCPTL considers necessary or desirable to improve the quality, efficiency or safety of TLP-India according to Prudent Utility Practices. NEA may at its discretion approve or reject any Change proposed by BGCPTL.

4.9.3 Within 60 (sixty) days of the receipt of the proposal by NEA or on acceptance by NEA of the proposal of BGCPTL as per Clause 4.9.2, BGCPTL shall provide to NEA an estimate of the expenditure and time required to be incurred for the Change, its impact on TLP-India, TSC and any other matter which in the opinion of BGCPTL is relevant to the Change. In case NEA does not accept the details provided by BGCPTL with regard to the Change, the matter shall be mutually discussed and resolved.

4.9.4 Notwithstanding Clauses 4.9.1, 4.9.2 and 4.9.3 above, no Change necessitated because of any default of BGCPTL in the performance of its obligations under this Agreement shall be deemed to be a Change, and such Change shall not result in any adjustment of the TSC or the TAF favourable to BGCPTL.



4.9.5 Any change in route length arising in spite of there being no change in the Interconnection Points of the line, shall not constitute a Change in TLP-India.

#### 4.10 Submission of Work Schedule

BGCPTL shall submit the detailed work schedule to NEA sixty (60) days prior to Financial Close which schedule shall set out works required for the achievement of the Commercial Operation Date by the Required Commercial Operation Date, including without limitation, design, procurement, manufacturing, testing, shipment and field erection activities which shall be used for monitoring of TLP-India.





## SECTION 5

### 5.0 COMMISSIONING AND CONNECTION OF TLP-India

#### 5.1 Connection with the Transmission System (or Grid)

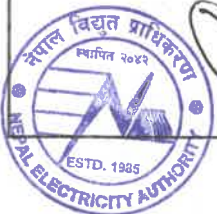
5.1.1 BGCPTL shall give NEA at least sixty (60) days' advance written notice of the date on which it intends to connect an Element with the Interconnection Facilities, which date shall not be earlier than the Required Commercial Operation Date unless NEA otherwise agree. BGCPTL shall appropriately take up with POWERGRID for interconnection in India and with TLP-Nepal respectively.

5.1.2 Subject to Clause 5.1.1, any Element may be connected with the Interconnection Facilities when:

- i) it has been completed in accordance with this Agreement;
- ii) it meets all the necessary technical, legal and other requirements for connection of such Element with the Interconnection Facilities;
- iii) is capable of being operated safely; and
- iv) TLP- Nepal Portion is complete and available for interconnection.

5.1.3 BGCPTL shall connect TLP-India with the Interconnection Facilities at TLP-Nepal and NEA shall provide BGCPTL with all reasonable assistance in this regard. BGCPTL shall arrange connection with POWERGRID substation at Indian end.

5.1.4 NEA shall inspect each Element which BGCPTL intends to connect with the Interconnection Facilities within thirty (30) days after being notified in writing by BGCPTL pursuant to Clause 5.1.1 to determine whether the requirements of Clause 5.1.2 have been met. BGCPTL shall provide NEA employees with such access to the Site as it reasonably requires making such determination.



5.1.5 If NEA is satisfied that the Element is ready to be connected with the Interconnection Facilities in accordance with Clause 5.1.2, it shall promptly notify BGCPTL to that effect and provide BGCPTL with all reasonable assistance in connection of the Element with the Interconnection Facilities as soon as reasonably practicable.

## 5.2 Testing and Commissioning

5.2.1 BGCPTL shall be responsible for ensuring testing and commissioning of each Element in accordance with Prudent Utility Practices, the technical specifications and technical set forth in Schedule 8, at its own cost.

5.2.2 BGCPTL shall give NEA not less than ten (10) days prior written notice of each Commissioning Test.

5.2.3 NEA may for reasonable cause defer any Commissioning Test for up to fifteen (15) days from the date originally notified by BGCPTL pursuant to Clause 5.2.2, if it notifies BGCPTL in writing before such Commissioning Test starts of the reason for the deferral and when the test is to be rescheduled. Notwithstanding the foregoing, the aggregate duration of such deferments by NEA shall not exceed an aggregate period of thirty (30) days. The Required Commercial Operation Date shall be extended as required, for all such deferments on a day for day basis.

5.2.4 BGCPTL and NEA shall each designate a qualified and authorized representative to monitor each Commissioning Test.

5.2.5 The Commissioning Tests shall be carried out in accordance with codes, practices and procedures of international testing codes/ standards using Prudent Utility Practices and shall be mutually agreed between BGCPTL and NEA sufficiently in advance.

5.2.6 Within five (5) days of Commissioning Tests, BGCPTL shall provide NEA with copies of detailed test reports.



5.2.7 BGCPTL shall comply with all requirements specified for Testing and Commissioning in the procedure notified under CERC (Cross Border Trade of Electricity) Regulations 2019, Procedure for approval and facilitating import / export (Cross Border) of Electricity by the Designated Authority as amended from time to time.

### 5.3 Commercial Operation

5.3.1 TLP-India shall be declared Commissioned and the Commercial Operation Date shall be achieved on the date when all of the following conditions are met:

- i) NEA is satisfied with the test report for each Commissioning Test;
- ii) NEA has issued a Final Test Certificate stating that the Commissioning Tests have been carried out in accordance with Prudent Utility Practices and this Agreement;
- iii) TLP-India is connected with [the CTU/POWERGRID] grid;
- iv) TLP-India is charged at rated Voltage; and
- v) Consents and Licenses are in force and valid as defined in the 'Definition'.

#### 5.3.2 Mismatch between commissioning of TLP-India and TLP-Nepal:

Commercial obligations including but not limited to declaration of Deemed COD and consequent payment of TSC arising out of mismatch between readiness of TLP-India and TLP-Nepal on or after RCOD shall be decided by the respective Governments in accordance with Clause 14 of Cross Border Trade of Electricity Regulations (CBTE)-2019, issued by CERC, wherein the reference to "generating company" shall be read as NEA.



## Part II Operation and Maintenance of TLP-India

### SECTION 6

#### 6.0 EFFECTIVENESS AND TERM

##### 6.1 Commercial Operation Date

Part II of the Agreement shall become operative as soon as TLP-India is Commissioned and the Commercial Operation Date has been achieved.

##### 6.2 Term and Termination

6.2.1 The Term of the Agreement will expire on the Expiry Date. Subject to Clause 6.2.2, this Part II shall continue to be effective in relation to TLP-India under operation until the Expiry Date.

6.2.2 Subject to Paragraph 4.1.3 of Schedule 4, this Agreement shall terminate before the Expiry Date:

- i) If a Termination Notice is served in accordance with Section 16:
  - a) by NEA following a BGCPTL Event of Default; or
  - b) by BGCPTL following a NEA Event of Default;
- ii) If NEA or BGCPTL serves a notice to terminate in accordance with Clause 16.1.5.

##### 6.2.3 Survival

The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement including but not limited to those specifically provided in this Part nor shall it affect any continuing obligations which this Part provides either expressly or by necessary implication, which are to survive its expiry or termination in accordance with the applicable Law.





**SECTION 7**

[NOT USED]



## SECTION 8

### 8.0 OPERATION AND MAINTENANCE OF TLP-India

#### 8.1 BGCPTL's obligations in Operation and Maintenance of TLP-India

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

- (i) for procuring and maintaining in full force and effect the Consents, required by it pursuant to this Agreement and in accordance with applicable Law;
- (ii) for maintaining and repairing TLP-India as set out in this Agreement and in accordance with the Technical Specifications and the Technical Particulars as per clause 8.4.1, Prudent Utility Practices and applicable Law. BGCPTL shall cooperate with NEA so as to maintain the system parameters within acceptable/reasonable limit except where it is necessary to take measures to prevent imminent damage to any equipment;
- (iii) for owning TLP-India throughout the term of this Agreement free and clear of encumbrance except those permitted under this Agreement;
- (iv) for ensuring that TLP-India is continuously connected at all times with TLP-Nepal;
- (v) for making available the entire transmission capacity of TLP-India to NEA for safe transmission of power at NEA's discretion as per the Agreement. Provided, however, it is agreed and understood between the Parties that other than the use of entire transmission capacity which is governed under the Agreement, NEA and BGCPTL shall review use of the OPGW of TLP-India other than for the purpose of operation of TLP-India subject to the terms and conditions to be mutually agreed between the Parties;
- (vi) in order to operate and maintain TLP-India in accordance with the requirements of this Agreement, for appointing an O&M Contractor having the requisite skill, experience and financial capability in accordance with Prudent Utility Practices and applicable Law. Such appointment shall be made not later than the earlier to occur of (a) the Commercial Operation



- Date, and (b) the date three (3) months before the Required Commercial Operation Date;
- (vii) for providing all assistance to the Adjudicator and arbitrator as they may require for the performance of their duties and services; and
  - (viii) for complying with its obligations under this Agreement.

## 8.2 NEA's Obligations in Operation of TLP-India

Subject to the terms and conditions of this Agreement, NEA, at its own cost and expense undertakes to be responsible:

- (i) for ensuring that the Interconnection Facilities on the NEA grid side remain continuously connected with TLP-Nepal at all times;
- (ii) for complying with its obligations under this Agreement;
- (iii) for operating the Interconnection Facilities on the NEA grid side in accordance with Prudent Utility Practices; and
- (iv) for providing all required assistance, to the extent possible, including in obtaining necessary Consents to BGCPTL for TLP-India, without incurring any cost and expense.

## 8.3 Assistance from NEA

NEA shall provide, to the extent possible, reasonable assistance to BGCPTL without incurring any cost and expenses in obtaining all necessary Consents required for TLP-India from and after the Commercial Operation Date by providing such letters of recommendation to the concerned Governmental Authorities as may be requested by BGCPTL from time to time.

## 8.4 Operation and Maintenance (O&M) Procedures

8.4.1 BGCPTL shall comply with the O&M requirements set out in clause 8.4.2 of this Agreement. In doing so, BGCPTL shall ensure that Interconnection Facilities are



operated and maintained to the standards and specifications as set out herein and with the Prudent Utility Practices.

8.4.2 Not later than one hundred eighty days (180) prior to the Required Commercial Operation Date, BGCPTL shall prepare the O&M procedure (the "**Operating Procedures**") and provide NEA with the draft of such Operating Procedure dealing with all operational interfaces between BGCPTL and NEA including, but not limited to:

- i) methods of continuous and uninterrupted communication between BGCPTL and NEA;
- ii) safety co-ordination;
- iii) seeking permits to work for attending to outages;
- iv) contingency and emergency planning in the event of a partial or total shutdown of the grid;
- v) incident reporting;
- vi) testing, inspection and monitoring of TLP-India;
- vii) maintenance and repair during Scheduled Outages, Unscheduled Outages, Forced Outages and during Force Majeure Events;
- viii) determination of unavailability of any Element;
- ix) interconnection rules detailing synchronization, frequency control, voltage control, emergency operations;
- x) telecommunications; and
- xi) SCADA requirements;

8.4.3 The Operating Procedures shall be consistent with the following requirements, in order of priority:

- i) all applicable Laws;
- ii) the Grid Code of India as applicable;
- iii) the Technical Specifications;
- iv) the terms and conditions of this Agreement; and
- v) Prudent Utility Practices.

In case of any conflict amongst the above requirements, the order of priority shall apply in determining the controlling requirement.





8.4.4 Within sixty (60) days after receiving the draft of the Operating Procedures NEA shall notify BGCPTL in writing specifying its objections to BGCPTL's draft and the deletions, amendments or additions that it requires, and both Parties shall meet to discuss the draft Operating Procedures and mutually reach agreement on the Operating Procedures in accordance with the Grid Code of India, Procedure for approval and facilitating import / export (Cross Border) of Electricity by the Designated Authority and Grid Code of Nepal, as applicable.

8.4.5 Either Party may, from time to time, propose amendments to the Operating Procedures in any manner consistent with Clause 8.4.3 by giving written notice to the other Party stating the reasons for the proposed amendment. The process in Clause 8.4.4 shall apply if one Party objects within sixty (60) days to any proposed amendment.

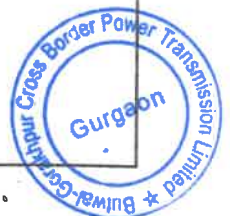
8.4.6 The Operating Procedures shall take effect on the date agreed by the Parties or, if there is no objection to the Operating Procedures proposed by BGCPTL pursuant to Clause 8.4.2, the expiry of the sixty (60) day objection period or such later date as may be set out in the proposal.

8.4.7 The Parties shall comply with the Operating Procedures.

## 8.5 Operation and Maintenance

8.5.1 BGCPTL shall be responsible at its own cost and expense for ensuring that TLP-India is fit to be operated and is maintained in accordance with the Grid Code in India, Operating Procedures, instructions from applicable Governmental Authorities, Prudent Utility Practices, applicable Law including the terms of Consents, in each case so as not to have an adverse effect on the safety, expected life, operation and maintenance expenses and availability of the entire transmission capacity of TLP-India.

8.5.2 BGCPTL shall appoint an O&M Contractor for the maintenance and repair of TLP-India pursuant to Article 8.1(vi), and such O&M Contractor shall be a recognized



agency/ contractor and having the requisite skill, experience and financial capability in accordance with Prudent Utility Practices and applicable Law, including without limitation having significant experience in relation to the operation, maintenance and repair of equipment and facilities similar to TLP-India.

8.5.3 BGCPTL shall ensure that for the maintenance and repair of TLP-India competent and qualified personnel are at all times employed or outsourced as applicable. Personnel employed or outsourced by BGCPTL shall have sufficient skill and experience in relation to the operation, maintenance and repair of equipment and facilities similar to TLP-India and shall comply with the requirements of this Agreement and all applicable Laws. BGCPTL shall also carry out preventive maintenance of TLP-India as required.

## 8.6 Information to NEA

BGCPTL shall provide to NEA, on a monthly basis, all reasonable information with regard to operation and maintenance of TLP-India as required by NEA to ensure optimum availability in terms of time and capacity of TLP-India and quality of maintenance and repair work.

## 8.7 Report and Remedial Measures

The periodic inspections for operation and maintenance activities by BGCPTL shall be set out in the O&M Manual and regular reports on the same shall be sent to NEA. Where required, BGCPTL shall carry out any maintenance, repair or rehabilitation works found necessary as a result of such inspections.

## 8.8 Scheduled Outages

8.8.1 By such date in each year as NEA may from time to time prescribe for the submission of outage plans from BGCPTL for TLP-India , as per the Grid Code of India and Procedure for approval and facilitating import / export (Cross Border) of Electricity by the Designated Authority, BGCPTL shall submit to NEA in writing its



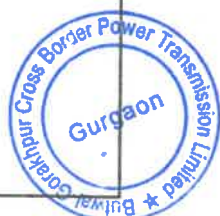
firm proposals in advance for the Scheduled Outages to be taken in the next Contract Year and its provisional proposals for Scheduled Outages to be taken in the subsequent Contract Years, during the months of low demand. Months of high and low demand shall be informed to BGCPTL at least one year in advance, by NEA.

8.8.2 The Scheduled Outages of TLP-Nepal and TLP-India shall be mutually planned in coordination with POWERGRID and NEA so that the Schedule Outages of TLP-Nepal and TLP-India are carried out simultaneously. However, unless otherwise agreed by NEA, BGCPTL shall not plan to take any Scheduled Outages during the period from 1 October to 30 May of any year, corresponding to dry season of Nepal, and Schedule Outages shall not exceed in the aggregate 07 Days in any Contract Year.

8.8.3 Within two (2) months after receiving BGCPTL's proposals, NEA shall notify BGCPTL in writing whether its proposed Scheduled Outages are acceptable and, if not, and after discussing the matter with BGCPTL, shall indicate the periods that would be acceptable, which shall be:

- (i) of the same duration as the periods requested by BGCPTL; or
- (ii) within the time limits required by any legal requirement relating to routine maintenance; or
- (iii) within the time limits required or recommended by the manufacturer or supplier of TLP-India equipment which is to undergo maintenance.

8.8.4 BGCPTL may only object to a revised proposal for Scheduled Outages by NEA on the grounds that it would be inconsistent with the requirements of Clause 8.8.3. Unless BGCPTL objects in writing within twenty (20) days after receiving the revised proposal, it shall be deemed to have agreed to the Scheduled Outages proposed by NEA. If BGCPTL does object to the proposed Scheduled Outages within that period and the Parties cannot reach agreement within ten (10) days after BGCPTL's objection was sent to NEA, the matter shall be mutually discussed and agreed to keeping in view the safety of the equipment and critical availability of the system.



8.8.5 The accepted or agreed Scheduled Outages pursuant to Clauses 8.8.3 and 8.8.4 shall be confirmed to the extent that they relate to the next Contract Year and shall be provisionally confirmed to the extent that they relate to subsequent Contract Years. Provisionally confirmed Schedule Outages may be changed by either Party for good cause.

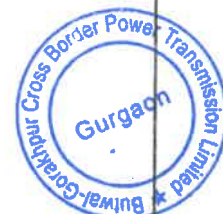
8.8.6 In an emergency, NEA may require BGCPTL to use its best efforts to reschedule a confirmed Scheduled Outage to a more convenient time.

8.8.7 NEA shall give notice to BGCPTL of its maintenance program for the Interconnection Facilities on the NEA grid side and shall use its reasonable endeavors to coordinate such maintenance with the Scheduled Outages approved pursuant to this Clause 8 so as to minimize the disruption to the operation of TLP-India.

## 8.9 Unscheduled Outages

8.9.1 Whenever BGCPTL needs Unscheduled Outage it shall advise NEA in accordance with the Operating Procedures of the nature of the work to be carried out, the estimated time required to complete it and the latest time by which in BGCPTL's opinion the work should begin consistent with Prudent Utility Practices.

