

FORM-5A

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

Name of the Company : **NHDC Limited**
 Name of the Power Station : **Indira Sagar Power Station (8x125 MW)**
 New Projects
 Capital Cost Estimates - Power Component

Board of Director/ Agency approving the project cost estimates	Central Electricity Authority	
	28th March 2002	
	Present Day Cost	Audited Cost
Date of approval of the Capital cost estimates	28th March 2002	
Price level of approved estimates	As at the end of third qtr. of the year 2000	Upto 31 st March '09
Foreign Exchange rate considered for the capital cost estimates	NA	NA
Capital Cost excluding IDC & FC		
Foreign Component, if any (In Million US \$ or the relevant currency)	Nil	Nil
Domestic Component (Rs. in Cr.)	3039.17	3075.82
Total Capital Cost excluding IDC & Fc (Rs in Cr.)	3039.17	3075.82
IDC & FC*		
Foreign Component, if any (In Million US \$ or the relevant currency)	Nil	Nil
Domestic Component (Rs. in Cr.)	488.37	82.93
Total IDC & FC (Rs in Cr.)	488.37	82.93
Rate of taxes & duties considered		
Commercial Operation Date		
Unit-I	14-Jan-04	
Unit-II	18-Jan-04	
Unit-III	8-Mar-04	
Unit-IV	29-Mar-04	
Unit-V	27-Jul-04	
Unit-VI	7-Jan-05	
Unit-VII	1-Nov-04	
Unit-VIII	30-Mar-05	

Note:

* Admitted by CERC in Para No. 11 of Order dated 06-02-2007 in Petition No. 119/2005

1. Copy of approval letter should be enclosed.
2. Details of capital cost are to be furnished as per Form - B or 5 C as applicable.
3. Details of IDC & Financing Charges are to be furnished as per Form - 16.


 PETITIONER

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CMD/2062
2/4/2002

No.22/3/2000-DO(NHPC)
Government of India
Ministry of Power

MD/2062
CE-2/2002

1926/067
2/4/02

New Delhi, the March 28, 2002

The Chairman and Managing Director,
National Hydroelectric Power Corporation Ltd.,
NHPC Office Complex,
Sector - 33,
Faridabad.

Redman
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MD/NHDC

Sub: Formation of Narmada Hydroelectric Development Corporation Ltd as a joint venture of National Hydroelectric Power Corporation (NHPC) and Govt. of Madhya Pradesh and approval of cost estimate of Unit -I and Unit -III of Indira Sagar Project (1000 MW) in Madhya Pradesh.

Sir,

I am directed to convey the approval of the President of India in terms of the Articles of Association of the National Hydroelectric Power Corporation Ltd. (NHPC) for:

- (a) The formation of Narmada Hydroelectric Development Corporation Ltd. (NHDC), a Joint Venture of National Hydroelectric Power Corporation Limited (NHPC) and Government of Madhya Pradesh for execution of Unit I & III of Indira Sagar Project and Omkareshwar Project wherein NHPC will be the major shareholder in the Narmada Hydro-electric Development Corporation with a minimum share holding of 51% (ex- post facto)
- (b) The cost estimate of Rs 4355.57 crores (net) and Rs.4357.66 crores (gross) at September, 2000 price level including IDC (on power component only) of Rs. 488.37 crores for execution of Unit-I (Dam and Appurtenant Works) and Unit-III (Power House) of Indira Sagar Project (1000 MW) in Madhya Pradesh by NHDC. The abstract of the cost is at Annex-1 to this letter. The apportionment of the capital cost and funding arrangement is at Annex-2.

2. The equity in the power component would be Rs.1350 crores to be shared between NHPC and Government of Madhya Pradesh as Rs.690 crores and Rs. 660 crores respectively. Out of NHPC's equity share, 2/3rd (460 Crore) will be provided by Government of India as budgetary support and balance 1/3rd will be provided by NHPC from its internal resources.

