

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,

In continuation of this Ministry's letter of even number dated 24.8.2006 conveying 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), I am directed to say that the subordinate debt of Rs.364 crores will be provided for the project at an interest rate of 2.5% per annum with repayment of principal to start from the 6th year after commissioning and continue till the 29th year. There will be no interest on the subordinate debt during construction and the interest will accrue and be paid annually after commissioning.

2. The abstract of the cost of the project is annexed to this letter.
3. The other terms and conditions of the above sanction will be the same as contained in this Ministry's letter dated 24.8.2006 referred to in para 1 above.

Contd...2/-

Sudhakar Raj.c

Sh. Abhishek
E-10
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4. This issues with the concurrence of Finance Branch of Ministry of Power vide their Dy.No.9978/Fin/06 dated 20.11.2006.

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.

ABSTRACT OF COST
(Subordinate Loan of Rs. 364 crores)*

S. No	Description	Total Cost at DEC 2005 PL
A	<u>CIVIL WORKS</u>	
1	DIRECT CHARGES	
	<u>I - Works</u>	
	A - Preliminary	6.03
	B - Land	7.31
	C - Works	96.25
	J - Power Plant Civil Works	284.50
	K - Buildings	22.74
	O - Miscellaneous	13.11
	P - Maintenance During Construction	4.32
	Q - Special Tools and Plants	1.80
	R - Communication	27.69
	X - Environment and Ecology	9.96
	Y - Losses on Stock	1.08
	TOTAL OF I - WORKS	474.79
	II - Establishment (5% of I - Works - B Land)	25.88
	III - Tools and Plants (0.5% of I - Works)	2.38
	IV - Suspense	
	V - Receipt & Recoveries	-1.66
	TOTAL DIRECT CHARGES	501.39
2	INDIRECT CHARGES	
	I - Capitalised Value of Abatement of Land Revenue (5% of Cost of Culturable Land)	0.16
	II - Audit & Accounts Charges (1% of I - Works)	4.71
	TOTAL INDIRECT CHARGES	4.87
	TOTAL CIVIL WORKS	506.26
B	<u>ELECTRICAL WORKS</u>	111.32
	TOTAL COST (CIVIL + ELECTRICAL)	617.57
	INTEREST DURING CONSTRUCTION	3.12
	(AT DEBT : EQUITY = 70 : 30)	
	FINANCING CHARGES	0.57
	TOTAL COST INCLUDING IDC & FINANCING CHARGES	621.26

*Subordinate debt of Rs.364 crore at an interest rate of 2.5% per annum with repayment of principal to start from the 6th year after commissioning and continue till the 29th year ; no interest on subordinate debt during construction ; and interest on subordinate debt to accrue and be paid annually after commissioning.

Santhosh Kumar R. S.