8.9.2 After discussing the matter with BGCPTL, NEA shall advise BGCPTL, when the requested Unscheduled Outage is scheduled to begin (which shall be not later than the latest time indicated by BGCPTL. BGCPTL shall use its reasonable endeavors consistent with Prudent Utilities Practices to carry out the maintenance in accordance with the time schedule set out in its request for the Unscheduled Outage.





## 8.10 Supervision of Operation and Maintenance

BGCPTL shall provide all necessary superintendence for maintenance and repair of TLP-India and its supervisory personnel shall be constantly available on the Site to provide full time superintendence in accordance with Prudent Utility Practices. BGCPTL shall provide and employ only skilled personnel who are experienced in their respective fields.

## 8.11 Taxes and Duties

8.11.1 Except as otherwise specifically provided in the Agreement, BGCPTL shall bear and pay all taxes, duties, levies and charges assessed on BGCPTL, its Contractors or their employees by all Governmental Authorities in connection with TLP-India.

8.11.2 BGCPTL shall bear and promptly pay all customs and import duties as well as other local taxes including GST, works contract taxes and tax on earnings that are required to be paid by BGCPTL in accordance with applicable Law.

8.11.3 NEA shall be indemnified and held harmless by BGCPTL against any claims that may be made against NEA pursuant to clause 8.11.2.

8.11.4 NEA shall not be liable for any payment of dues, taxes, duties, levies whatsoever for work done by NEA on behalf of BGCPTL or its personnel provided BGCPTL has consented in writing to NEA for such work, which consent shall not be unreasonably withheld.

## 8.12 Changes in TLP-India

8.12.1 Subject to the provisions under this Agreement, during the operation of TLP-India, any Change shall be mutually agreed between the Parties provided that such Change falls within the general scope of TLP-India.



8.12.2 In the event of a Change which shall need to be performed in accordance with Prudent Utility Practices, the modalities of execution of such Changes, the Party to this Agreement responsible for performing such Change and its impact on the TSC shall be mutually agreed by the Parties.

8.12.3 Notwithstanding anything written in Clause 8.12.1 and 8.12.2 above no Change shall be deemed to be a Change because of any default on the part of BGCPTL in the performance of its obligations under the Agreement. Any such Change shall not result in any adjustment of the TSC or the TAF favorable to BGCPTL.



## SECTION – 9

### 9.0 Availability of the TLP-India

9.1 The Availability of the TLP – India shall be calculated in accordance with applicable Schedule 5.

9.2 Void

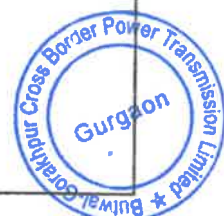
9.3 Void

9.4 The element of TLP-India under outage due to following reasons not attributable to BGCPTL shall be deemed to be available.

- (i) Shut down of element of TLP-India upon request of NEA for maintenance or construction of their transmission system.
- (ii) Manual tripping of line due to over voltage as per the directions of Control Center.
- (iii) Any other condition for deemed availability as provided under Schedule 5

9.5 Outage time of transmission element of TLP-India for the following contingencies shall be excluded from the total outage time of the element under period of consideration.

- i) Outage of Line due to Force Majeure Events as per clause 13.3. A reasonable restoration time for the element shall be allowed. Any additional time taken by BGCPTL for restoration of the element beyond the reasonable time shall be treated as outage time attributable to BGCPTL. System restored through ERS (Emergency Restoration System) if any shall be considered as available;
- ii) Outage caused by grid incident/disturbance not attributable to BGCPTL, e.g. faults in substation or bays owned by other agency causing outage of BGCPTL's elements, tripping of lines, ICTs etc. due to grid disturbance; and Outage of TLP-Nepal due to reasons other than because of TLP-India



9.6 **Normative Availability**

The Normative Availability of the TLP-India shall be as per Schedule 5.





## SECTION - 10

### PAYMENT AND BILLING OF TRANSMISSION SERVICE CHARGES

#### 10.0 TRANSMISSION SERVICE CHARGES

10.1 Subject to the other provisions of this Section 10, NEA shall pay to BGCPTL, on a monthly basis, the Transmission Service Charge ("**TSC**") from the Commercial Operation Date until this Agreement expires or is terminated (each such monthly payment being a "**Monthly TSC Payment**").

10.2 The Monthly TSC payable by NEA to BGCPTL shall be calculated in accordance with Schedule 5.

#### 10.3 Delivery of Invoices

##### 10.3.1 BGCPTL's Invoice

- i) Commencing with the month following the month in which the Commercial Operation Date is declared, BGCPTL shall submit to NEA by the fifth (5<sup>th</sup>) day of such and each succeeding month (or, if such day is not a business day, the immediately following business day) an invoice in the Agreed Form (the "**Monthly TSC Invoice**") signed by authorized signatory of BGCPTL for the Monthly TSC Payment for TLP-India by NEA to BGCPTL in respect of the immediately preceding Month in accordance with this Agreement; and
- ii) Each Monthly TSC Invoice shall include detailed calculations, as applicable, of the amounts payable to BGCPTL, together with such further supporting documentation and information as NEA may require/ request, from time to time.

#### 10.4 Payment of Invoices



10.4.1 Subject to Clause 10.2 and Clause 13, any amount payable under an invoice shall be paid immediately for value on or before the Due Date, to such account of BGCPTL as shall have been previously notified to NEA, provided that such payment shall not include the disputed amount.

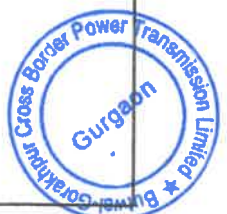
10.4.2 In case NEA pays to BGCPTL through direct payment or Letter of Credit in respect of a Monthly TSC Invoice, the following shall apply:

For payment of invoice through direct payment or Letter of Credit within

- (i) three business days after receipt of Monthly TSC Invoice, a rebate of 2% shall be allowed on the payment of the undisputed amount of Monthly TSC Invoice or supplementary bills; or
- ii) For payment of TSC invoice subsequently through direct payment or Letter of Credit, but within a period of 30 days of receipt of Monthly TSC Invoice, a rebate of 1% shall be allowed on the payment of the undisputed amount of Monthly TSC Invoice or supplementary bills.

10.4.3 Any amount due from NEA to BGCPTL pursuant to this Agreement and remaining unpaid after 30 days of the Due Date shall bear surcharge at the rate of 1.25% (one and a quarter percent) per month. Such surcharge shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by the payee.

10.4.4 BGCPTL has opened a bank account no. 41491802191 at State Bank of India, Corporate Accounts Group Branch, 5th floor, Parsavnath Capital Tower, Bhai Veer Singh Marg, Gole Market, New Delhi 110001 (the "**Designated Account**") for all payments to be made by NEA to BGCPTL, and notify NEA of the details of such account at least ninety (90) days before the RCOD of TLP-India. NEA shall, on the day of payment, notify BGCPTL of the payment made to the Designated Account.



## 10.5 Disputed Invoices

10.5.1 If NEA does not question or dispute an invoice within thirty (30) days of receiving it, the invoice shall be considered correct, complete and conclusive between the Parties.

10.5.2 If NEA disputes any item or part of an item set out in any invoice then that NEA shall serve a notice (an "**Invoice Dispute Notice**") on BGCPTL setting out the item or part of an item which is in dispute and its estimate of the correct calculation for such item or part of an item. The NEA shall provide with the Invoice Dispute Notice all written material in support of its claim.

10.5.3 In the event that NEA has issued an Invoice Dispute Notice in accordance with Clause 10.5.2 it shall be required to pay as follows:

- i) To BGCPTL, all amounts set out in the relevant invoice in relation to which there is no dispute; and
- ii) Its estimate, as set out in the Invoice Dispute Notice pursuant to Clause 10.5.2, of the correct amount (if any) payable.

10.5.4 If BGCPTL agrees with the Invoice Dispute Notice to which it relates, it shall adjust the invoice (if NEA has not paid) or refund the applicable amount to NEA within five (5) days (if NEA has paid).

10.5.5 In the event that the Parties do not, within fourteen (14) days of the delivery of an Invoice Dispute Notice, resolve any dispute arising under Clause 10.5.2, either Party may refer the matter to be determined in accordance with Section 19.



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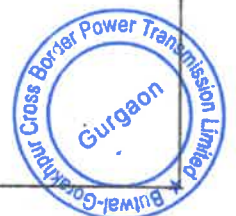


## 10.6 Payment Security

### 10.6.1 Establishment of Letter of Credit

NEA shall, not later than 3 (three) months before the Required Commercial Operation Date provide BGCPTL at its own cost with an irrevocable confirmed revolving letter of credit issued in favour of BGCPTL by a scheduled bank or banks in Nepal, (such letter of credit, a “NEA Letter of Credit”), to be in the form agreed to between NEA and BGCPTL and to be provided on the basis that:

- i) In respect of a Monthly TSC Invoice, in case BGCPTL fails to receive from NEA within 30 (thirty) days of receipt of such Monthly TSC invoice by NEA, an amount equal to the amount due and payable under the Monthly TSC Invoice except to the extent such amount as is, subject to an amount deductible on account of rebates admissible as per Clause 10.4.2, set out in a NEA Invoice and/or an Invoice Dispute Notice pursuant to Clause 10.5.4, BGCPTL may draw upon the NEA Letter of Credit for payment of the Monthly TSC Invoice due to BGCPTL from NEA by presenting to the relevant issuing bank a copy of the Monthly TSC Invoice that has been delivered by BGCPTL to NEA in accordance with this Agreement, acknowledged by NEA and accompanied by a declaration by BGCPTL that the amount due under such Monthly TSC Invoice has not been paid by NEA as on the date of presentation of the Monthly TSC Invoice to the bank;
- ii) The value of a NEA Letter of Credit on the date of issue and on the first day of each Contract Year will be equal to 105% of the estimated value of one month's Monthly TSC Payment, assuming normative Availability;
- iii) Any change required in the value of NEA Letter of Credit shall be notified by BGCPTL to NEA not later than fourteen (14) days before such change is required;





- iv) The NEA Letter of Credit shall be fully revolving so that it will be renewed to its full value upon each call being made on the NEA Letter of Credit; and
- v) The NEA Letter of Credit shall be for a term of not less than twelve (12) months and shall be renewed for, or replaced with another letter of credit acceptable to BGCPTL for, a similar term, at least thirty (30) days prior to the date on which the current NEA Letter of Credit is expressed to expire.

10.6.2 BGCPTL may transfer the NEA Letter of Credit to or for the benefit of the Lenders' Representative. However, NEA will open Letter of Credit in the name of BGCPTL only.

10.6.3 The mere provision of the NEA Letter of Credit shall not relieve NEA of any of its payment obligations under this Agreement. NEA shall only be relieved of such obligation to the extent that the issuing bank actually pays under the NEA Letter of Credit in accordance with this Agreement.

10.6.4 Further in case of Default by NEA in payment, the transmission services could be regulated if transmission charges become overdue from NEA as mutual agreed.



## Part III- General Provisions

### SECTION-11

#### 11.0 SAFETY RULES AND PROCEDURES

##### 11.1 Site Regulations and Safety

11.1.1 BGCPTL shall establish Site regulations as per Prudent Utility Practices, applicable Law and Grid Code of India setting out the rules to be observed in the execution of works at the Site and shall comply therewith.

11.1.2 Such Site regulations shall include, but shall not be limited to, rules in respect of security, safety of TLP-India, access control, sanitation, medical care, and fire prevention.

##### 11.2 Emergency Work

11.2.1 If, by reason of an emergency arising in connection with and during the execution of works under this Agreement, any protective or remedial work is necessary as a matter of urgency to prevent damage to TLP-India, BGCPTL shall immediately carry out such work.

##### 11.3 Site Clearance

11.3.1 In the course of carrying out the Agreement, BGCPTL shall keep the Site reasonably free from all unnecessary obstruction, store or remove any surplus materials, clear away any wreckage, rubbish or temporary works from the Site, and remove any Equipment no longer required for execution of works.



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## 11.4 Security and Lighting

11.4.1 BGCPTL shall be solely and completely responsible for conditions of the working site, including safety and security of all persons and property during the performance of works including during operation and maintenance of TLP-India. During such works, BGCPTL shall provide and maintain all guards, railing, lights, warnings and other protective devices which are required by law or which are reasonably necessary for the protection of persons and property from injury or damage.

## 11.5 Entering into other Parties Premise

Each Party shall comply with the rules and procedure regarding safety and security while entering the premise of the other Party.



## SECTION 12

### 12.0 INSURANCE

#### 12.1 Insurance

12.1.1 BGCPTL shall effect and maintain or cause to be effected and maintained during the term of this agreement, adequate insurances against such risks, with such deductibles including but not limited to any third party liability and endorsements and co-beneficiaries/insured as may be necessary under:

- a) any of the Financing Agreements;
- b) applicable Laws; and
- c) otherwise in accordance with Prudent Utility Practices.

#### 12.2 Evidence of Insurance Cover

12.2.1 BGCPTL shall furnish to NEA copies of certificates and policies of the Insurances as soon as they are effected. Failure by BGCPTL to obtain the insurance coverage or certificates of insurance required pursuant to this Agreement shall not relieve BGCPTL of its obligations under this Section or in any way relieve or limit BGCPTL's obligations or liabilities under any other provision of this Agreement.

12.2.2 BGCPTL shall comply with the conditions of any Insurance policy to be effected under this Agreement and shall not at any time do or omit to do anything whereby any Insurance taken out under this Agreement would be rendered void.

#### 12.3 Remedies for Failure to Insure

12.3.1 If at any time, the Insurance required to be maintained by BGCPTL pursuant to Clause 12.0 and subject to provision of clause 12.2, is found not be in full force and effect, then, without prejudice to any other right of NEA, NEA may at any time whilst such failure is continuing, procure such Insurances at the expense of





BGCPTL and take such steps with respect of such Insurances as NEA may consider expedient or necessary. Any amount expended by NEA in procuring any such Insurance or taking any such steps shall become immediately due and payable by BGCPTL to NEA.

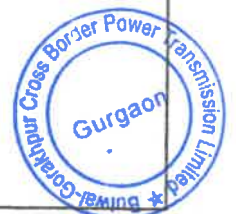
#### 12.4 Application of Insurance Proceeds

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

12.4.2 If a Force Majeure Event or a similar natural event or circumstance renders TLP-India no longer economically and technically viable and the insurers under the Insurances make payment on a "total loss" basis, the portion of the proceeds of such Insurance available to BGCPTL (after making admissible payment to the Lenders as per the financing agreements) shall be allocated between the shareholders in proportion to their equity contribution.

12.4.3 Subject to the requirements of the Lenders under the Financing Agreements, any dispute or difference between the Parties as to whether TLP-India is no longer economically and technically viable due to a Force Majeure Event or a similar natural event or circumstance or whether that event was adequately covered in accordance with this Agreement by the Insurances shall be determined in accordance with Section 19.

12.4.4 BGCPTL, shall source risk coverage on competitive basis involving both Indian national and international Insurance providers. Notwithstanding the foregoing, subject to Lender requirements where the pricing, coverage levels, deductibles, endorsements and other terms and conditions offered by international and Indian national Insurance providers are equal, preference shall be given to Indian insurance companies providers.



12.4.5 Notwithstanding any liability or obligation that may arise under this Agreement, any loss, damage, liability, payment, obligation or expense for which compensation is due to BGCPTL under any Insurance shall not be charged to or payable by NEA.

## 12.5 Effect on Liability of NEA

12.5.1 NEA shall have no financial obligations or liability whatsoever towards BGCPTL in respect of this Section 12.

## 12.6 Waiver of Subrogation

12.6.1 All Insurance policies supplied by BGCPTL shall include a waiver of any rights of subrogation of the insurers thereunder against, inter-alia, NEA and its assigns, subsidiaries, affiliates, employees, insurers and underwriters and of any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under any such policy.

12.6.2 BGCPTL hereby further releases, assigns and waives any and all rights of recovery against, inter-alia, NEA and its affiliates, subsidiaries, employees, successors, permitted assigns, insurers and underwriters, which BGCPTL may otherwise have or acquire in or from or in any way connected with any loss covered by the policies of Insurance maintained in accordance with this Section 12 other than because of deductible clauses in or inadequacy of limits of any such policies of Insurance.

## 12.7 Excuse in Failing to Insure

12.7.1 BGCPTL shall not be in breach of its obligations to procure Insurance under Clause 12.1 to the extent and only for the period that:



- i) The particular Insurance is not available to it in Insurance markets for reasons other than any negligence or default by, or condition (financial or otherwise) of BGCPTL or BGCPTL's Contractors;
- ii) BGCPTL effects and maintains for the period referred to in Clause 12.7.1(i) complementary Insurance cover having regard to the capacity of the Insurance markets.

12.7.2 In the event of any dispute between BGCPTL and NEA as to the capacity of any Insurance or reinsurance market for the purpose of this Clause 12.7 the matter shall be referred to a leading independent insurance agency in India experienced in the insurance market and mutually acceptable to BGCPTL and NEA and the agency so appointed shall be deemed to be an Adjudicator acting pursuant to the provisions of Section 19.



## SECTION 13

### 13.0 FORCE MAJEURE

#### 13.1 Available Relief for a Force Majeure Event

13.1.1 Except as expressly provided in this Agreement, no Party shall be in breach of its obligations pursuant to this Agreement or otherwise liable to the other Party for any hindrance or delay in performance or any non-performance of any such obligations if and to the extent that such hindrance or delay or non-performance is due to a Force Majeure Event as defined in Clause 13.3 provided that:

- (i) the affected Party could not have avoided the effect of Force Majeure by taking precautions which, having regard to all matters known to it before occurrence of the Force Majeure Event and all other relevant factors, it ought reasonably to have taken but did not take;
- (ii) the affected Party has used its best endeavors to mitigate the effect of the Force Majeure Event and to carry out its obligations under this Agreement in any other way that is reasonably practicable;
- (iii) the affected Party has taken all reasonable remedial measures including duly prosecuting and exhausting all such remedies available to the affected Party under applicable Law; and
- (iv) when the affected Party is able to resume performance of its obligations under this Agreement, it has given to the other Party written notice to that effect and promptly resumes performance of its obligations.