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3. Sardar Sarovar Project will contribute 17.63% of the cost of Unit I of Indira Sagar Project being executed by NHDC in terms of Narmada Water Disputes Tribunal (NWDT) Award. An amount of Rs. 133.71 Crores has been considered as contribution of Sardar Sarovar Project already received. The balance contribution of Sardar Sarovar Project to Indira Sagar Dam will be transferred to NHDC as subvention.
4. Government of Madhya Pradesh will fully bear the irrigation component in Indira Sagar Dam being 16.75% of the cost of Unit I arrived at after deducting Sardar Sarovar component from the total cost of Unit I. An amount of Rs. 363.52 Crores has been considered as the irrigation component in the expenditure already incurred by Madhya Pradesh Government.
5. In the event, Government of Madhya Pradesh does not pass contribution of Sardar Sarovar Project to NHDC or is unable to provide necessary funds to meet the increase in the cost of the irrigation component, the expenditure already incurred by Government of Madhya Pradesh on the Indira Sagar Project would be adjusted and the equity contribution by Government of Madhya Pradesh in power component would be correspondingly reduced to fully meet these costs.
6. 100% power generated from Indira Sagar Project to Madhya Pradesh will be allocated at the tariff determined by CERC.
7. Any increase in the R&R package beyond its present cost of Rs. 1160 crores will be borne equally by Government of Madhya Pradesh and the project and to the extent that NHDC meets part of this increased cost from equity, Government of Madhya Pradesh will make further appropriate equity contribution to NHDC.
8. The Relief and Rehabilitation (R&R) Programme of the Indira Sagar Project will be regularly monitored by a Committee comprising Secretary, Planning Commission, Secretary, Ministry of Power and Secretary, Ministry of Social Justice and Empowerment.
9. NHPC will evolve milestones for implementation of the R&R Programme which may be modelled on the basis of the R&R Programme of Sardar Sarovar Project.
10. The liabilities arising out of contractual claims/arbitration awards prior to the date of take over of the project by NHDC will be entirely borne by Government of Madhya Pradesh. NHDC will neither examine these claims nor make any payment to the contractors in this regard.
11. NHPC will calibrate the release of funds in installments to NHDC in accordance with the milestones evolved for implementation of the R&R Programme.

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12. The National Water Policy mandates that drinking water needs should be the first charge on any available water, and that this project is a possible and potential source for the scheme to augment drinking water to Bhopal. The specifics of such a scheme should also be fully worked out upfront, so as to ensure compliance of the mandate of the National Water Policy on one hand and the feasibility of the reservoir operation to fulfill all the envisaged objectives including the projections of power generation and thus the viability of the project itself, on the other.
13. The project would be completed by May 2005. The sanction accorded above is subject to the following further conditions:-
- (i) The economy instructions issued by the Government of India from time to time, should be observed;
 - (ii) The actual expenditure should not exceed the budget grant of each year;
 - (iii) The expenditure will be related to the purpose for which it is sanctioned.
14. The provision of Memorandum of Understanding signed between NHPC and Government of Madhya Pradesh, the Articles of Association including contractual provisions would be suitably modified to reflect all the above stipulations.
15. NHPC will submit special report to the Ministry of Power at the end of every month indicating the progress of action to implement the above decisions for its inclusion in the Ministry's Monthly Summary for information of the Members of the Council of Ministers.
16. This issues with the concurrence of Finance Branch of Ministry of Power vide their Dy. No.839/Fin/2002 dated 27.3.2002.

Encl: As above

Yours faithfully,

ngaur
(Nisha Gaur)
Desk Officer
Tel. 3320758

Copy to:

- 1. Cabinet Secretariat (Sh. P. Gopalakrishnan, Director), Rashtrapati Bhawan, New Delhi w.r.t. letter No.14/CM/2002(i) dated 22.3.2002
- 2. Secretary, Planning Commission, Yojna Bhawan, New Delhi-110001.

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3. Secretary, Ministry of Social Justice & Empowerment, Shastri Bhawan, New Delhi-110001.
4. Secretary, Ministry of Water Resources, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001.
5. Secretary, Ministry of Environment & Forests, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi-110003.
6. Secretary, Central Electricity Regulatory Commission, CGO Complex, Lodhi Road, New Delhi-110003.
7. Adviser (Energy), Planning Commission, Yojna Bhawan, New Delhi.
8. Ministry of Finance (Department of Expenditure) [PF Division], North Block, New Delhi.
9. Chief Secretary, Government of Madhya Pradesh, Bhopal
10. Chairman, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi.
11. Ministry of Planning (Department of Programme Implementation), Sardar Patel Bhawan, New Delhi.
12. Principal Director of Audit (Commercial) and Member Audit Board II, "A" Block Hutments, Behind South Block, New Delhi.
13. Principal Director of Audit, Economic & Service Ministry, AGCR Building, New Delhi.
14. Controller of Accounts, Ministry of Power, Sewa Bhawan, R.K. Puram, New Delhi.
15. Principal Pay and Accounts Officer, Ministry of Power, New Delhi.
16. Ministry of Finance (Department of Economic Affairs), North Block, New Delhi.
17. Finance Commission Division, Department of Economic Affairs, CGO Complex, New Delhi.
18. Chairman & Managing Director, National Hydroelectric Power Corporation, Sector-33, Faridabad-121003.
19. Managing Director, Sardar Sarovar Narmada Nigam Ltd., Block No.12, New Sachivalya, Gandhinagar-382010.
20. Company Secretary, National Hydroelectric Power Corporation, Sector-33, Faridabad-121003.

