

Chairman & Managing Director
NHPC Limited, Sector-33,
Faridabad, Haryana.

Sub: Implementation of Chutak Hydroelectric Project (44 MW) in the Central Sector in Jammu & Kashmir by National Hydro-electric Power Corporation Ltd.

Sir,

I am directed to convey the approval of the President of India, in terms of the Articles of Association of National Hydroelectric Power Corporation Limited (NHPC), for setting up of the Chutak Hydroelectric Project (44 MW) in the Central Sector in Jammu & Kashmir by NHPC at a total cost of Rs.621.26 crores including IDC & FC of Rs.3.69 crores (at December, 2005 price level).

2. The project will be funded through equity (Rs.186.38 crores) and subordinate debt to be provided by Government of India and commercial loan to be raised by NHPC. The details of financing pattern and terms and conditions of the subordinate debt, including the interest rate will be issued separately in due course along with the Abstract of Cost. NHPC is authorised to incur expenditure on the project for which equity will be released by Government of India.

3. The project will be completed in a period of 54 months from the date of sanction by the Government of India. The sanction accorded above is subject to the following further conditions:

- The economy instructions issued by the Government of India from time to time, should be observed.
- The actual expenditure should not exceed the budget grant of each year.
- The expenditure will be related to the purpose for which it is sanctioned.

4. NHPC will submit a quarterly report to the Ministry of Power indicating financial and physical progress of implementation of the project.

5. The budgetary support from the Government in the form of equity/loan for this project is debitable to the relevant Heads in the Demands for the Grants of the Ministry of Power for which these funds have been/will be released.

Contd...2/-

Sudhakar Singh

SP/CE
28/8/06

Sudhakar Singh

DGT/SMCF
6/25/08

SMCF
4/25/08
724/4MCP/10
28/8/06

33341D/7
28/8/06

CMD/5326
25/8/06

CE/CE
28/8/06

6. This issues with the concurrence of Finance Branch of Ministry of Power vide their Dy.No.836/Fin/06 dated 4.8.2006.

Yours faithfully,



(Sudhakar Raj.C)

Desk Officer (NHPC)

Tel No. 2371 5507 (Extn.300)

Copy to:

1. Controller of Accounts, Ministry of Power, Sewa Bhawan, R.K. Puram, New Delhi
2. Principal Pay & Accounts Officer, Ministry of Power, New Delhi
3. Principal Director of Audit (Commercial) and Member Audit Board-II, 'A' Block Hutments, Behind South Block, New Delhi.
4. Principal director of Audit, Economic & Service Ministry, AGCR Building, New Delhi.
5. Chairperson, Central Electricity Authority, Sewa Bhawan, New Delhi.
6. Cabinet Secretariat (Shri K.L. Sharma, Dy. Secretary) Rashtrapati Bhawan, New Delhi – with reference to letter No.CCEA/18/2006(i) dated 6.6.2006.
7. Adviser (Energy), Planning Commission, Yojana Bhawan, New Delhi.
8. Ministry of Finance (Deptt. of Expenditure) PF Division, North Block, New Delhi.
9. Ministry of Statistics & Programme Implementation, Sardar Patel Bhawan, New Delhi.
10. Ministry of Finance (Deptt. of Economic Affairs), North Block, New Delhi.
11. Finance Commission Division, Department of Economic Affairs, CGO Complex, New Delhi.
12. PS to Minister of Power
13. PPS to Secretary (Power)/ PS to JS&FA/PS to JS(H)/Director (H-I)/Deputy Secretary (Fin.), Ministry of Power, New Delhi.
14. Finance Section/Budget Section, Ministry of Power, New Delhi.