13.1.2 To the extent not excused by a Force Majeure Event pursuant to this Section 13, the affected Party shall continue to perform such of its obligations which are capable of being performed in accordance with this Agreement.





13.1.3 Either Party may claim relief as per Clause 3.4.2 of the Agreement.

## 13.2 Duty to Report

13.2.1 Neither Party may claim relief for a Force Majeure Event unless it shall have notified the other Party in writing of the occurrence of the Force Majeure Event as soon as reasonably practicable, and in any event within seven (7) days after the affected Party knew, or ought reasonably to have known, of its occurrence and that the Force Majeure Event would be likely to have a Material Adverse Effect on its performance of its obligations under this Agreement.

13.2.2 Detailed notice subsequent to intimation pursuant to Clause 13.2.1 shall include full particulars of:

- i) the nature of each Force Majeure Event which is the subject of any claim for relief under this Agreement;
- ii) the effect which such Force Majeure Event is having on the affected Party's performance of its obligations under this Agreement;
- iii) the measures which the affected Party is taking, or proposes to take, to alleviate the impact of those Force Majeure Events; and
- vi) any other information relevant to the affected Party's claim.

13.2.3 For so long as the affected Party continues to claim to be affected by a Force Majeure Event, it shall provide the other Party with regular written reports, at least once in every month containing:

- i) the information called for by Clause 13.2.2; and
- ii) such other information as the other Party may reasonably request about the affected Party's claim.

13.2.4 Where BGCPTL is the affected Party, it shall promptly notify NEA in writing when any Force Majeure Event which is the subject of any claim under this Agreement



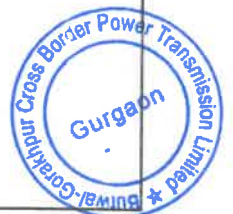
ceases or when there is any material change in its impact on BGCPTL's performance of its obligations under this Agreement.

13.2.5 Where NEA is the affected Party, it shall promptly notify BGCPTL in writing when any Force Majeure Event which is the subject of any claim under this Agreement ceases or when there is any material change in its impact on NEA performance of its obligations under this Agreement.

### 13.3 Force Majeure Events

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

- i) to the extent that it could not reasonably have been expected to occur at the place, and at the time of year, in question, exceptionally adverse weather conditions, act of nature, lightning, tempest, cyclone, hurricane, whirlwind, storm, flood, earthquake, chemical and radioactive contamination, volcanic eruption or fire or land slide to the extent such fire or land slide are originating from a source external to the Site;
- ii) Pandemic / Epidemic, famine or plague;
- iii) strikes or boycotts interrupting supplies and services to TLP-India (but not involving the BGCPTL, the BGCPTL's Contractors or their respective employees, agents or representatives or any strike or boycott attributable to any unfair policy or practice of the aforementioned persons);



- iv) an act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action, civil commotion or politically motivated sabotage;
- v) industry-wide strikes and labor disturbances having a nationwide impact in Nepal (other than those involving primarily BGCPTL's own employees or those of any of BGCPTL's Contractors);
- vi) expropriation or compulsory acquisition by applicable Governmental Authority of any material assets or rights of BGCPTL or BGCPTL's Contractors;
- vii) any unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consent by applicable Governmental Authority required by NEA, BGCPTL or any of BGCPTL's Contractors to perform their obligation under the Project Documents or any unlawful, unreasonable or discriminatory refusal to grant any such Consent (other than a Consent, the obtaining of which is a condition precedent of the Parties' obligations);
- viii) any other unlawful, unreasonable or discriminatory action on the part of any Governmental Authority occurring after Financial Close which is directed against TLP-India (other than action taken in connection with or pursuant to a commercial agreement between the relevant Governmental Authority and BGCPTL or, as the case may be, BGCPTL's Contractors); and
- ix) any Force Majeure Event affecting TLP - Nepal.

13.4 None of the following conditions shall constitute a Force Majeure Event unless due to a Force Majeure Event affecting BGCPTL's Contractors:

- i) late delivery of plant, machinery, equipment, materials, spare parts, fuel, water or consumable for TLP-India; or
- ii) a delay in the performance of any of BGCPTL's Contractors.



13.5 Notwithstanding anything contained in this Section 13, insufficiency of funds shall not constitute a Force Majeure Event.

### 13.6 Duty to Mitigate

For so long as a Force Majeure Event which is the subject of any claim under this Agreement is continuing, the affected Party shall use all reasonable endeavors to alleviate its effects on the affected Party's performance of its obligations under this Agreement.

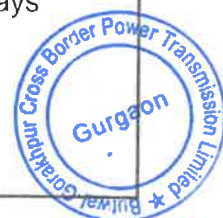
### 13.7 Breakdown of Communication

If a Force Majeure Event results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming relief as a result of such Force Majeure Event shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement.

### 13.8 Continuance of Financial Obligations

13.8.1 It is hereby expressly agreed by the Parties that Transmission Service Charges for TLP-India for periods other than where BGCPTL was not able to make TLP-India available due to Force Majeure Events shall be payable by NEA based on availability certified as per Section 9 and otherwise in accordance with the terms of this Agreement.

13.8.2 For the period during which BGCPTL cannot make TLP-India available due to a Force Majeure Event, NEA shall pay to BGCPTL an amount equal to the amount of the scheduled debt service payment obligation as calculated at the time of the Financial Close (limited to the scheduled repayment of principal and interest falling due on the loan outstanding under the Financing Agreements) that falls due after the start of the period of the Force Majeure Event pro-rated for the number of days





for which TLP-India is unavailable due to the Force Majeure Event. To the extent that BGCPTL is able to make a claim under its Insurances for any loss of revenue arising from the Force Majeure Event, BGCPTL shall diligently pursue any claim and account to NEA for the proceeds of such claims, which proceeds shall be set off against NEA's payment otherwise due hereunder. NEA's liability to make payments during the period of a Force Majeure Event shall not exceed one hundred and eighty (180) days in aggregate for any non-consecutive periods of Force Majeure Events or the first one hundred and eighty (180) days for any single period of a Force Majeure Event.

### 13.9 Affected Party

13.9.1 An affected Party shall mean NEA and/or BGCPTL whose performance has been affected by a Force Majeure Event.

13.9.2 A Force Majeure Event affecting NEA or any agent of NEA, which has affected the NEA grid, shall be deemed to be an event of Force Majeure affecting NEA.

13.9.3 Any Force Majeure Event shall be deemed to be a Force Majeure Event affecting BGCPTL only if the Force Majeure Event affects and results in, late delivery of machinery and equipment for TLP-India or construction, completion, commissioning of TLP-India by RCOD and/or operation thereafter.



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## SECTION 14

### 14.0 REPRESENTATIONS AND WARRANTIES

#### 14.1 Representation and Warranties of NEA

14.1.1 NEA hereby represents and warrants to and agrees with BGCPTL as follows and acknowledges and confirms that BGCPTL is relying on such representations and warranties in connection with the transactions described in this Agreement:

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



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*[Handwritten signature]*



14.1.2 NEA makes all the representations and warranties above to be valid as on the date of this Agreement

## 14.2 Representation and Warranties of BGCPTL

14.2.1 BGCPTL hereby represents and warrants to and agrees with NEA as follows and acknowledges and confirms that NEA is relying on such representations and warranties in connection with the transactions described in this Agreement:

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

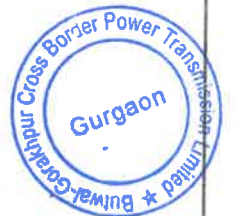


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A handwritten signature in blue ink, appearing to be 'S. K. P.', is written over the BGCPTL seal.



14.2.2 BGCPTL makes all the representations and warranties above to be valid as on the date of this Agreement.





## SECTION 15

### 15.0 CHANGE IN LAW

15.1 This Section 15 shall apply only in the event that if directly due to one or more Changes in Law defined in Clause 15.3, during the term of this Agreement have the following impact:

- i) BGCPTL's costs or revenues directly attributable to TLP-India for that Contract Year is affected; or
- ii) BGCPTL is required to undertake capital expenditure directly attributable to TLP-India for that Contract Year in order to perform its obligations or exercise its rights pursuant to this Agreement.

### 15.2 Notification of Change in Law

15.2.1 If BGCPTL is affected by a Change in Law in accordance with Clause 15.1 and wishes to claim a Change in Law under this Section 15, it shall give notice to NEA of such Change in Law as soon as reasonably practicable after becoming aware of the same.

15.2.2 Notwithstanding Clause 15.2.1, BGCPTL shall be obliged to serve a notice to NEA under this Clause 15.2 if it is beneficially affected by a Change in Law.

15.2.3 Any notice served pursuant to this Clause 15.2 shall provide, amongst other things, precise details of the Change in Law and its effect on BGCPTL.

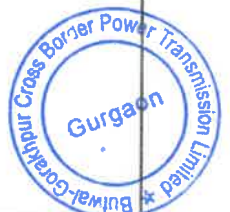
### 15.3 Change in Law

"Change in Law" means the occurrence of any of the following with respect to applicable Law as in force on the Effective Date:



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- i) the enactment or issuance of any new applicable Law,
- ii) the repeal, modification or re-enactment in whole or in part of any existing applicable Law,
- iii) the commencement of any applicable Law which has not yet entered into effect,
- iv) a change in the interpretation or application of any applicable Law by any Governmental Authority having the legal power to interpret or apply such Law,
- v) the imposition (other than for cause) of a requirement for a Consent, which did not exist as at the Effective Date,
- vi) a change (other than for cause) in the terms and conditions attaching to a Consent after it has been given or the attachment of any new terms or conditions to such Consent, or
- vii) the revocation or cancellation (other than for cause) of any Consent.

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

- (i) in any Tax on any income stream which is not proposed to be reimbursed as a part of Transmission Service Charge payable pursuant to ITSA prior to such change unless such change is subsequently permitted by the applicable Governmental Authority of India to be reimbursed as part of Transmission Service Charge,
- (ii) on account of regulatory measures by an applicable Governmental Authority of India in respect of any Tax applied on the income or profits distributed to shareholders of BGCPTL, unless BGCPTL is allowed to be reimbursed for such Tax by such Governmental Authority as part of Transmission Service Charge.

Provided that for the purpose of any Change in Law relating to any introduction or any changes in the time, rate or incidence applicable to Taxes which have an effect



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on the TSC, Change in Law protection shall be provided subject to approval of the applicable Governmental and/or Regulatory Authority of India.

#### 15.4 Consequence of Change in Law

15.4.1 Within sixty (60) days of a notice being served pursuant to Clause 15.2, the Parties shall meet and endeavor to agree on what amendments need to be made to this Agreement to mitigate the effects of Change in Law. For the avoidance of doubt, if Change in Law results in lower cost to BGCPTL, such change in cost shall be reflected for the account of NEA under the Transmission Service Charge; provided that if a Change in Law results in an increase in capital expenditures by BGCPTL in respect of TLP-India then NEA may, at its sole option, elect to reimburse BGCPTL for such capital expenditure either (i) via a lump sum payment under a Supplementary Bill, or (ii) through an amendment to the Transmission Service Charge, provided further that if NEA elects option (ii) above, BGCPTL shall be obligated to finance such capital expenditure on such terms and conditions as are acceptable to NEA.

15.4.2 Upon reaching agreement on the amendments required to this Agreement pursuant to Clause 15.4.1, the Parties shall execute such amending agreement to give effect to that agreement within sixty (60) days thereof.

15.4.3 If within sixty (60) days of the commencement of the meetings between the Parties pursuant to Clause 15.4.1:

- i) the Parties are unable to reach agreement on the amendment required pursuant to Clause 15.4.1; or
- ii) having reached agreement on the amendment required pursuant to Clause 15.4.1, but no amending agreement has been executed within a further sixty (60) days of such agreement,

Either Party may refer any areas of disagreement to be settled in accordance with Section 19 so that the necessary amendments to this Agreement pursuant to



Clause 15.4.1 are executed. The Parties shall execute such amending agreement so determined in accordance with Section 19 as soon as reasonably practicable.

**15.5. Payment or Credit Adjustment on account of Change in Law**

The payment or any credit adjustment for Change in Law shall be through supplementary bill. However, in case of any change in Monthly Transmission Service Charges by reason of Change in Law, as determined in accordance with this Agreement, the Monthly TSC Invoice to be raised by BGCPTL after such change in Transmission Service Charges shall appropriately reflect the changed Monthly Transmission Service Charges.





## SECTION 16

### 16.0 Termination on Default

### 16.1 Events of Default

#### 16.1.1 BGCPTL Events of Default

The occurrence and continuation of any of the following events shall constitute a **"BGCPTL Event of Default"**, unless any such BGCPTL Event of Default occurs as a result of an NEA Event of Default or a Force Majeure Event:

- i) BGCPTL fails to achieve Financial Close within twelve (12) Months from the Effective Date;
- ii) after having commenced construction of TLP-Nepal, the abandonment by BGCPTL or BGCPTL's Contractors of the construction of TLP-India for a continuous period of two (2) Months, and such default is not rectified within one (1) Month from the receipt of notice from NEA in this regard;
- iii) The failure of TLP-India to have achieved the Commercial Operation Date by the Required Commercial Operation Date (or any extension thereof pursuant to this Agreement) where such failure is solely due to failure of BGCPTL to comply with its obligations under this Agreement;
- iv) If, without the prior written consent of NEA, any employee, agent or representative of BGCPTL or a BGCPTL's Contractors tampers with the Interconnection Facilities, except to take reasonable precautions to prevent an imminent material danger to persons or an imminent danger of material damage to property;
- v) if;
  - (a) BGCPTL, voluntarily or involuntarily, becomes subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or



- (b) any winding up or bankruptcy or insolvency order is passed against BGCPTL, or
  - (c) BGCPTL goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to applicable Law, provided that a dissolution or liquidation of BGCPTL will not be a BGCPTL Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company continues to retain creditworthiness, technical and commercial competence similar to BGCPTL and expressly assumes all obligations of BGCPTL under this Agreement and is in a position to perform them.
- vi) If BGCPTL:
- (a) assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights in contravention of the provisions of this Agreement,
  - (b) transfers or novates any of its obligations pursuant to this Agreement, in a manner contrary to the provisions of this Agreement, or
  - (c) is in default under any of the Financing Agreements;
- vii) The transfer, pursuant to law, of either;
- (a) the rights and/or obligations of BGCPTL under this Agreement; or
  - (b) all or a substantial portion of the assets or undertakings of BGCPTL, except in each case where such transfer
    - (1) does not affect the ability of the transferee to perform, and such transferee has the financial and technical capability to perform, its obligations under this Agreement;
    - (2) is to a transferee who has the technical and commercial competence to undertake the obligations under the Agreement and assumes such obligations under the Project and this Agreement remains effective with respect to the transferee;
- viii) Any material Consent required by BGCPTL to perform its obligations hereunder is terminated or revoked;



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- ix) The failure of BGCPTL to appoint an O&M Contractor in compliance with the requirements of Article 8.5.2, or of the O&M Contractor to operate and maintain TLP-India in accordance with Prudent Utility Practices;
- x) If after the commercial operation date of the project the BGCPTL fails to achieve monthly target availability of 90% for a period of six consecutive months or within a non-consecutive period of six months within any continuous aggregate period of 18 months except where the availability is affected by Force Majeure Events; or
- xi) BGCPTL fails to perform any of its material obligations under this Agreement.

#### 16.1.2 NEA Events of Default

The occurrence and continuation of any of the following events shall constitute a “**NEA Event of Default**,” unless any such NEA Event of Default occurs as a result of a BGCPTL Event of Default or a Force Majeure Event;

- (i) The failure of TLP-India to achieve the Commercial Operation Date by the Required Commercial Operation Date (as such Required Commercial Operation Date may have been extended under Clause 3), where such failure is due solely to failure of NEA to comply with its obligations under Clause 5.1.4
- ii) The dissolution, pursuant to applicable Laws of NEA or all or a substantial portion of the assets or undertakings of NEA, unless such dissolution is in connection with the reorganization or restructuring of the power sector and provided that, (a) NEA successor under this Agreement expressly assumes the obligations of NEA under this Agreement, and (b) is otherwise capable of performing the obligations of NEA under this Agreement;
- iii) The transfer pursuant to applicable Laws of either the rights and/or obligations of NEA hereunder or all or a substantial portion of the assets or undertakings of NEA unless such transfer is in connection with the



reorganization or restructuring of the power sector and provided that; (a) NEA's successor under this Agreement expressly assumes the obligations of NEA under this Agreement, and (b) is otherwise capable of performing the obligations of NEA under this Agreement;

- iv) Provided that BGCPTL has made a prior valid demand on the NEA Letter of Credit without satisfaction to BGCPTL, any undisputed payment under the Monthly TSC Invoice has remained unpaid for a period of ninety (90) days from the Due Date of such invoice
- v) Non-payment of any undisputed amount due to BGCPTL (other than amounts under a Monthly TSC Invoice pursuant to Clause 16.1.2(iv) above) for thirty (30) days after the Due Date and following thereafter, issuance of a notice to pay by BGCPTL
- vi) If NEA transfers or novates any of its obligations pursuant to this Agreement in a manner contrary to the provisions of this Agreement;
- vii) if (a) NEA, voluntarily or involuntarily, becomes a subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or (b) any winding up or bankruptcy or insolvency order is passed against NEA;
- viii) failure of NEA to operate the Interconnection Facilities on the NEA grid side in accordance with Prudent Utility Practices; or
- ix) NEA is in breach of any of its other material obligations pursuant to this Agreement.