Copy also to :

1. PS to Minister of Power/PS to Minister of State for Power.
2. PPS to Secretary (Power), Sr.PPS to SS(P)/PS to JS&FA/PS to AS(P)/PS to JS(H)/Dir(H) Ministry of Power, New Delhi.
3. Finance Section/Budget Section, Ministry of Power, New Delhi.

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Nisha Gaur
(Nisha Gaur)
Desk Officer

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INDIRA SAGAR H.E. PROJECT (8 X 125 MW), M.P.
GENERAL ABSTRACT OF COST

(Amount- Rs. in Lacs)

SL No.	DETAILED HEAD	UNIT I - DAM & APPURTENANT WORKS Sept. 2000 PL	(UNIT-III) - POWER HOUSE Sept. 2000 PL	TOTAL Sept. 2000 PL
1	2	3	4	5
A	DIRECT CHARGES			
	SUB HEAD :			
1	A - PRELIMINARY	2313.14	468.00	2781.14
2	B - LAND			
	a) R&R including Land & Property Compensation, Solatium and Establishment, etc.	116082.87		116082.87
	b) Diversion of Railway Track	36300.00		36300.00
3	C - CIVIL WORKS	45556.46		45556.46
4	J - POWER PLANT CIVIL WORKS		36310.42	36310.42
5	K - BUILDINGS	3659.49	208.95	3868.44
6	M - PLANTATION	62.57	58.78	121.35
7	O - MISCELLANEOUS	6295.30	3788.75	10084.05
8	P - MAINTENANCE	989.32	1037.36	2026.68
9	Q - SPECIAL TOOLS AND PLANTS	227.19	43.30	270.49
10	R - COMMUNICATION	2322.20	4787.58	7109.78
11	S - ELECTRICAL WORKS	0.00	62431.20	62431.20
12	X - ENVIRONMENT & ECOLOGY	30653.07		30653.07
	TOTAL	244461.61	109134.34	353595.95
13	Losses on stock	134.65	259.34	393.99
	TOTAL	244596.26	109393.68	353989.94
II	Establishment charges	11666.65	11686.99	23353.64
III	Tools and plants	2445.35	1093.07	3538.42
	TOTAL	258708.26	122173.74	380882.00
IV	Receipt & Recovery	-185.06	-23.39	-208.45
	TOTAL	258523.20	122150.35	380673.55
B	INDIRECT CHARGES			
	(a) Audit & Account charges	2445.35	1093.06	3538.41
	(b) Abatement of land revenue 5% cost of Agricultural land	2508.28		2508.28
	TOTAL NET COST	263476.83	123243.41	386720.24
	IDC ON POWER COMPONENT			48837.00
	TOTAL COST INCLUDING IDC			435557.24

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Annex-2

APPORTIONMENT OF COST AND FUNDING ARRANGEMENT

APPORTIONMENT OF COST

S.No.	Particulars	Cost (Rs. in crores)
1.	Unit-I (Dam & Appurtenant works)	
	a) Power component	1806.74 ✓
	b) Irrigation component in Indira Sagar Dam	363.52
	c) Sardar Sarovar component as sub-vention	464.51
	Total cost of Unit-I	2634.77
2.	Unit-III (Power House)	1232.43 ✓
3.	Interest During Construction (IDC)	488.37 ✓
	Total cost of Project	4355.57
	Cost of Power Component [1 (a) + 2 + 3]	3527.54 ✓

EQUITY STRUCTURE AND FUNDING

		(Rs. in crores)
1.	Equity	
	- National Hydroelectric Power Corporation [Rs.460 crores (2/3 rd) through budgetary support and Rs.230 crores (1/3 rd) through NHPC's contribution]	690.00
	- Government of Madhya Pradesh	660.00 ✓
	Total Equity	1350.00
2.	Loan	2177.54
	Total (Power Component)	3527.54
3.	Contribution by Government of Madhya Pradesh towards Irrigation component in Indira Sagar Dam	363.52 ✓
4.	Sub-vention from Sardar Sarovar Project	464.51 ✓
	Grand Total (1 + 2 + 3 + 4)	4355.57