#### 16.1.3 Termination Procedure for BGCPTL Events of Default

- i) Upon the occurrence and continuance of a BGCPTL Event of Default, NEA may serve notice on BGCPTL of its intention to terminate this Agreement (an



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"NEA Preliminary Termination Notice") which notice shall specify in reasonable detail, the circumstances giving rise to such NEA Preliminary Termination Notice.

Provided that in case of revocation of any Consent mentioned under Clause 16.1.1 (viii), NEA or its nominee shall have the right (but not the obligation) to take over the implementation of TLP-India immediately subject to approval of the applicable Governmental Authority of India.

- ii) Following the giving of a NEA Preliminary Termination Notice, the Parties shall consult for a period of up to one (1) month (or such longer period as they may agree) (the "**Notice Period**") as to what steps shall be taken with a view to mitigating the consequences of the relevant event having regard to all the circumstances. Provided that, in case of a NEA Preliminary Termination Notice served under (a) Clause 16.1.1(i), the Notice Period shall not apply and termination is immediate, and (b) Clause 16.1.1(xi) the Notice Period shall be reduced to two (2) weeks. Provided further that during such period, BGCPTL shall not remove any equipment or any part of TLP-India, without the prior written consent of NEA.
- iii) During any Notice Period, both Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- iv) Within the period of five (5) days following the expiry of the Notice Period and unless the Parties shall have otherwise agreed or the circumstances giving rise to NEA Preliminary Termination Notice shall have ceased to exist or shall have been remedied, NEA may terminate this Agreement by giving written notice (an "**NEA Termination Notice**") to BGCPTL (with a copy to the Lenders' Representative) whereupon:
  - (a) subject to the terms and conditions of this Agreement, this Agreement shall terminate on the date of delivery of such Termination Notice, and



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- (b) NEA shall have an option, exercisable by notice served on BGCPTL within one hundred and twenty (120) days of such notice to require BGCPTL to sell TLP-India to NEA pursuant to the provisions of Schedule 4.

16.1.4 Termination Procedure for NEA Events of Default

- i) Upon the occurrence and continuance of a NEA Event of Default, BGCPTL may serve notice on NEA of its intention to terminate this Agreement (a "**BGCPTL Preliminary Termination Notice**") which notice shall specify in reasonable detail the circumstances giving rise to such BGCPTL Preliminary Termination Notice.
- ii) Following the giving of a BGCPTL Preliminary Termination Notice, the Parties shall consult for the Notice Period as to what steps shall be taken with a view to mitigating the consequences of the relevant event having regard to all the circumstances.
- iii) During any Notice Period, both Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- iv) Within the period of five (5) days following the expiry of the Notice Period and unless the Parties shall have otherwise agreed or the circumstances giving rise to BGCPTL Preliminary Termination Notice shall have ceased to exist or shall have been remedied, BGCPTL may terminate this Agreement by delivering a written notice ("**BGCPTL Termination Notice**") to NEA whereupon;
- (a) subject to the terms and conditions of this Agreement and the Financing Agreements, this Agreement shall terminate on the date of delivery of such Termination Notice; and



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- (b) BGCPTL shall have an option, exercisable by notice served on NEA as per provisions of Schedule 4.

16.1.5 Termination due to Force Majeure

- i) If the Parties do not agree an extension past the first one hundred eighty (180) day period pursuant to Clause 3.4.2, and a Force Majeure Event continue to prevent the achievement of the Commercial Operation Date, either Party shall have the right to terminate this Agreement pursuant to this Clause 16.1.5 by delivery to the other Party of a Termination Notice. In such an event, this Agreement shall terminate on the date indicated in such Termination Notice, which shall be the date of delivery or such later date as the terminating Party may specify.
- ii) In the event that one or more Force Majeure Events have an adverse impact on TLP-India which causes the TAF of TLP-India to be reduced below 85% for a continuous period in excess of one hundred eighty (180) days, or one hundred eighty (180) nonconsecutive days in any three hundred and sixty (360) day period (in each case disregarding any deemed availability during such period and ignoring for purposes of such calculation the provisions of Schedule 5 related to TAF, either Party shall have the right to terminate this Agreement by giving a notice to the other Party, and:
- a) subject to the terms and conditions of Schedule 4 and, in respect of termination by BGCPTL only, the Financing Agreements, this Agreement shall terminate on the date of such Termination Notice; and
- b) BGCPTL and NEA shall each perform their respective obligations under the provisions of Schedule 4.

16.1.6 NOT USED



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### 16.1.7 Effectiveness of Service

Notwithstanding any other provision of this Agreement to the contrary, a NEA Preliminary Termination Notice, BGCPTL Preliminary Termination Notice, NEA Termination Notice, BGCPTL Termination Notice or a notice under Clause 16.1.5 shall be deemed to have been validly served on the service of any such notice under the corresponding provisions of this Agreement.

### 16.1.8 Rights of Parties

Notwithstanding any provision of this Agreement to the contrary, termination pursuant to any of the provisions of this Agreement shall be without prejudice to accrued rights of either Party including its right to claim and recover money damages and other rights and remedies as provided under this Agreement or elsewhere in applicable Law. The rights and obligations of either Party under this Agreement, including without limitation those relating to compensation, shall survive the termination but only to the extent such survival is necessary for giving effect to such rights and obligations.

## 16.2 After Termination

### 16.2.1 Contractors and Documentation

Following the termination of this Agreement pursuant to Clause 16.1, the Buy-out-out of TLP India shall be subject to the outcome of meetings and decisions adopted by Joint Steering Committee (JSC)/ Joint Working Group (JWG) established under Electric Power Trade, Cross Border Transmission Interconnection and Grid Connectivity, 2014.

### 16.2.2 Further Assurances





Following the termination of this Agreement, on the Transfer Date BGCPTL agrees to take any and all actions and execute and deliver any and all agreements, documents and instruments deemed necessary by NEA in its sole discretion to achieve the transfer of all of BGCPTL's right, title and interest in and to TLP-India to NEA.

### 16.3 Transfer After Expiry Date

#### 16.3.1 Right to TLP-India

Prior to the Expiry Date, the modalities for transfer by BGCPTL of the TLP-India, all of its right, title and interest shall be referred to Joint Steering Committee/Joint Working Group established under Electric Power Trade, Cross-Border Transmission Interconnection and Grid Connectivity, 2014 entered between Government of India and Government of Nepal and the outcome of which shall be final and binding to Parties of this Agreement.

#### 16.3.2 Further Assurances

Following the Expiry Date, BGCPTL agrees to take any and all actions and execute and deliver any and all agreements, documents and instruments deemed necessary to achieve the transfer of all of BGCPTL's right, title and interest in and to TLP-India pursuant to Clause 16.3.1.



## SECTION 17

### 17.0 LIABILITY AND INDEMNIFICATION

#### 17.1 Limitation of Liability

Notwithstanding any other term or provision of this Agreement, the aggregate liability which each of the Parties shall have for all claims made under this Article 17 shall not exceed half a percent (0.5%) of the annual TSC in any Contract Year in which the indemnity claim is made excluding liability under the indemnities given by the Parties under this Clause 17.

#### 17.2 Loss of or Damage to Property, Death or Injury to Person

##### 17.2.1 Indemnification by NEA

NEA agrees with BGCPTL (itself and as trustee on behalf of BGCPTL's Contractors) to indemnify and hold harmless BGCPTL and each of BGCPTL's Contractors for loss of or damage to property, death or injury to person (or any related claim against BGCPTL and/or any of BGCPTL's Contractors) and all related expenses (including without limitation reasonable legal fees) suffered by BGCPTL and/or any of BGCPTL's Contractors in connection with this Project to the extent resulting from any negligent act or omission of NEA and/or any of NEA's contractors or their respective employees, without recourse to BGCPTL and/or any of BGCPTL's Contractors and hold BGCPTL and/or BGCPTL's Contractors fully indemnified in respect of any such loss of or damage to property, death or injury to person provided that:

17.2.1.2 Such indemnity shall not extend to any loss, damage, death or injury (or any related claim) or any related expenses to the extent that;

- a) it arose from a claim made outside Nepal, or



b) it was caused by any act or omission of BGCPTL and/or any of BGCPTL's Contractors or the failure of BGCPTL and/or any of BGCPTL's Contractors to take reasonable steps to mitigate that loss, damage, death or injury.

17.2.1.3 Nothing in this Clause 17.2.1 shall apply to any loss, damage, cost or expense in respect of, and to the extent that, BGCPTL and/or any of BGCPTL's Contractors are compensated pursuant to the terms of any agreement or under any policy of insurance (including but not limited to the Insurances).

#### 17.2.2 Indemnification by BGCPTL

17.2.2.1 BGCPTL agrees with NEA to indemnify and hold harmless each of NEA and its employees, officers, contractors and agents (each, an "**NEA Party**") for loss of or damage to property, death or injury to person (or any related claim against an NEA Party) and all related expenses (including without limitation reasonable legal fees) suffered by an NEA Party in connection with this Project to the extent resulting from any negligent act or omission of BGCPTL and/or any of BGCPTL's Contractors or their respective employees, without recourse to any NEA Party and will hold each NEA Party fully indemnified in respect of any such loss of or damage to property, death or injury to person provided that;

17.2.2.2 Such indemnity shall not extend to any loss, damage, death or injury (or any related claim) or any related expenses to the extent that it was caused by any act or omission of an NEA Party or the failure of an NEA Party to take reasonable steps to mitigate that loss, damage, death or injury.

17.2.2.3 Nothing in this Clause 17.2.2 shall apply to any loss, damage, cost or expense in respect of, and to the extent that NEA is compensated under any policy of insurance (including but not limited to the Insurances).

#### 17.3 Patent Indemnity

17.3.1 BGCPTL shall, subject to NEA's compliance with Clause 17.3.2, indemnify and hold harmless NEA and its employees and officers from and against any and all



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suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which NEA may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Agreement by reason of the installation of TLP-India by BGCPTL.

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

- 17.3.2 If any proceedings are brought or any claim is made against NEA arising out of the matters referred to in Sub-Clause 17.3.1, NEA shall promptly give BGCPTL a notice thereof, and BGCPTL shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. BGCPTL shall promptly notify NEA of all actions taken in such proceedings or claims.

If BGCPTL fails to notify NEA within twenty-eight (28) days after receipt of such notice that it intends to attend any such proceedings or claim, then NEA shall be free to attend the same on its own behalf at the cost of BGCPTL. Unless BGCPTL has so failed to notify NEA within the twenty-eight (28) days period, NEA shall make no admission that may be prejudicial to the defense of any such proceedings or claims.

NEA shall, at BGCPTL's request, afford all available assistance to BGCPTL in attending to such proceedings or claim, and shall be reimbursed by BGCPTL for all reasonable expenses incurred in so doing.

- 17.3.3 NEA shall indemnify and hold harmless BGCPTL and its employees, officers and Sub-Contractors from and against any and all suits, actions or administrative



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proceedings, claims, demands, losses, damages, costs and expenses of whatsoever nature, including attorney's fees and expenses, which BGCPTL may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Agreement arising out of or in connection with any design, data, drawing specification, or other documents or materials provided or designed by or on behalf of NEA.

If any proceedings are brought or any claim is made against BGCPTL arising out of the matters referred to in Clause 17.3.3 BGCPTL shall promptly give NEA a notice thereof, and NEA shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. NEA shall promptly notify BGCPTL of all actions taken in such proceedings or claims.

If NEA fails to notify BGCPTL within twenty-eight (28) days after receipt of such notice that it intends to attend any such proceedings or claim, then BGCPTL shall be free to attend the same on its own behalf at the cost of NEA. Unless NEA has so failed to notify BGCPTL within the twenty eight (28) day period, BGCPTL shall make no admission that may be prejudicial to the defense of any such proceedings or claim.

BGCPTL shall, at NEA's request, afford all available assistance to NEA in attending to such proceedings or claim, and shall be reimbursed by NEA for all reasonable expenses incurred in so doing.

#### 17.4 Assertion of Claims

Each Party shall notify the other Party promptly of its entitlement, and intention, to make any claim for indemnification pursuant to this Section 17.



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## 17.5 Defense of Claims

17.5.1 The person indemnified pursuant to this Section 17 shall have the right, but not the obligation, to contest, defend and litigate any claim, action, suit or proceeding by any third party alleged or asserted against such person in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified under this Section 17 and the reasonable cost and expenses incurred by the person indemnified shall be subject to the indemnification obligation of the person indemnifying under this Section 17 provided that if the person indemnified is indemnified in respect of loss to the full extent provided by this Section 17, the person indemnifying shall be entitled, at its option, to assume and control the defense of such claim, action, suit or proceeding liabilities, payments and obligations at its expense and through counsel of its choice if it gives prompt notice of its intention to do so to the person indemnified and reimburses the person indemnified for the reasonable cost and expenses incurred by the person indemnified prior to the assumption by the person indemnifying of such defense.

17.5.2 The person indemnified which exercises its rights under Clause 17.5.1 shall not be entitled to settle or compromise any claim, action, suit or proceeding without the prior written consent of the person indemnifying.

17.5.3 Any person indemnified which exercises its rights under Clause 17.5.1 shall have the right to employ its own counsel and such counsel may participate in such action, but the fees and expenses of such counsel shall be at the expense of such person indemnified, when and as incurred, unless:

- i) the employment of counsel by such person indemnified has been authorized in writing by the person indemnifying;



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- ii) the person indemnified shall have reasonably concluded that there may be a conflict of interest between the person indemnifying and the person indemnified in the conduct of the defense of such action;
- iii) the person indemnifying shall not in fact have employed independent counsel reasonably satisfactory to the person indemnified to assume the defense of such action and shall have been so notified by the person indemnified; or
- iv) the person indemnified shall have reasonably concluded and specifically notified the person indemnifying either that there may be specific defences available to it which are different from or additional to those available to the person indemnifying or that such claim, action, suit or proceeding involves or could have a material adverse effect upon it beyond the scope of this Agreement.

Provided that if Clauses 17.5.3(ii), 17.5.3(iii) or 17.5.3(iv) apply, counsel for the person indemnified shall have the right to direct the defence of such claim, action, suit or proceeding on behalf of the person indemnified and the reasonable fees and disbursements of such counsel shall constitute legal or other expenses under this Section 17.

17.5.4 Any person other than the Parties seeking the benefit of the indemnity provided pursuant to this Section 17 must acknowledge, on request and in writing to both Parties to this Agreement that in consideration of receiving such indemnity, such person is bound by the terms of this Clause 17.5.

#### **17.6 Consequential and Indirect Losses**

Except as required by this Section 17 neither Party shall be liable to the other Party in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive or exemplary damages, and neither Party shall have any liability to the other Party except pursuant to or for breach of this Agreement provided that this provision is not intended to constitute a waiver of any



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rights of one Party against the other with regard to matters unrelated to this Agreement.

17.7 An act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with this Agreement shall be deemed to be an act or exercise by the delegating Party.

### 17.8 Duty to Mitigate

The Party entitled to the benefit of an indemnity under this Clause 17.0 shall take all reasonable measures to mitigate any loss or damage which has occurred. If the Party fails to take such measures, the other Party's liabilities shall be correspondingly reduced.





## SECTION 18

### 18.0 ASSIGNMENTS AND CHARGES

#### 18.1 Assignments

NEA shall at all times have the right to assign its rights, benefits and obligations under this Agreement and also convey, transfer and vest all the shares held by NEA in BGCPTL together with all beneficial interest in the shares to any entity or entities as Government of Nepal may from time to time direct as a part of re-organization or restructuring of electricity industry provided that such successor entities expressly assume the obligations of NEA under this Agreement and are either an owner or operator of a substantial portion of the transmission system of Nepal and are capable of performing the obligations of NEA under this Agreement.

Subject to Clause 18.2, this Agreement shall not be assigned by BGCPTL other than by mutual agreement between the Parties.

#### 18.2 Permitted Charges

18.2.1 Notwithstanding Clause 18.1, BGCPTL may create any encumbrance over all or part of the Security Package or the other assets of TLP-India in favour of the Lenders or the Lender's Representative as security for:

- i) amounts payable under the Financing Agreements; and
- ii) any other amounts agreed by the Parties,

provided that:

- a) the Lenders or the Lender's Representative shall have entered into the Financing Agreements; and



- b) any encumbrance granted by BGCPTL in accordance with this Clause 18.2.1 shall contain provisions pursuant to which the Lenders or the Lender's Representative agrees unconditionally with BGCPTL to release such encumbrances upon payment by or on behalf of BGCPTL to the Lenders of all amounts due under the Financing Agreements.

18.2.2 Clause 18.2.1 does not apply to:

- i) liens arising by operation of Law (or by an agreement evidencing the same) in the ordinary course of BGCPTL carrying out TLP-India;
- ii) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of BGCPTL carrying out TLP-India; and
- iii) security arising out of retention of title provisions in relation to goods acquired in the ordinary course of BGCPTL carrying out TLP-India.

18.3 Substitution Rights of the Lenders

- i) In case of default by the BGCPTL in debt repayments, the CERC on an application from the lenders, assign the Transmission License to the nominee of the Lenders subject to the fulfillment of the qualifications and requirements of the CERC.



## SECTION 19

### 19.0 GOVERNING LAW AND DISPUTE RESOLUTION

#### 19.1 Governing Law and Jurisdiction

This Agreement shall be construed, interpreted and governed in accordance with the laws of India.

#### 19.2 Settlement of Disputes

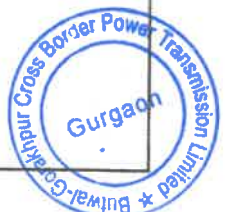
##### 19.2.1 Mutual Consultation

19.2.1.1 If any dispute or difference of any kind whatsoever shall arise between NEA and BGCPTL in connection with or arising out of the Agreement, including without prejudice to the generality of the foregoing, any question regarding its existence, validity or termination, or the execution of the TLP-India, the Parties shall seek to resolve any such dispute or difference by mutual consultation. If the Parties fail to resolve such a dispute or difference by mutual consultation within a period of thirty (30) days, then the dispute shall be referred in writing by either Party to Adjudication in accordance with Clause 19.2.3 with a copy to the other Party.

##### 19.2.3 Adjudicator

The following provisions shall apply between the Parties in respect of any difference or dispute, which has not been resolved by mutual consultation as provided in Clause 19.2.1:

- i) the Parties shall appoint by mutual agreement an Adjudicator as promptly as possible after failure to resolve any difference or dispute by mutual consultation. In relation to technical matters, the Adjudicator shall be an independent engineer and in relation to financial matters, the Adjudicator shall be an independent financial expert of repute in their respective fields;



- ii) the Parties shall finalize the points of such disputes or differences or the terms of reference before referring such disputes or differences to the Adjudicator;
- iii) the Adjudicator will recommend resolution or settlement of such disputes or differences in such manner as he/she shall in his/her absolute discretion deemed fit within thirty (30) days of such disputes or differences being referred to him and convey his recommendations in writing to both the Parties;
- iv) if the Adjudicator shall, subject to paragraph (v) of this clause, determine which Party bears the costs (or a portion of the costs) of settling or determining such dispute or difference including the fees of the Adjudicator; and
- v) if the Adjudicator settles or determine a dispute or difference in a manner entirely consistent with a Party's initial position on such dispute or difference, the Adjudicator shall determine that the other Party bears the costs of settling or determining the dispute or difference, including the fees of the Adjudicator.

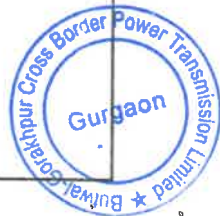
#### 19.2.4 Arbitration

19.2.4.1 If either NEA or BGCPTL is dissatisfied with the Adjudicator's recommendation, or if the Adjudicator fails to give a recommendation within thirty (30) days of a dispute or difference being referred to him or (c) if the Parties fail to appoint an Adjudicator or to finalize the terms of reference within thirty (30) days of the dispute or difference having first arisen, then, either NEA or BGCTCL may, within sixty (60) days of occurrence of either of the foregoing events give written notice to the other Party of its intention to refer the dispute or difference for arbitration, as hereinafter provided.





- 19.2.4.2 Where neither NEA nor BGCPTL has given notice of intention to commence arbitration of a dispute or difference within the period stated in Clause 19.2.4.1, then the related recommendation of Adjudicator, if any, shall become final and binding
- 19.2.4.3 Any dispute in respect of which a notice of intention to commence arbitration has been given, in accordance with Clause 19.2.4.1 shall be finally settled by arbitration, which arbitration award shall be final and binding upon the Parties. Arbitration may be commenced prior to or after completion of TLP-India.
- 19.2.4.4 The arbitration shall proceed between the parties and administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in this clause.
- 19.2.4.5 The arbitration tribunal shall consist of three arbitrators. NEA and BGCPTL shall each appoint one arbitrator, within thirty (30) days of submitting a dispute to arbitration, and these two arbitrators shall jointly appoint a third arbitrator within thirty (30) days of the last of the first two to be so appointed, who shall chair the arbitration tribunal.
- 19.2.4.6 The venue of the arbitration shall be Singapore.
- 19.2.4.7 The language of arbitration shall be English.
- 19.2.4.8 The cost of Arbitration shall be borne equally between the disputing Parties.
- 19.2.4.9 The arbitrators shall give a reasoned award in writing.
- 19.2.4.10 When any dispute is under arbitration, except for the matters under Dispute, the Parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Agreement.

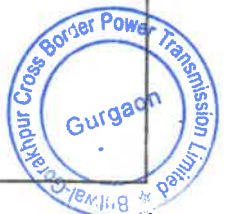


19.2.4.11 The provisions of this Clause shall survive the termination of this Agreement for any reason whatsoever.



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## SECTION 20

### 20.0 CONFIDENTIALITY

#### 20.1 Confidential Information

Subject to Clause 20.2, both Parties shall at all times during the continuance of this Agreement;

- i) keep all information regarding the terms and conditions of this Agreement and any data or information acquired under or pursuant to this Agreement confidential and accordingly neither Party shall disclose the same to any other person; and
- ii) not use any document or other information (whether technical or commercial) obtained by them respectively by virtue of this Agreement concerning the other's undertaking for any purpose other than performance of the Party's obligations and exercise of its rights under this Agreement.

Provided that the provisions of this Clause 20.1 shall not apply to information which at the time of disclosure was in the public domain other than by breach of the foregoing obligations of confidentiality.

#### 20.2 Disclosure of Confidential Information

20.2.1 Each of the Parties shall hold in confidence the agreements relating to TLP-India and all documents and other information (whether technical or commercial) which is of a confidential nature disclosed to it by or on behalf of the other Party relating to TLP-India and shall not, save as may be required by applicable Law or appropriate regulatory or statutory authorities, or to any Governmental Authority, or to prospective Lenders to, or Investors in BGCPTL or to the professional advisers of the Parties or of those prospective Lenders or Investors, publish or



otherwise disclose or use the same for its own purposes otherwise than as may be required to perform its obligations under this Agreement.

20.2.2 Either Party shall be entitled to disclose the terms and conditions of this Agreement and any data or information acquired by it under or pursuant to this Agreement without the prior written consent of the other Party if such disclosure is made in good faith:

- i) to any affiliate of such Party, having made it aware of the requirements of this Clause 20.2 or to any Governmental Authority;
- ii) to any outside consultants or advisers engaged by or on behalf of such Party and acting in that capacity, having made them aware of the requirements of this Clause 20.2;
- iii) to the Lenders, the Lenders' Representative, any security trustee, any bank or other financial institution and its advisers from which such Party is seeking or obtaining finance, having made them aware of the requirements of this Clause 20.2;
- iv) to the extent required by the rules of a relevant and recognized stock exchange;
- v) to the extent required by any applicable Laws or pursuant to an order of any court of competent jurisdiction;
- vi) to any insurer under a policy of Insurance;
- vii) to directors, employees and officers of such Party having made them aware of the requirements of this Clause 20.2;
- viii) to any person who a Party in its absolute discretion (exercised in good faith) considers such disclosures to be appropriate;



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and is necessary to enable such Party to perform this Agreement or to protect or enforce its rights under this Agreement or any other Project Document or to enable it to comply with any requirement refer to in Clauses 20.2.2 (iv) and 20.2.2(v).



## SECTION 21

### 21.0 MISCELLANEOUS PROVISIONS

#### 21.1 Amendments

21.1.1 This Agreement shall not be amended except by written agreement between the Parties.

#### 21.2 No Waiver

21.2.1 Waiver by either Party of any default by other Party in the observance and performance of any provision of or obligations of or under this Agreement:

- i) shall not operate or be construed as a waiver of any other or further default or defaults; and
- ii) shall not be effective unless it is in writing and executed by a duly authorized representative of the Party.
- iii) shall not affect the validity or enforceability of this Agreement in any manner.

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

#### 21.3 Relationship of the Parties

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation



or liability upon either Party and neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

## 21.4 Entirety

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

21.4.2 All prior written or oral undertakings, offers or other communications of every kind pertaining to this Agreement under this Agreement between the Parties are abrogated and withdrawn.

## 21.5 Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns.

## 21.6 Notices

Save as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted under this Agreement shall be in writing and sufficient if delivered in person or sent by registered or certified mail, email with confirmed copy, or fax, addressed as follows:

If to BGCPTL:

Address : Plot no -02 Saudamini , Sector-29 ,Gurugram

Attention : Shri Abhay Chaudhary

Email : achoudhary@powergrid.in



Fax. No. :  
Telephone No. :0124-2822604

If to NEA :  
Address : NEPAL ELECTRICITY AUTHORITY  
Durbar Marg,  
Kathmandu,  
Nepal  
Attention : DMD, Transmission Directorate, NEA  
Email : transmission@nea.org.np  
Fax. No. : +977 1 4153036  
Telephone No. : +977 1 4153077

All notices or communications given by email or fax shall be confirmed by depositing a copy of the same in the post office in an envelope properly addressed to the appropriate Party for delivery by registered or certified mail. All Notices shall be deemed delivered upon receipt.

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

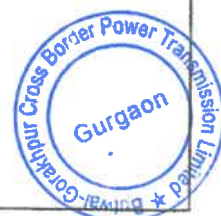
## 21.7 Compliance with Notifications

Despite anything contained in this Agreement but without prejudice to Section 16, if any provision of this Agreement shall be in deviation of, inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, such provision shall be deemed to be amended to the extent required to bring it into compliance with the relevant provisions of the Electricity Act, 2003 as amended from time to time.



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## SECTION 22

### 22.0 DEFINITIONS AND INTERPRETATIONS

#### 22.1 Definitions

Terms shall bear those meanings when used in this Agreement as defined in Schedule 1 (Definitions) unless the context otherwise requires.

#### 22.2 Interpretations

This Agreement shall be interpreted in accordance with Schedule 2 (Interpretation) unless the context otherwise requires.

#### 22.3 Agreement Documents

Each Party shall carry out its obligations under the terms and conditions set out in this Agreement, aimed at the execution of TLP-India. For the clarity, the Agreement shall be read out together with the Schedules, which form an integral part of this Agreement.

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

- i. words importing the singular shall include the plural and vice versa similarly words importing one gender shall include all genders;
- ii. a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests. Words importing persons or parties shall include firms, corporations and government entities;



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- iii. this Agreement or any other agreement or document shall be construed as a reference to that agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented;
- iv. a statute or enactment shall be construed as a reference to such statute as it may have been or may from time to time be modified, amended or re-enacted;
- v. a time of day shall be construed as a reference to Indian Standard Time; and
- vi. reference to Clauses and Sections shall be to Clauses and Sections of this Agreement.

## 22.5 Table of Contents and Headings

The table of contents and any headings in this Agreement are for ease of reference only and shall not affect the interpretation of this Agreement.

22.6 All interest payable under the Agreement shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty five days.

## 22.7 General Interpretation Act

Any word or expression used in this Agreement shall, unless otherwise defined or construed in this Agreement, bear the meaning in General Clauses Act failing which it shall bear its ordinary English meaning.

## 22.8 Language

All notices required to be given by one Party to the other and all other communications, documentation and proceedings which are in any way relevant to this agreement shall be in writing and in English language.



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

## 22.9 Discretion

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

## 22.10 Discrepancy

In case of discrepancy between terms and conditions stipulated in a Consent issued to BGCPTL and this Agreement executed between NEA and BGCPTL, the terms and conditions of such Consent shall prevail.

## 22.11 Independent Entity

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



IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR DULY AUTHORIZED REPRESENTATIVE AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

For Nepal Electricity Authority  
Kathmandu, Nepal



Signature

Name: **Mr. Kul Man Ghising**  
Designation: **Managing Director,**  
Nepal Electricity Authority (NEA)

Witness:

.....  
Rupesh Kr. Shah  
Asst. Manager  
Nepal Electricity Authority.

For Butwal Gorakhpur Cross Border  
Power Transmission Ltd.



Signature:

Name: **Mr. Abhay Choudhary**  
Designation: **Chairman,**  
Butwal Gorakhpur Cross Border  
Power Transmission Ltd.

Witness:

.....  
DILIP ROZEKAR  
ED(I, BOD&JV)  
POWER GRID, India



## SCHEDULE 1

### DEFINITIONS

In this Agreement, unless the context otherwise requires:

“Adjudicator” means a person appointed pursuant to Clause 19.2.2;

“Agreed Form” in relation to any document means the form of the document most recently agreed by the Parties and initialed by them for identification;

“Back-to-Back Transmission Service Agreement” means an agreement between NEA and Independent Power Producers (IPP) / power traders for export and import of power to and from Nepal through TLP – India

“Bid Documents” means the tender documents containing the Technical Specifications and other terms and conditions of contract pursuant to which BGCPTL shall invite proposals to facilitate procurement of goods and services for TLP-India;

“BGCPTL Event of Default” has the meaning assigned thereto in Clause 16.1.1;

“BGCPTL Preliminary Termination Notice” means the preliminary termination notice specified pursuant to Clause 16.1.4(i);

“BGCPTL Termination Notice” means the termination notice specified pursuant to Clause 16.1.4(iv);

“Butwal Gorakhpur Cross Border Power Transmission Limited (BGCPTL)” means a company incorporated in India under the Companies Act, 2013 having its registered office at Saudamani, Plot No. 2, Sector 29, Gurgaon, Haryana, India 122001 (referred to as the “**BGCPTL**”), which expression, unless repugnant to the context or meaning thereof shall be deemed to include its associates/ affiliates, successors and permitted assigns).



""Buy-out Price" means the amount payable on a Buy-out determined as per Schedules 4 as applicable;

"Central Electricity Regulatory Commission" or "CERC" means the Appropriate Authority of India as constituted as per Electricity Act 2003.

Change" has the meaning assigned thereto in Clause 4.10.1;

"Change in Law" has the meaning assigned thereto in Clause 15.3;

"Commercial Operation Date" means the date on which all of the conditions set out in Clause 5.3.1 are satisfied in respect of all Elements of TLP-India ;

"Commissioned" in relation to each Element means the date as declared under Clause 5.3 that such Element has passed the relevant Commissioning Tests and is commissioned;

"Commissioning" means operation of each Element by BGCPTL as provided under Clause 5.2;

"Commissioning Tests" means such tests that are required as per clause 5.2.5 to ensure successful and safe commissioning of each Element, the Technical Particulars and the Technical Specifications as set forth in Schedule 8;

"Competent Authority" means any Governmental Instrumentality which has legal right over the TLP-India, but excluding NEA;

"Condition Precedent" has the meaning assigned thereto in Clause 2.1;

"Connection Agreement" means the agreement as per the CERC (Connectivity, Long Term and Medium Term Open Access Regulation), 2009 as amended or substituted from time to time.;

"Contractors" means the engineering, procurement, construction, operation & maintenance contractors, surveyors, advisors, consultants, designers, equipment



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vendors, suppliers to BGCPTL and each of their respective Sub-Contractors (and each of their respective successors and permitted assigns) in their respective capacities as such;

"Consent" means and includes all authorizations, consents, licenses (including transmission licenses), approvals, registrations, clearances, permits, waivers, privileges, acknowledgements, agreements, concessions and approvals from any Governmental Authority required for TLP-India;

"Contract Year" means the period beginning on the Effective Date and ending on the immediately succeeding March 31 and thereafter each succeeding twelve (12) month period beginning on April 1 and ending on March 31; provided that:

- (i) in the year in which the Commercial Operation Date would occur, the Contract Year shall end on the date immediately before the Commercial Operation Date and a new Contract Year shall begin from the Commercial Operation Date and end on the immediately succeeding March 31, and thereafter each succeeding twelve (12) month period beginning on April 1 and ending on March 31; and
- (ii) if the last day of the term of this Agreement is not March 31, the last Contract Year of this Agreement shall begin on the immediately preceding April 1 and end on the last day of the term of this Agreement;

"CTU" means Central Transmission Utility as referred to in the Electricity Act, 2003 of India as specified by Government of India;

"Day" means Calendar day of Gregorian Calendar;

"D/C" means double circuit;

"Deemed COD" shall mean an event when either of TLP-India or TLP-Nepal is ready for charging but is not able to charge for reasons not attributable to the Party ready for charging.



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"Due Date" in relation to any invoice means the thirtieth (30<sup>th</sup>) day after that invoice is received (or, if that day is not a business day, the immediately following business day);

"Effective Date" means the date on which the Agreement is executed and delivered by Parties;

"Element" means, as per Schedule 3 of this Agreement, any of (a) each circuit of the transmission lines or (b) each bay of a sub-station, in each case of TLP-India ;

"Equity Document" means any document pursuant to which any Investor has committed to make equity contributions to BGCPTL in connection with the development, procurement and construction of TLP-India;

"Expiry Date" means (a) in relation to Part I, the earliest to occur of (i) the Commercial Operation Date, (ii) any other date as may be mutually agreed between the Parties, and (iii) the date on which this Agreement is terminated pursuant to Clause 2.3 or Clause 16.1, and (b) in relation to Part II, the earlier to occur of (i) the first date falling 25 (twenty five) years after the Commercial Operation Date, and (ii) the date on which this Agreement is terminated pursuant to Clause 16.2;

"Financial Close" means the first business day on which funds are made available: (a) in case of TLP-India to BGCPTL pursuant to the Financing Agreements; and (b) in case of TLP-Nepal to NEA (or any other entity in Nepal developing TLP-Nepal) under financing arrangements in Nepal;

"Financing Agreements" means the agreements pursuant to which BGCPTL is to obtain finance for the construction of TLP-India including the loan agreements, security agreement, inter-creditor agreements, and other agreements which are a condition to the availability of funds under any such financing agreements;

"Force Majeure Event" has the meaning assigned thereto in Clause 13.3;





"Forced Outage" means any interruption in transmission of energy through TLP-India and consequent reduction in Availability of TLP-India which is not the result of a Scheduled Outage, Unscheduled Outage or a Force Majeure Event;

"Governmental Authority" means any national, regional, state or local governmental ministry, department, commission, board, agency or instrumentality, or any political subdivision thereof, and any person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any of the foregoing entities and any successors which fulfill the same role, having jurisdiction over the entities or matters in question;

"Grid Code of India" means the Indian Electricity Grid Code specified by the CERC under Clause (h) of Sub-section (1) of Section 79 of the Electricity Act 2003;

"Grid Code of Nepal" means NEA Grid Code of 2005 or a grid code issued by an applicable Governmental Authority in Nepal;

"India ITSA" means the Implementation and Transmission Service Agreement to be entered into between NEA and BGCPTL in respect of TLP-India and dated of even date herewith;

"Insurances" means the insurance cover to be obtained and maintained by BGCPTL in accordance with this Agreement;

"Institute of Chartered Accounts of India" means institute constituted under the statute of law of India for Chartered Accountants.