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STATEMENT

PITAL COST OF INDIRA SAGAR POWER STATION

ON

FORM-5 B

NAME OF COMPANY

NHDC LIMITED

NAME OF POWER STATION

INDIRA SAGAR POWER STATION (8 X 125 MW)

S.NO	HEAD OF WORKS	ORIGINAL COST AS APPROVED BY AUTHORITY (BCE SEP. 2000 PL.)			AUDITED EXP. UP TO 31.03.2009		TOTAL	TOTAL ANTICIPATED EXP. UP TO 31-03-2014
		3	4	5	6	7		
1	INFRASTRUCTURE WORKS							
1.1	PRELIMINARY EXPENDITURE	27.81	31.84		31.84		31.84	
1.2	LAND / R&B	1523.83	1928.43		1928.43		2010.22	
1.3	BUILDINGS	38.68	25.14	1.53	26.67		29.79	
1.4	PLANTATION	1.21	0.69		0.69		0.69	
1.4	MAINTENANCE	20.27	11.84		11.84		11.84	
1.5	SPL. L&P / TRP	38.09	6.84		6.84		6.84	
1.6	COMMUNICATION	71.10	50.09		50.09		51.49	
1.7	ENVIRONMENT & ECOLOGY	306.53	306.53		306.53		306.53	
1.8	LOSSES ON STOCK	3.94						
2	MAJOR CIVIL WORKS							
2.1	DAM & INTAKE	455.56	544.26	2.27	546.53		547.31	
2.1	DAM & INTAKE (EXCL. RADIAL GATES & PIERS)							
2.2	RADIAL GATES & PIERS (DAM COST ABOVE 245 PL.)							
2.3	DRY TRT. SURGE SHAFT & PRESSURE SHAFTS	363.10	390.34		390.34		399.30	
2.4	POWER PLANT CIVIL WORKS							
2.5	OTHER CIVIL WORKS (TO BE SPECIFIED)							
2.6	TOTAL (MAJOR CIVIL WORKS)	818.67	934.60	2.27	936.87		946.61	
3	AUXILIARY ELECT. EQUIPMENTS							
3.1	HYDRO-MECHANICAL EQUIPMENTS							
4	PLANT AND EQUIPMENT	624.31	625.94	0.47	626.41		685.43	
4.1	INITIAL SPARES OF PLANT & EQUIPMENT							
4.2	TOTAL (PLANT AND EQUIPMENT)							
5	TAXES AND DUTIES							
5.1	CUSTOM DUTY							
5.2	OTHER TAXES AND DUTIES							
5.3	TOTAL TAXES AND DUTIES							
6	CONSTRUCTION AND PRE-COMMISSIONING							
6.1	ERECTION, TESTING AND COMMISSIONING							
6.2	CONSTRUCTION INSURANCE							
6.3	SITE SUPERVISION							
6.4	TOTAL (CONST. & PRE-COMMISSIONING)							
7	OVER HEADS							
7.1	DESIGN AND ENGINEERING (incl. in 1.1)							
7.2	AUDIT AND ACCOUNTS	35.38						
7.3	CONTINGENCY							
7.4	ESTABLISHMENT & OTHER OVERHEADS	332.30	273.24		273.24		273.24	
7.5	ABATEMENT OF LAND REVENUE	25.08						

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S.NO.	HEAD OF WORKS	ORIGINAL COST AS APPROVED BY AUTHORITY (R/C SEP., 2000 PL)	AUDITED 1		31-03-2009	TOTAL ANTICIPATED EXP. UPTO 31-03-2014
			CAPITALISED - COST + IDC (FIXED ASSETS)	CAPITAL WORK-IN-PROGRESS (CWIP - TO BE CAPITALISED)		
8	INTEREST DURING CONSTRUCTION (IDC)	488.37	72.66		72.66	72.66
9	TOTAL CAPITAL COST (ISP / R&R)	4355.58	4267.85	4.27	4272.12	4427.18
10	FIXED ASSETS & CAPITAL W/P, CORPORATE OFFICE		11.42	1.08	12.50	13.23
11	TOTAL CAPITAL COST	4355.58	4279.27	5.35	4284.62	4440.41
12	GoMP CONTRIBUTION					
	(A) IRRIGATION COMPONENT	363.52	386.27	0.61	386.88	398.27
	(B) SUBVENTION FOR SSP	464.51	493.58	0.78	494.36	508.92
	(C) SUBVENTION FOR R&R (ACCRUED)		240.67		240.67	275.11
13	CAPITAL COST (NET) FOR POWER COMPONENT	3527.55	3158.74	3.96	3162.70	3258.10
14	BREAKUP OF SOURCES OF FINANCING					
a	LOANS / BORROWING	2177.55			1812.70	1908.11
b	EQUITY - NHPC	690.00			690.00	690.00
	GoMP	660.00			660.00	660.00
c	GoMP - IRRIGATION COMPONENT	363.52			386.88	398.27
d	GoMP - SUBVENTION FOR SSP	464.51			494.36	508.92
e	GoMP - SUBVENTION FOR R&R (ACCRUED)				240.67	275.11
	Total (a+b+c+d)	4355.58			4284.62	4440.41

MANAGER (FINANCE)TSPS

We certify the above expenditure as at 31-03-2009 on the basis of audited accounts and anticipated expenses up to 31-03-2014 as per the figures provided by management.

For M/s Multi Associates
Chartered Accountants
(Statutory Auditors)
R.K. Agrawal
(CA. R.K. AGRAWAL)
Partner
M. No 071755

Place: Bhopal
Date: 08-04-2010

ANNEXURE TO FORM 5B
(Amount in Rs. Crores)

CAPITALISED COST OF INDIRA SAGAR PROJECT AS ON DIFFERENT DATES UP TO THE FINANCIAL YEAR 2008-09

PARTICULARS	Capitalised Cost (Sch. 5 - Fixed Assets)				Non-Capitalised Cost (Sch. 6 - CWIP)			Total Capital Cost	
	UNIT-I (DAM)	UNIT-III (POWER HOUSE)	Capitalised Cost	UNIT-I (DAM)	UNIT-III (POWER HOUSE)	Non-Capitalised Cost	UNIT-I (DAM)	UNIT-III (POWER HOUSE)	Total Capital Cost
A. MAIN ASSETS									
DAM (EXCL. R&R) - COST	569.26		569.26	2.27		2.27	571.53		571.53
DAM - R&R (EXCL. RLY. DIVERSION)	1641.34		1641.34				1641.34		1641.34
DAM - R&R (ELY. DIVERSION)	287.09		287.09				287.09		287.09
REG. CAPITALISED TO DAM	498.11		498.11				498.11		498.11
WATER CHANNELS - HRC & TRC		62.11	62.11					62.11	62.11
P.H. BUILDINGS CONTAINING G.W.		328.24	328.24					328.24	328.24
P.H. ESM - GENERATING P & M		626.94	626.94		0.47	0.47		626.41	626.41
REG. CAPITALISED TO PH		209.11	209.11					209.11	209.11
TOTAL - MAIN ASSETS	2995.80	1225.40	4221.20	2.27	0.47	2.74	2998.07	1225.87	4223.94
B. OTHER ASSETS									
OTHER ASSETS	33.11	13.54	46.65	1.03	0.44	1.53	34.19	13.98	48.18
TOTAL CAPITAL COST (ISPS/R&R)	3028.91	1238.94	4267.85	3.36	0.91	4.27	3032.26	1239.86	4272.12
C. CORPORATE OFFICE ASSETS									
TOTAL CAPITAL COST	3040.33	1238.94	4279.27	1.08	0.91	1.99	3044.76	1239.86	4284.62
LESS: DEPRECIATION COMPONENT FROM G&P	386.27		386.27	0.81		0.61	386.88		386.88
LESS: DEPRECIATION FROM SSP FROM G&P	493.58		493.58	0.78		0.78	494.36		494.36
LESS: DEPRECIATION FOR R&R FROM G&P (ACCUMULATED)	240.87		240.87				240.87		240.87
CAPITAL COST (NET) FOR POWER COMPONENT	1919.81	1238.94	3158.75	3.04	0.91	3.96	1922.85	1239.86	3162.71

We certify the above expenditure on the basis of audited accounts

For M/s Multi Associates
Chartered Accountants
(Statutory Auditors)

Rajendra K. Agrawal
(CA. R.K. AGRAWAL)
Partner

M. No. 071755

Place: Bhopal

Dated: 08.04.10

MANAGER (FINANCE), ISPS

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