"Interconnection Points" means the points, to be identified prior to Financial Close, where TLP-India is connected with the transmission systems that are outside the scope of TLP-India;

"Interconnection Facilities" means the existing facilities and facilities as may be set up for transmission of energy through the use of TLP-India; (i) at the end of TLP-India near



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Gorakhpur, India, the transmission grid of POWERGRID, including, without limitation, all other transmission lines, gantries, sub-stations and associated equipments not forming part of TLP-India ; and (ii) at the end of TLP-India near the Nepal/India border, TLP-Nepal;

"Investors" at any time means all shareholders of BGCPTL at that time;

"Invoice Dispute Notice" is as defined in Clause 10.5.2;

"kV" means kiloVolt;

"Law" or "Laws" shall mean and include any and all laws, ordinances, statutes, rules, notifications, directives, regulations, judgments, decrees, injunctions, orders and stipulations enacted or issued or any amendment made from time to time by any Governmental Authority;

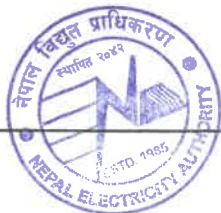
"Lenders" means the banks and other financial institutions who have agreed as at Financial Close to provide BGCPTL with the debt financing described in the Financing Agreements and any successor banks or financial institutions to whom their interests under the Financing Agreements may be transferred or assigned or to whom their obligations under the Financing Agreements may be novated;

"Lenders' Representative" means the person notified by the Lenders in writing as being the representative of the Lenders, as such person may from time to time be replaced by the Lenders pursuant to the Financing Agreements by written notice from the Lenders to BGCPTL;

"Material Adverse Effect" shall mean an effect on the business, results of implementation, operations, financial condition, financial prospects or other conditions of BGCPTL which is adverse and material;

"Month" means calendar month of Gregorian Calendar;

"NEA Event of Default" has the meaning assigned thereto in Clause 16.1.2;



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"NEA Preliminary Termination Notice" means the preliminary termination notice specified pursuant to Clause 16.1.3(i);

"NEA Termination Notice" means the termination notice specified pursuant to Clause 16.1.3(iv);

"Notice Period" means a period pursuant to Clause 16.1.3(ii);

"O&M Contractor" means any entity appointed from time to time by BGCPTL to operate, maintain or repair TLP-India;

"Operating Procedures" has the meaning assigned thereto in Clause 8.4.1;

"OPGW" means Optical Fiber Ground Wire;

"PowerGrid" means PowerGrid Corporation of India Ltd having its registered office at B-9, Katwaria Sarai, New Delhi 110016;

"Project Coordination Procedure" means the procedure as per clause 3.1 (iii)

"Project Cost" means the cost expressed in local currency and foreign currency (as applicable) actually incurred by BGCPTL in developing, engineering, procuring, constructing, financing, insuring and commissioning TLP-India

"Project Document" shall include (i) the Shareholders Agreement, (ii) this Agreement; and (iii) any other documents which may be required or necessary for the development, procurement, construction, commissioning, implementation, owning, operation and maintenance of TLP India ;

"Prudent Utility Practices" means the practices, methods, techniques and standards, as changed from time to time, that are generally accepted and followed internationally by electric utility industries, taking into account conditions of concerned countries, and that are commonly used in electric utility engineering and operations to design, engineer,



construct, test, operate and maintain equipment, which are lawfully, safely, efficiently and generally conforming to the manufacturers' operation and maintenance guidelines;

"Required Commercial Operation Date" or "RCOD" means the date falling [36] Months after the Effective Date or 27 months from the date of Financial Closure whichever is later, as such date may be amended from time to time pursuant to this Agreement;

"Scheduled Outage" means a planned reduction in availability of TLP India I that has been scheduled in accordance with Clause 8.8;

"Shareholders' Agreement" or "SHA" means the agreement entered into, or to be entered into, among the Investors in BGCPTL;

"Security Package" means the security provided by NEA against payments pursuant to ITSA;

"Site" means the land, air rights and other places upon which TLP-India is to be established and such other land or places as may be required to set up TLP-India;

"Sub-Contractor" including vendor means any person to whom execution of any part of TLP-India including preparation of any design or supply or erection of any equipment is subcontracted directly or indirectly by the Contractor and includes its legal successors or permitted assigns;

"TAF" means the transmission system availability factor for TLP-India for a given period, calculated in accordance with the provisions of Schedule 5;

"Tax" means any tax, duty, surcharge, cess, octroi, impost or levy of any nature wherever and whenever charged, levied or imposed by any Governmental Authority of India together with interest and penalties in relation thereto;

"Technical Particulars" means the technical details of TLP-India as set out in Schedule 8;



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“Technical Specifications” means the provisions contained in the Bid Documents through which goods and services will be procured for TLP-India

“Term” means the term of the Agreement commencing on the Effective Date and continuing until the Expiry Date;

“Termination Notice” means a NEA Termination Notice or BGCPTL Termination Notice, as the case may be;

“TLP-India” means the 400kV D/C transmission line (Quad moose ACSR conductor) running from the Gorakhpur substation connection point in India to, but excluding TLP-Nepal Connection Point, including bay extension works at the Gorakhpur substation;

“TLP-Nepal” means the 400kV D/C transmission line (Quad moose ACSR conductor) running from and including TLP-Nepal Connection Point to New Butwal substation connection point in Nepal,

“TLP-Nepal Connection Point” means a point located at the Indian border where TLP-India and TLP-Nepal are interconnected;

“Total Debt Amount” means the sum of the following amounts, expressed in local currency or any other foreign currency:

- (i) The principal amount of the debt initially incurred by BGCPTL under the Financing Agreements to finance the construction of TLP-India, as per the [project cost approval], and which remains outstanding on the Transfer Date, after excluding any debt repayments provided for in the monthly TSC received by BGCPTL on or before the Transfer Date,
- (ii) All accrued interest and financing fees payable by BGCPTL (but excluding penal interest/surcharge payable due to reasons which are solely attributable to BGCPTL and not due to Force Majeure Events or NEA default, and excluding any interest and fee payments provided for in the monthly TSC received by BGCPTL on or



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before the Transfer Date) under the Financing Agreements on the amounts referred to in paragraph (i) above immediately preceding the Transfer Date, and

Notwithstanding the above, principal, interest, fee or expenses under any agreement entered into on refinancing or rescheduling of all or a part of the amounts referred to in paragraphs (i) and/or (ii) above shall be excluded from the Total Debt Amount to the extent that such refinancing or rescheduling increases the principal amount of indebtedness outstanding at the time thereof;

;

”;

“Transfer Taxes” means all stamp duties and other similar transfer taxes (excluding capital gains tax, income tax and any tax similar to the foregoing) and registration fee payable;

“Transmission Line Project” or “Project” means the implementation, ownership, insuring, repair and maintenance and operation of TLP-India;

“Transmission Service Charges” or “TSC” means the annual charges as calculated pursuant to Schedule 5 and approved by CERC (if required); and

“Unscheduled Outage” means an interruption or reduction of the transmission capacity of TLP-India that (a) is not a Scheduled Outage, (b) has been requested in accordance with Clause 8.9, and (c) is for the purpose of performing work on specific components, which work could not be postponed till the next Scheduled Outage.



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## SCHEDULE 2 INTERPRETATION

Any reference in this Agreement to:

An "affiliate" of any person shall be construed as a reference to a subsidiary or holding company, or a subsidiary of a holding company, of such person;

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

"Business Day" shall be construed as a reference to a day other than Saturday on which bank are generally open for business;

"Nepalese Rupee" denotes lawful currency of Nepal;

"Indian Rupee" denotes lawful currency of India;

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

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

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

"person" shall be construed as a reference to any person, firm, Company, corporation, society, trust, government, or any association or partnership (whether or not having separate legal personality) of two or more of the above;



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"Subsidiary" of a Company or corporation (the first mentioned Company) shall be construed as a reference to any Company or corporation:

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

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

the "winding-up", "dissolution", "administration", "insolvency", or "re-organization" of a Company or corporation and references to the "liquidator", "assignee", "administrator", "receiver", "administrative receiver", "receiver" and "manager", "manager" or "trustee" of a Company or corporation shall be construed so as to include any equivalent or analogous proceedings or, as the case may be, insolvency representatives or officers under the law of the jurisdiction in which such Company or corporation is incorporated or any jurisdiction in which such Company or corporation or, as the case may be, insolvency representatives or officers is incorporated or constituted or any jurisdiction in which such Company or corporation or, as the case may be, insolvency representatives or officers carries on business including the seeking of liquidation, winding-up, re-organisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.





**SCHEDULE 3**  
**SCOPE OF PROJECT: TLP-INDIA**

**3.1 The Project**

3.1.1 The Project shall comprise of the following:

- i. 400 kV D/C transmission line (Quad moose ACSR conductor) from Gorakhpur substation connection point in India to TLP-Nepal Connection Point in India and bay extension works at Gorakhpur substation on Indian side.

3.1.2 The following transmission system of the Project is covered under TLP-India

- i. 400 kV D/C transmission line (Quad moose ACSR conductor) from Gorakhpur substation connection point in India to TLP-Nepal Connection Point in India and bay extension works at Gorakhpur substation on Indian side to be implemented, operated and maintained by BGCPTL

3.1.3 The following transmission system is covered under TLP-Nepal:

- i. 400 kV D/C transmission line (Quad moose ACSR conductor) from New Butwal substation connection point in Nepal to TLP-Nepal Connection Point in India and bay extension works at New Butwal substation on Nepal side to be implemented, operated and maintained by NEA.

**3.2 The BGCPTL's Scope for TLP-India shall comprise:**

3.2.1 Establishment, operation and maintenance of TLP-India on build, own, operate and transfer (BOOT) basis in line with the provision of any applicable Consent.



- 3.2.2 Financing for TLP-India including without limitation all construction costs, import duties, other taxes and duties, levies and cess, Insurances, and other project costs by way of mobilizing necessary equity capital and debt.
- 3.2.3 Finalizing the award and appoint the Contractors in line with the provisions of this Agreement.
- 3.2.4 The work also includes all the activities associated with establishment and maintenance of TLP-India other than those specifically covered in the scope of POWERGRID.
- 3.2.5 BGCPTL shall ensure timely completion of entire scope of TLP-India in all respects and its operation to ensure highest level of reliability, availability and maintainability in accordance with Prudent Utility Practices.
- 3.2.6 BGCPTL shall obtain necessary warranties and guarantees for plant, equipment and machinery as per Prudent Utility Practices.



## SCHEDULE 4

### VALUATION AND TRANSFER OF ASSETS ON TERMINATION

1. Subject to and in accordance with Section 16 of this Agreement, Parties agree that: (a) BGCPTL shall be entitled to terminate this Agreement in case of NEA Event of Default and (b) NEA shall be entitled to terminate this Agreement in case of BGCPTL Event of Default provided that before exercising the right to termination, the non-defaulting Party shall give a notice in writing to the other Party to remedy/rectify the Event of Default mentioned in the notice within six months, from the date of receipt of the notice.
2. In case the Party in default fails to rectify/remedy the default within six months, then the Agreement shall stand terminated.
3. Parties agree that in case of termination by BGCPTL, the termination shall be on the payment of unrecovered cost of capital expenditure as evaluated by the Independent Valuator on the date of termination. The unrecovered cost of capital expenditure shall be total capitalized cost (or Construction Works in Progress in the period before Commercial Operation Date) less the accumulated depreciation allowed in the TSC and less the Return on Equity allowed in the TSC on the date of termination. In case of termination by NEA, NEA shall stop-payment of TSC from the date of termination. Parties agree to appoint the Independent Valuator through mutual agreement.
4. After termination, the parties shall refer the matter to Joint Steering Committee (JSC)/ Joint Working Group (JWG) established under Electric Power Trade, Cross Border Transmission Interconnection and Grid Connectivity 2014, for the purpose of determining the modalities of transfer of asset(s) to successor in interest, for smooth running of Transmission Line Project. The decision of JSC/JWG with respect to modalities of transfer and running of Transmission Line Project shall be final and binding on the Parties to this Agreement.



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## SCHEDULE 5

### Transmission Service Charge

#### 6.1 TSC Determination

6.1.1 TSC shall be determined for TLP-India.

6.1.2 TSC shall be determined based on Capital cost of TLP-India, which shall include the expenditure incurred or projected to be incurred for completion of the construction of TLP-India, including interest during construction and financing charges etc. as certified by Auditor.

6.1.3 The financing structure of the Capital cost deployed shall comprise of loan being equal to 80% of the funds deployed and equity not exceeding 20% of the funds deployed.

Provided that in the event, the debt to equity ratio of 80:20 has to be changed, the matter shall be referred to Joint Steering Committee/Joint Working Group established under Electric Power Trade, Cross-Border Transmission Interconnection and Grid Connectivity, 2014 entered between Government of India and Government of Nepal and the outcome of which shall be final and binding to Parties of this Agreement.

#### 6.2 Basis for computation of Annual TSC

6.2.1 The Annual Transmission Charges shall be based on annual fixed cost (AFC) which shall consist of following components:

- A. Return on Equity
- B. Interest on loan capital
- C. Depreciation
- D. Interest on working capital
- E. Operation & maintenance expenses



*[Handwritten signature]*

*[Handwritten signature]*



## A. Return on Equity

Return on Equity shall be 15.5 % per annum and shall be computed in Indian Rupees on the equity base of fund deployed.

- i. The base rate of return on equity of 15.5% per annum shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the BGCPTL. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of transmission) shall be excluded for the calculation of effective tax rate.
- ii. Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where "t" is the effective tax rate in accordance with clause (i) above and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to BGCPTL on pro-rata basis by excluding the income of non-transmission business, and the corresponding tax thereon. In case of BGCPTL paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess.

Illustration-

- I. In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:





Rate of return on equity =  $15.50/(1-0.2155) = 19.758\%$

ii. In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

(a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;

(b) Estimated Advance Tax for the year on above is Rs 240 crore;

(c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore/Rs 1000 Crore = 24%;

(d) Rate of return on equity =  $15.50 / (1-0.24) = 20.395\%$ .

iii. BGCPTL shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by BGCPTL. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to NEA, on year to year basis.

**B. Interest on loan capital**

- i. The loans arrived at in the manner indicated in 6.1 of this schedule shall be considered as gross loan for calculation of interest on loan.
- ii. The loan outstanding in the beginning of each year shall be worked out by deducting the cumulative repayment up to the end of previous year from the gross loan.



- iii. The repayment for each of the year shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalization of such asset.
- iv. Notwithstanding any moratorium period availed by BGCPTL, the repayment of loan shall be considered from the first year of commercial operation of the TLP-India and shall be equal to the annual depreciation allowed for the year or part of the year.
- v. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized.
- vi. The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.
- vii. The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

### **C. Depreciation**

- i. Depreciation shall be computed from the date of commercial operation of a transmission system or element thereof including communication system. In case of the tariff of all the units of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the transmission system taking into consideration the depreciation of individual units:
- ii. The value base for the purpose of depreciation shall be the capital cost of the TLP-India. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.
- iii. The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:



Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided also that any depreciation disallowed on account of lower availability of transmission system, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

- iv. Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.
- v. Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to this Schedule for TLP-India:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of TLP-India shall be spread over the balance useful life of the assets.

- vi. In case of de-capitalization of assets in respect of transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful services.

#### **D. Interest on working capital**

(1) The working capital shall cover:

For Transmission System:

- (i) Receivables equivalent to 30 days of annual fixed cost;



- (ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
- (iii) Operation and maintenance expenses, including security expenses for one month

(2) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1st April of the year in which the transmission system including communication system or element thereof, is declared under commercial operation:

“Bank Rate” means the one year marginal cost of lending rate (MCLR) of the State Bank of India issued from the time to time plus 350 basis points.

Provided that in case of true-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year.

(3) Interest on working capital shall be payable on normative basis notwithstanding BGCPNL has not taken loan for working capital from any outside agency.

## **E. Operation and Maintenance expenses**

### **I. Transmission System**

- i. The following normative operation and maintenance expenses shall be admissible for the transmission system:

The O&M rates applicable for year 2026-2027:

For Transmission Line: Rs 1.682 Lakhs /Km/Year

For 400 kV GIS Bay: Rs 28.66 Lakhs/Bay/Year

#### **Note:**

Rates have been arrived considering O&M rates notified under CERC Tariff Regulations, 2019 for 2023-24 and escalating the same by 3.52%/Year.

For Financial Years beyond 2026-27, the escalation rates of 3.52% shall apply for calculation of O&M Rates.



- ii. The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station bays and km of line length with the applicable norms for the operation and maintenance expenses per bay and per km respectively.
- iii. The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:

Provided that BGCPTL shall submit the yearly security expenses, the details of year-wise actual capital spares consumed for the Financial Year which shall become part of the Transmission Service Charge bill to be raised in the immediate subsequent month.

#### 6.2.1 Computation of Monthly TSC

(1) TSC shall be computed on annual basis, in accordance with norms contained in this Schedule, aggregated as appropriate, and recovered on monthly basis as transmission charge from NEA.

(2) The Normative Availability shall be 98% and the Transmission charge (inclusive of incentive or disincentive) payable for a calendar month for TLP-India shall be as under.





a) For  $TAFM_n \leq 98.00\%$

$$AFC \times (NDM_n / NDY) \times (TAFM_n / 98.00\%)$$

b) For  $TAFM_n: 98.00\% < TAFM_n \leq 98.50\%$

$$AFC \times (NDM_n / NDY) \times (1)$$

c) For  $TAFM_n: 98.50\% < TAFM_n \leq 99.75\%$

$$AFC \times (NDM_n / NDY) \times (TAFM_n / 98.50\%)$$

d) For  $TAFM_n \geq 99.75\%$

$$AFC \times (NDM_n / NDY) \times (99.75\% / 98.50\%)$$

Where,

AFC = Annual Fixed Cost specified for the year in Rupees

NDM<sub>n</sub> = Number of days in nth month

NDY = Number of days in the year

TAFM<sub>n</sub> = Transmission System availability factor for the month in per cent.

Transmission system availability factor for nth calendar month ("TAFM<sub>n</sub>") shall be calculated by consider following:

- i. TAFM<sub>n</sub> for any period shall be calculated by BGCPTL, and verified by NEA.
- ii. AC transmission lines: Each circuit of AC transmission line shall be considered as one element;
- iii. The availability for each circuit of TLP-India shall be calculated based on the total hours under consideration and non-available hours for each circuit.
- iv. The transmission element under outage due to following reasons shall be deemed to be available:



- a) Shut down availed for maintenance of another transmission scheme or construction of new element or renovation/upgradation/additional capitalization in existing system approved as agreed between the Parties.
  - b) Switching off of a transmission element to restrict over voltage and manual tripping of switched reactors as per the directions of concerned load dispatch centers of India or Nepal.
- v. For the following contingencies, outage period of transmission elements shall be excluded from the total time of the circuit under period of consideration for the following contingencies:
- a) Outage of elements due to acts of God and force majeure events beyond the control of BGCPTL. Element(s) restored through ERS (Emergency Restoration System) shall be considered as available;
  - b) Outage caused by grid incident/disturbance not attributable to BGCPTL e.g. faults in substation or bays owned by other agency causing outage of BGCPTL's element t, and tripping of element due to grid disturbance.
- v. TAFMn shall be calculated as follows:

$$TAFMn = (\sum_{i=0}^2 (Ti - TNAi) / Ti) / 2$$

Where,

Ti = Total hours of i<sup>th</sup> circuit during the period under consideration (excluding the time period for outages not attributable to BGCPTL taken as deemed availability.)

TNAi = the non-availability hours (excluding the time period for outages not attributable to BGCPTL taken as deemed availability.)



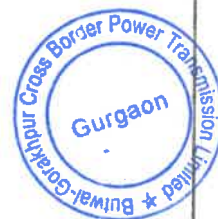
### 6.3 Monthly TSC Payment

6.3.1 NEA shall pay the Monthly TSC Payment for the period from the Commercial Operation Date for TLP-India, pursuant to 6.2.1 of this Schedule.

6.3.2 The Monthly TSC Payments are payable in Indian Rupees.

6.3.3 Without prejudice to 6.1.2 of this Schedule, any capital expenditure incurred or projected to be incurred, after the date of commercial operation of the TLP-India and agreed by the Parties shall be considered as 'Change'. Annual TSC would be revised in case any Change in the Capital cost of TLP-India. Such Change shall be limited to Change in Law, and Change in scope of TLP-India as mutually agreed between the Parties. The revised Annual TSC shall form the basis for calculation of the Monthly TSC Payments.

6.3.4 If the term of this Agreement expires or is terminated other than on the last day of a calendar month, the last Monthly TSC Payment shall be calculated for the period from the first day of that month until the day on which this Agreement expires or is terminated.



## Appendix-I

### Depreciation Schedule

Sr. No.	Asset Particulars	Depreciation Rate (Salvage Value=10%) SLM
A	Land under full ownership	0.00%
B	Land under lease	
(a)	for investment in the land	3.34%
(b)	For cost of clearing the site	3.34%
(c)	Land for reservoir in case of hydro generating station	3.34%
C	Assets purchased new	
a.	Plant & Machinery in generating stations	
(i)	Hydro electric	5.28%
(ii)	Steam electric NHRB & waste heat recovery boilers	5.28%
(iii)	Diesel electric and gas plant	5.28%
b.	Cooling towers & circulating water systems.	5.28%
c.	Hydraulic works forming part of the Hydro-generating stations	
(i)	Dams, Spillways, Weirs, Canals, Reinforced concrete flumes and siphons	5.28%
(ii)	Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge tanks, hydraulic control valves and hydraulic works	5.28%
d.	Building & Civil Engineering works	
(i)	Offices and showrooms	3.34%
(ii)	Containing thermo-electric generating plant	3.34%
(iii)	Containing hydro-electric generating plant	3.34%
(iv)	Temporary erections such as wooden structures	100.00%
(v)	Roads other than Kutcha roads	3.34%
(vi)	Others	3.34%
e.	Transformers, Kiosk, sub-station equipment & other fixed apparatus (including plant)	
(i)	Transformers including foundations having rating of 100 KVA and over	5.28%
(ii)	Others	5.28%
f.	Switchgear including cable connections	5.28%
g.	Lightning arrester	
(i)	Station type	5.28%
(ii)	Pole type	5.28%
(iii)	Synchronous condenser	5.28%



Sr. No.	Asset Particulars	Depreciation Rate (Salvage Value=10%) SLM
h.	Batteries	5.28%
(i)	Underground cable including joint boxes and disconnected boxes	5.28%
(ii)	Cable duct system	5.28%
i.	Overhead lines including cable support	
(i)	Lines on fabricated steel operating at terminal voltages higher than 66 KV	5.28%
(ii)	Lines on steel supports operating at terminal voltages higher than 13.2 KV but not exceeding 66 KV	5.28%
(iii)	Lines on steel on reinforced concrete support	5.28%
(iv)	Lines on treated wood support	5.28%
j.	Meters	5.28%
k.	Self propelled vehicles	9.50%
l.	Air Conditioning Plants	
(i)	Static	5.28%
(ii)	Portable	9.50%
m.(i)	Office furniture and furnishing	6.33%
(ii)	Office equipment	6.33%
(iii)	Internal wiring including fittings and apparatus	6.33%
(iv)	Street Light fittings	5.28%
n.	Apparatus let on hire	
(i)	Other than motors	9.50%
(ii)	Motors	6.33%
o.	Communication equipment	
(i)	Radio and high frequency carrier system	6.33%
(ii)	Telephone lines and telephones	6.33%
(iii)	Fibre Optic	6.33%
p.	I. T Equipment including software	15.00%
q.	Any other assets not covered above	5.28%

Note: Where life of the particular asset is less than useful life of the project, the useful life of such particular asset shall be considered as per the provisions of the Companies Act, 2013 and subsequent amendment thereto.





## SCHEDULE 6

### Technical Specifications and Technical Particulars

The Technical Particulars shall be as set forth in the Bidding Documents having:

- 1) Reference Spec. No. 5002002333/CONSULTANCY GIVEN/DOM/A04-CC CS -5 for Tower Packages (TW01) and
- 2) Reference Spec. No.: 5002002330/CONSULTANCY GIVEN/DOM/A06-CC CS -7 for Substation Package SS01
- 3) Reference Specification:- CC/NT/COND/DOM/A02/22/5006003853/00230 dated 14-Nov-2022for Conductor Packages (CD01).




## Form-I

## 1. Particulars of the Applicant

Sl No	Particulars	Particulars
i	Name of the Petitioner /Applicant	Butwal-Gorakhpur Cross Border Power Transmission Limited (BGCPTL)
ii	Status	Public Limited Company
	Subject Matter	Application under Section 14 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 for grant of Transmission License to Butwal-Gorakhpur Cross Border Power Transmission Limited (BGCPTL) for implementation of Indian portion of New Butwal- Gorakhpur 400 KV Double Circuit Cross-border interconnection transmission line and associated bay extension work.
iii	Address of the Petitioner/Applicant	Plot No. 2, Sector 29, Saudamini, Gurugram-122001, Haryana
iv	Name, Designation & Address of the contact person	Sh. Anil Mehra, Chief Executive Officer, E 236, 1 <sup>st</sup> Floor, East of kailash, New Delhi,
v	Contact Tele. No.	9910377980
vi	Fax No.	-
vii	Email ID	mehra.anil22@gmail.com
viii	Place of Incorporation / Registration	New Delhi, India
ix	Year of Incorporation / Registration	2022
x	<b>Details of Fees Remitted</b>	
	a) UTR No.	CMS3727289081



	b) Date of Remittance	21.11.2023
	c) Amount Remitted	1,00,000/-
Signature of the Authorized Signatory with Date		

**2. Particulars of the Project for which license is being sought:**

**a. Transmission lines**

S.No	Name (end point Location)	Voltage class (kV)	Length (kM)	Type (S/C or D/C)
1	Indian Portion of New Butwal-Gorakhpur 400 kV D/C (Quad Moose) transmission line	400 kV	94 kms	D/C

**b. Substation**

S.No	Name (Location)	Voltage level	Transformer	Reactive/ capacitive compensation	No of bays
1	Gorakhpur Substation	400 kV	NIL	NIL	02 bays GIS bays

c. **Commissioning schedule:** 30.05.2026

**d. Identified Long-Term Transmission Customers of the Project:**

- 1 Nepal Electricity Authority  
NEA shall pay to BGCPTL, on a monthly basis, the Transmission Service Charge ("**TSC**") from the Commercial Operation Date as per the terms and conditions of the ITSA dated 01.06.2023.

e. Any other relevant information : Nil



3. Levelised transmission charges: Payable as per the terms and conditions stipulated under ITSA dated 01.06.2023

(a) Recommendation of selection  
by the empowered committee

(b) Evaluation report made public  
by the Bid Process Coordinator

} Not applicable

Date: 20.11.2023

Place: Gurugram

  
Signature of the Applicant





**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Central Registration Centre

## **Certificate of Incorporation**

[Pursuant to sub-section (2) of section 7 and sub-section (1) of section 8 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014]

The Corporate Identity Number of the company is

\*

\*



Digital Signature Certificate

For and on behalf of the Jurisdictional Registrar of Companies  
Registrar of Companies  
Central Registration Centre

Disclaimer: This certificate only evidences incorporation of the company on the basis of documents and declarations of the applicant(s). This certificate is neither a license nor permission to conduct business or solicit deposits or funds from public. Permission of sector regulator is necessary wherever required. Registration status and other details of the company can be verified on [www.mca.gov.in](http://www.mca.gov.in)

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Mailing Address as per record available in Registrar of Companies office:



\* as issued by the Income Tax Department



**MEMORANDUM OF ASSOCIATION**

**BUTWAL-GORAKHPUR CROSS BORDER POWER  
TRANSMISSION LIMITED**

**COMPANY LIMITED BY SHARES**

**THE COMPANIES ACT 2013**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**BUTWAL-GORAKHPUR CROSS BORDER POWER TRANSMISSION LIMITED**

**Table A - MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES**

- I. The name of the company is **BUTWAL-GORAKHPUR CROSS BORDER POWER TRANSMISSION LIMITED.**
  - II. The Registered Office of the Company will be situated in **State of Haryana.**
  - III. **(a) The objects to be pursued by the company on its incorporation are:**
    1. To engage in the business of building, maintaining and operating transmission systems between India and neighboring countries like Nepal, Bhutan, Bangladesh, Myanmar, Sri Lanka & Pakistan for the purpose of export and import of electricity, transmission of data and other related business including transformers, converters, transmitters, processors, developers, storers, carriers, importers and exporters of, and dealers in electricity, and any products or by-products derived from any such business and any such products derived from, or connected with any form of energy, including without limitation heat, solar, wind, hydro, wave tidal, bagasse, bio-mass, waste, geothermal and biological.
    2. To accumulate electrical power and to transmit, distribute and supply such power throughout the area of the India and neighboring countries like Nepal, Bhutan, Bangladesh, Myanmar, Sri Lanka & Pakistan.
    3. To carry on the business of a transmission company in all its branches, and to construct, lay down, establish fix and carry out all necessary power stations, cables, wires, line accumulators, lamps and works and to generate accumulate, distribute and supply electricity, and to light cities, towns, streets, docks, market, theaters, building and places, both public and private.
- (b) Matters which are necessary for furtherance of the objects specified in Clause III (a) are:**
1. To establish Branches, Agencies or appoint representatives in India and elsewhere for anyone or more of the objects of the Company and to regulate and/ or discontinue the same.
  2. To enter into all types of internal or external foreign collaborations, licence arrangements, technical assistance, financial or commercial arrangements including the survey of markets for export and to study market conditions in India and outside, for the fulfillment of any objects herein contained.

3. To acquire, purchase, takeover and/ or amalgamate business of companies which under existing circumstances, from time to time, may conveniently or advantageously be combined with the business of the Company to amalgamate or merge with companies whose business are so acquired, purchased or taken over and/or to enter into agreement with the object of acquisition of such undertaking and / or business.
4. To enter into partnership or into any arrangements for sharing profits, union of interest, co-operation, Joint venture, reciprocal concessions or otherwise, with any person, firm, association company, or corporation carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorized to carry on or engage in or any business or undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the company and to lend money, to guarantee or contract or otherwise acquire and hold shares or securities of any such person, firm or company and to take or otherwise acquire and hold shares or securities of any such person, firm or companies and to sell re-issue with or without guarantee or otherwise deal with the same.
5. To apply for, promote and obtain any Act, charter, privileges, concession, license, authorization, if any, Government, State or Municipality provisional order or license of any authority for enabling the Company to carry any of its objects into effect, or for extending any of the powers of the Company, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceedings or applications Which may seem calculated, directly or indirectly to prejudice the Company's interest.
6. To pay all the costs, charges and expenses of and incidental to the promotion and formation, registration and establishment of the Company and its Issue of its capital including costs, charges, expenses of negotiations and contracts and arrangement made prior to and in anticipation of the formation and incorporation of the Company.
7. To refer matters of dispute to arbitration.
8. To receive money or deposit or loan and to borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture-stock, (perpetual or otherwise) bonds, promissory notes, with right to convert into Shares and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future) including its uncalled capital, but shall not carry on the business of banking as defined in the Banking Regulation Act, 1949, subject to provisions of Section-73 of the Companies Act,2013 and RBI Directives.
9. To purchase, acquirer take over as a going concern by purchase of or lease or for management of the whole or any part of the business undertaking together with the goodwill, property, contracts, agreements, rights, privileges, effects and liabilities of any person, firm or company including its trade name, trademarks or patents and upon such terms and subject to such stipulations and conditions and

at or for such price or consideration (if any) in money, shares, debentures, money's worth or otherwise as may be deemed fit, and to conduct and carry on or liquidate and wind up any such business.

10. To enter into, make and perform contracts and arrangements, of every kind and description with the Government of India or any Local or State Government or with Authorities, national, state, local municipal or otherwise or with any Companies, firms or persons that may seem conducive to Company's objectives or for the purpose of directly or indirectly carrying out the objects or furthering the interests of the Company or its members and to obtain from any such Government, State Authority or person any rights, privileges, charters, contracts, subsidies, subventions, loans, indemnities, grants, decrees, sanctions, licenses or concessions or purchase and sale of any kind of goods, machinery, spare parts, securities, shares, stocks, debentures, etc. whatsoever, which the Company for the time being may think desirable to obtain and to carry out, exercise and comply with such arrangements, rights, privileges and concessions, etc.
11. To employ experts, to investigate and examine into the conditions prospects, value, character, and circumstances of business, concerns.
12. To buy, purchase, sell, acquire, mortgage, exchange, grant leases, licenses, easements and other rights in respect of Improve, manage, develop/exchange, transfer, dispose of and turn to account or deal within any manner the whole of the property, assets, investments, undertakings, rights and effects of the Company or any part thereof for such consideration in money or otherwise or in kind or by allotment of fully or partly shares or in any other manner as may be thought fit.
13. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bundles, cheques, drafts, receipts, orders, warrants, certificates, units and other negotiable or transferable instruments.
14. To procure the recognition of the Company under the laws or regulations of any other country and to do all acts necessary for carrying on business or activity of the Company in any foreign country.
15. To write or receive or donate or gift, in cash or kind, for any national charitable, benevolent, public purposes or to any institution, club, Society, research, association, fund, university, college or any other person or body.
16. To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise, and to exercise, carry out and enjoy any charter, license, power, authority, franchise, concession, right or privilege, which any Government or authority or any Corporation or other public body may be empowered to grant, and to pay for aid in, and contribute towards carrying on the Same effect.
17. To apply for, purchase or otherwise acquire any patents, patent rights, copyrights, trademarks, formulae, licenses, concessions and the like or any Secret or other information,

18. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory welfare gratuity pension or superannuation funds for the welfare and benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments or benefits of medical, health or charitable purposes to any persons, who are or were at any time in the employment or service of the Company, and the wives, Widows, families and dependents of any such persons including the directors, ex-directors.
19. To open bank accounts of all kinds including overdraft accounts and to operate the same for any of the objects or purposes of the Company.
20. To distribute amongst the members of the Company in specie or kind any property of the Company or any proceeds of sale or disposal of any property of the Company whether in the event of the winding Up of the Company, subject to the provisions of the Companies Act, 2013.
21. To invest the surplus un-borrowed funds of the Company, in securities as may from time to time, be determined by the directors and from time to time, to sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf.
22. To Undertake and execute any trust the undertaking whereof may seem desirable either gratuitously or otherwise, and/or to make donations to any persons, company or association and to subscribe or guarantee money for any national, international charitable, benevolent, educational, public, general or other object, activity, exhibition or trade shown which may be conducive to the objects of the Company or in the interest of its members or for the welfare of the staff and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorized to carry on.
23. To promote, form and register and aid in promotion, formation and registration of any company or companies, for the purpose of acquiring all or any of the property, undertaking, rights and liabilities of such company and to be interested in, or take or otherwise acquire, purchase, hold, sell or otherwise dispose of shares, debentures, and other securities in or of any such company or any other Company, for all or any of the objects mentioned in this Memorandum and to subsidize or otherwise assist any such company and to undertake the management or other work, duties and business of any such company on such terms and conditions as may be determined.
24. To sink wells and shafts, and to make, build and construct, lay down and maintain, reservoirs, water works, cisterns, culverts, filter-beds, main and other pipes and appliances, and to execute and do all other works and things necessary or convenient for obtaining, storing, selling, delivering, measuring and distributing; water, or otherwise for the purposes of the Company.
25. To accumulate funds and to lend, invest or otherwise employ money belonging or entrusted to the Company upon securities and shares, or without security upon such terms as may be thought proper and from time to time vary such transactions



in such manner as the Company may think fit but without doing business within the meaning of the Banking Regulation Act, 1949.

26. To establish and maintain any agencies in any part of the world for the conduct of the business of the Company, or for the sale of materials or things for the time being at the disposal of the Company for sale, and to advertise and adopt means of making known all or any of the activities of the Company in any way that may be thought advisable, including the issue of circulars books, pamphlets and price lists, and the conducting of competitions, and the giving of prize, rewards and donations but not by way of lottery.
27. To make pecuniary grants by way of donations, contribution, subscription, pension, allowance or gratuity and to render assistance otherwise to or for the benefit of persons, who are or have been employed by the Company or its predecessors and the widows, orphans and dependents of any of such persons, to or in aid of charitable, benevolent, religious', scientific, national, international and public institutions or to any individual or body association or organizations or funds for the defense, protection, indemnification, or advantage of companies or others for any exhibition.
28. To distribute any of the property of the Company among the members in specific or in kind as permissible in law.
29. To invest and deal with monies of the Company not immediately required in such manner as may from time to time be determined by the Directors of the Company. In connection with the business of the Company to make advances or lend money or open cash credit facilities upon the securities of promissory notes, bonds, debenture stock, warrants, or shares of any (whether Indian or foreign) Company, Bank Local or Municipal bodies and government Authorities.
30. To undertake various actions for seeking, obtaining and maintaining regulatory approvals from State and Central regulators for its activities. In this behalf, filing various documents, pleadings, petitions and affidavits; representing its case and taking other necessary steps to pursue its cases effectively.
31. To acquire by purchase, lease, exchange, hire or otherwise, or to construct and maintain factories, works, buildings, and conveniences of all kinds, lands, buildings, apartments, plants, machinery, and hereditaments of any tenure or description, situated in India or in any other part of the world and any estate or interest therein and any rights over or connected with land so situated and turn the same to account in any manner as may seem expedient, necessary or convenient to the Company for the purpose of its business.
32. To sell, improve, manage, develop, exchange, loan, lease or let, under-lease, sub-let, mortgage, dispose of, deal with, turn to account or otherwise deal with any rights or property of the Company.
33. To promote, develop, implement and operate projects Build, Operate & Transfer, Build, Operate, Own & Transfer, and Build, Operate, Lease & Transfer basis.

34. To enter into agreements and contracts for lease, hiring and/or purchase or equipment and for technical, financial or any other assistance, for carrying out all or any of the objects of the Company.
35. To promote, organize or carry on the business of advisory and consultancy services in any field of activity in which it is engaged.
36. To carry on any other business to optimally utilize its assets and expertise, as also to develop alternate revenue streams in conjunction with and pursuance of its main objects and activities, in connection with any of the Company's objects to enhance the value of or render profitable any of the Company's property, rights or interests.
37. To exercise all powers and functions vested under the Applicable Law, including steps/activities: -
  - (i) to secure safety of its plants and associated installations/equipment;
  - (ii) to undertake various works related to transmission of electricity;
  - (iii) to maintain, operate, augment, renovate and keep in good condition its plants and the associated evacuation system;
  - (iv) to take, retain and adjust securities to cover for payment against its power purchase;
  - (v) to install, repair, replace, check and read electric meters, as also to prescribe/ install protective devices;
  - (vi) to ensure compliance with applicable regulations and Grid Code, Supply Code and Standards; and
  - (vii) to initiate and pursue prosecution of offenders under Applicable Laws and other State and Central enactments in force.
  - (viii) generally to do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.
38. To engage in the businesses of procurers, suppliers, distributors, converters, producers, processors, developers, storers, carriers, importers and exporters of, and dealers in, hydrocarbon fuels, fuel handling equipment and machinery and fuel handling facilities thereto and any products or by products derived from any such business (including without limitation distillate fuel oil and natural gas whether in liquefied or vapourised form).
39. To engage in the business of leasing and hire-purchase of all forms of power transmission equipment and all forms of power distribution systems.
40. To acquire the right to use or manufacture and to put up telegraphs, telephones, phonograms, dynamos, accumulators, and all apparatus now known, or which may hereafter be invented, in connection with the transmission, accumulation, distribution, supply and employment of electricity, or any power that can be used as a substitute therefore, including all cables, "wires or appliances for connecting apparatus at a distance with other, apparatus, and including the formation of exchanges or centers.

41. To develop and turn to account any land acquired by the Company or in which the Company is interested, and in particular by levying out and pre-paring the same for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up, and improving buildings, and by planting, paving, draining, farming, cultivating, letting on building, lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants, and others.
42. To construct, maintain, improve, develop, work, control, and manage any waterworks, gasworks, reservoirs, roads, tramways, telephone works, hotels, clubs, restaurants, baths, places of worship, places of amusement, pleasure grounds, parks, gardens, reading rooms, stores, shops, dairies, and other works and conveniences which the Company may think directly or indirectly conducive to these objects, and to contribute or otherwise assist or take part in the construction, maintenance, development, working, control, and management thereof.
43. To carry on in all their respective branches all or any of the businesses of builders masonry and general construction contractors and haulers and among other things to construct, execute, carry out, equip, improve, work and advertise railways, roadways, tramways, docks, harbors, wharves, canals, water-courses, reservoirs, embankments, irrigations, reclamations, sewage, drainage, and other sanitary works, water, gas and other supply works, houses, buildings, and erections of every kind, and businesses that are customarily or usually carried on in connection therewith or naturally incidental thereto.
44. To carry on in any of their respective branches all or any of the businesses of quarry, proprietors, stone and granite merchants, dealers and exporters and contractors, and to search for, get, win, raise, make marketable, use, sell and dispose of granite, stone, coal minerals and mineral substance and products within or under any property of the Company, and to prepare and manufacture cement paving blocks, tar, macadam, bituminous road materials or things which the Company may require or which may be useful for carrying on any of the above-mentioned businesses.
45. To manufacture, buy, sell, treat and deal in all kinds of plant, machinery, apparatus, tools, utensils, commodities, substances, articles and things necessary or useful for carrying on any of the above businesses or usually dealt with by persons engaged therein.
46. To carry on the business of electricians and electrical, mechanical engineers, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the transmission, distribution, supply, accumulation and employment of electricity, galvanism magnetism, or otherwise.
47. To carry on the business of mechanical engineers and manufacturers of machinery, tool-makers, brass founders, metal workers, boiler makers, mill-wrights, machinists, iron and steel makers and converters, smiths, wood-workers, builders, painters, metallurgists, water supply engineers, gas makers, printers,

carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling stock and hardware of all kinds.





48. To carry on any business relating to the winning and working of mineral the production, and working of metals, and the production, manufacture, and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, and either for the purpose only of such contracts or as an independent business.
49. To establish, maintain and operate shipping, air, transport, and road transport services (public and private) and all ancillary services and, for these purposes or as independent undertakings, to purchase, take in exchange, charter, hire, build, construct or otherwise acquire, and to own, work, manage, and trade with steam, sailing, motor and other ships, trawlers, drifters, tugs, and vessels, aircraft and motor and other vehicles with all necessary and convenient equipment, engines, tackle, gear, furniture, and stores, or any shares or interests in ships, vessels, aircraft, motor and other vehicles, including shares, stocks, or securities of companies possessed of or interested in ships, aircraft or vehicles, and to maintain, repair, fit out, refit, improve, insure, alter, sell, exchange, or let out on hire, or hire purchase, or charter or otherwise deal with and dispose of any of the ships, vessels, aircraft, and vehicles, shares stock and securities, or any of the engines, tackle, gear, furniture, equipment and stores of the Company.
50. To carry on the business of an investment company and to buy, invest in, subscribe to, acquire and hold, sell and exchange and deal in shares, stocks, debentures, debenture-stock, bonds, obligations and securities of any kind issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture-stock, bonds, obligations and securities, issued or guaranteed by any Government, State, dominions, sovereign, rulers, commissioners, public body or authority, supreme, municipal, local or otherwise, firm or person whether in India or elsewhere.
51. To give advise and or to offer, give, take, circulate and/or otherwise organize, accept or implement any takeover bids, mergers, amalgamations, acquisitions, diversification, rehabilitation or restructuring of any business, concern, undertaking, company, body corporate, partnership firm or any other association of persons whether incorporated or not, by acquisition of shares or assets and liabilities, and whether as a going concern or as a part of the concern or otherwise as may be required having regard to business exigencies; and to promote or procure incorporation formation or setting up of concerns and undertakings whether as company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.
52. To set up, create, issue, float and manage trusts or funds including any mutual fund, growth funds, investment funds, income or capital funds, taxable or tax-exempt funds, provident, pension, gratuity and superannuation funds, charitable funds, trusts, or consortium funds to act as administrators or managers of such funds and trusts and to act as trustees for bondholders, debenture holders and of, other purposes herein.








53. To carry on the business of promotion, organizing, procuring incorporation of and giving financial or other assistance in India or abroad independently or in association with any person, Government or any other agencies whether incorporated or not, for any business of the Company.
54. To set up, operate, install, commission, maintain, and to lease, license, let, hire, for charge, cess, toll, rent or other user' charges, telecommunication net works in the nature of cellular, mobile, paging systems, fax systems, E-Mail systems, mobile telephones, phones, commercial band communication systems, ship-to-shore telecommunication systems, walkie-talkie systems, data trans-mission systems, TV signal transmission system or any other mode of telecommunication, microwave telecommunication systems, etc.
55. To adopt new technologies that have been developed in the field of telecommunications from time to time and apply the same to its business.
56. To carry on the business as merchants, traders, commission agents, buying agents, selling agents, brokers, adatias, buyers, sellers, importers, exporters, dealers in, collectors, or in any other capacity and to import, export, buy, sell, barter, exchange, pledge, mortgage, advance upon or other-wise trade and deal in machinery, equipments, components, spare parts, goods, produce, articles and merchandise of any kind whatsoever and without prejudice to the generality of the foregoing agricultural commodities, food grains, cash crops, cotton, tea, Jute, coffee, fruits, vegetables, flowers, milk, milk products, meat, seeds, raw materials required by industries, semi finished products of industries and finished products of industries including machinery, equipment, chemicals, intermediates, electrical goods, textile yarns, garments, furniture, minerals, ores and oils as wholesalers or retailers on the basis of ready delivery or forward contracts or on commission basis.
57. To purchase, hold, take on lease or exchange, take on mortgage and give on mortgage, hire or otherwise acquire and hold or deal in any movable or immovable., property including shops, flats, offices, godowns, patents, licenses, and any rights interests and privileges therein and to develop and turn to account or let them out on rent.
58. To carry on the business of guaranteeing the performance of any contract or obligation of any Company, firm or persons and the payment and repayment of the capital and principal or dividend, interest or premium, mortgage, loan and other securities issued by any Company, corporation, firm or persons, including (without prejudice to the said generality) bank overdrafts, bills of exchange and promissory notes.
59. To carry out the objects of the Company and to do things in any part of the world either as principals, agents, contractors or trustees or otherwise and either alone or in conjunction with others.





- IV. The Liability of the Members is Limited and this liability is limited to the amount unpaid, if any, on the shares held by them.**
- V. The Share Capital of the Company is Rs. 15,00,000/- (Rupees Fifteen Lakh only) divided into 1,50,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each.**

6. We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Sl. No.	Names, Addresses, descriptions and occupations of subscribers	No. of Shares taken by each Subscriber		Signature of subscriber	Name, Addresses, Occupation of witnesses
1.	<p>Power Grid Corporation of India Limited through its Authorized Representative Shri Mrinal Shrivastava</p> <p>S/o Shri Gireendra Prasad Shrivastava</p> <p>R/o 145, Tower-1, Gc Emerald Heights, Ramprastha Greens, Sector 7, Sahibabad, Ghaziabad, Uttar Pradesh-201010.</p> <p>Regd. Office: - B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016</p> <p>Occupation- Service</p>	24995	Equity	 	<p>I witness to subscribers, who has subscribed and signed in my presence.</p> <p>Further, I have verified his or their Identity Details (ID) for their identification and satisfied myself of their identification particulars as filled in.</p> 
2.	<p>Ravindra Kumar Tyagi jointly with Power Grid Corporation of India Limited</p> <p>S/o Shri Birbal Singh Tyagi</p> <p>R/o D - 2, 604, The Legend, Sector - 57, Tighara, Farrukhnagar, Gurgaon - 122003</p> <p>Occupation- Service</p>	1	Equity	<p><u>रवि-कुमार</u></p> 	<p>(Ashok)</p> <p>No. 1, Shiva Enclave, 3<sup>rd</sup> Floor, Pitampura, New Delhi - 110034</p> <p>Practicing Company Secretary</p> <p>Membership No. 55136</p> <p>Date:</p> <p>Place:</p>




3.	<p>Pramod Kumar jointly with Power Grid Corporation of India Limited</p> <p>S/o Shri Rameshwar Dayal Gupta</p> <p>R/o G-303, Time Residency, Golf Course, Extension Road, Sector - 63, Gurgaon Near Paras Trinity, Sikanderpur Ghosi (68), Gurgaon, Haryana - 122002</p> <p>Occupation- Service</p>	1	Equity	 	<p>I witness to subscribers, who has subscribed and signed in my presence.</p> <p>Further, I have verified his or their Identity Details (ID) for their identification and satisfied myself of their identification particulars as filled in.</p>
4.	<p>Yugesh Kumar Dixit Jointly with Power Grid Corporation of India Limited</p> <p>S/o Deota Mani Dixit</p> <p>R/o House No. 636, Sector-29, Faridabad, Haryana - 121008</p> <p>Occupation- Service</p>	1	Equity	 	 <p>(Ashok)</p> <p>No. 1, Shiva Enclave, 3<sup>rd</sup> Floor, Pitampura, New Delhi - 110034</p> <p>Practicing Company Secretary</p> <p>Membership No. 55136</p> <p>Date:</p> <p>Place:</p>
5.	<p>Dilip Nagesh Rozekar Jointly with Power Grid Corporation of India Limited</p> <p>S/o Shri Nagesh Waman Rozekar</p> <p>R/o Flat No. - 111, DPS Apartment Plot No. 16, Sector 4, Dwarka, Delhi - 110078</p> <p>Occupation- Service</p>	1	Equity	 	

6.	<p>Ravisankar Ganesan Jointly with Power Grid Corporation of India Limited</p> <p>S/o Shri Ganesan Ariharan</p> <p>R/o D-803, POWERGRID Township, Sector - 43, Gurgaon, Haryana - 122002</p> <p>Occupation- Service</p>	1	Equity	 <p><i>Ashok</i></p>	<p>I witness to subscribers, who has subscribed and signed in my presence.</p> <p>Further, I have verified his or their Identity Details (ID) for their identification and satisfied myself of their identification particulars as filled in.</p> <p></p> <p>(Ashok)</p> <p>No. 1, Shiva Enclave, 3<sup>rd</sup> Floor, Pitampura, New Delhi - 110034</p> <p>Practicing Company Secretary</p> <p>Membership No. 55136</p> <p>Date:</p> <p>Place:</p>
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DATE : 05/08/2022

PLACE : GURGAON

6. We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Sl. No.	Names, Addresses, descriptions and occupations of Subscribers	No. of Shares taken by each Subscriber	Signature of subscriber	Name, Addresses, Occupation of witnesses
7.	<p>Nepal Electricity Authority (NEA) through its Authorized Representative Shri Rupesh Kumar Shah</p> <p>S/o Shri Yugal Kishor Shah</p> <p>R/o House No. 1492/13, Gaurighat, Ward No. 08, Kathmandu, Nepal</p> <p>Head Office: Durbarmarg, Kathmandu, Nepal</p> <p>Occupation- Service</p>	25000 Equity	 	<p>I witness to subscribers, who has subscribed and signed in my presence.</p> <p>Further, I have verified his or their Identity Details (ID) for their identification and satisfied myself of their identification particulars as filled in.</p> <p></p> <p>(Ashok)</p> <p>No. 1, Shiva Enclave, 3<sup>rd</sup> Floor, Pitampura, New Delhi - 110034</p> <p>Practicing Company Secretary</p> <p>Membership No. 55136</p> <p>Date:</p> <p>Place:</p>

Mr. Rupesh Kumar Shah signed before me on this date 02 August 2022 at Kathmandu, Nepal

Advocate/Notary Public (LL.M)  
KHADKA LAW ASSOCIATES  
Kathmandu, Nepal

Date: 02 August 2022 A.D.

Certificate Number of the Notary Public: 1860

Date of expiry of the Certificate: July 25, 2024 A.D.

Seal of Notary Public.





**Butwal-Gorakhpur Cross Border Power Transmission Limited**  
(Joint Venture between Power Grid Corporation of India Ltd and Nepal Electricity Authority)  
Registered Office: 'Saudamini', Plot No. 2 Sector-29, Gurgaon, Haryana - 122001.

CIN No. U40200HR2022PLC106262

Ref. No.: BGCPTL/TR-License/01

Dated: 02.11.2023

**TO WHOM IT MAY CONCERN**

Butwal Gorakhpur Cross-Border Power Transmission Limited (**BGCPTL**) having its registered office at Suadamani, Plot No. 2, Sector 29, Gurgaon, Haryana, India 122001 is a Joint venture of Power Grid Corporation of India Ltd. (POWERGRID) and Nepal Electricity Authority (NEA). BGCPTL has intended to apply for grant of Transmission License.

Pursuant to the approval during 1<sup>st</sup> meeting of Board of Directors, I, Abhay Choudhary, the undersigned, hereby duly authorize Sh. Anil Mehra, CEO of BGCPTL to sign all necessary documents related to the application for a Transmission License to the Central Electricity Regulatory Commission (CERC) of India on my behalf as the applicant.

This authorization certificate shall remain in force until the Transmission License application process is completed.

  
(Abhay Choudhary)  
Chairman (BGCPTL)

