

NABHA POWER LIMITED

(A WHOLLY OWNED COMPANY OF PUNJAB STATE ELECTRICITY BOARD)

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Ref. No. 283 / NPLT

Date 8.9.08

L & T Power Development Ltd,
Gate No.1, Pawai Campus ,
Building -G4, 2nd Floor ,
Saki Vihar Road
Mumbai-400072

Sub: Request for Proposal (RFP) of M/s NPL for Tariff Based Bidding for Procurement of Power on Long Term Basis from Power Station to be set up at village Nalash, Near Rajpura District Patiala, Punjab based on Long Term Coal Linkage.

Dear Sir,

We would like to furnish the following input data/ information, as mentioned in RFP documents:

1. Reference Clause : RFP 1.4 A (1) and 1.4 B (1) regarding - Land :

Main Plant

In line with the land compensation and other costs as decided by Govt. of Punjab, the estimated price of land (1078.16 Acres) is Rs 411,67,31,000/- (Rupees Four hundred eleven crore , Sixty seven lacs and Thirty one thousand only) including Rehabilitation & Resettlement package of about Rs.9 Cr.(Rupees Nine crore only).

Socio-Economic Package

M/s NPL, the SPV, has committed a total sum of Rs.10,00,00,000/- (Rupees Ten crore only) towards various community welfare measures on behalf of project Developer.

Water intake channel

The cost of re-designing and lining of existing Rajpura distributory is approximately Rs. 45.96 crores (Rs. Forty Five Crore and Ninety Six lacs only) to be borne by the developer. The cost of new carrier channel would be Rs. 87.58 lacs (Rs. Eighty Seven lacs and Fifty Eight Thousand only). The estimated cost for 5.62 acres of land required for new channel shall be Rs. 2.34 crores (Rs. Two Crores and Thirty Four lacs only). This is inclusive of R&R payment which shall be paid @ Rs. 2 lacs for the persons having land holding upto 2 acres and Rs. 3 lacs for the persons having land holding more than 2 acres. Govt. shall acquire land under the provisions of the Land Acquisition Act. If so requested by the bidder. These estimates are based on CSR rates plus premium as approved by zonal committee and applicable w.e.f 5-9-2008 .

Railway siding and Rail corridor

The land requirement for rail corridor (approx. 98.8 acres) is indicated in the feasibility report prepared by M/s RITES and the copy of the same is already made available to the bidders for reference and perusal. Land for Railway siding & corridor is required to be acquired by the Bidder as per the requirement, however if requested by the bidder Govt. shall acquire land under the provisions of the Land Acquisition Act. Estimated approximate cost of land and all other railway siding, rail corridor works etc would be Rs. 311,92,00,000/- (Rupees Three hundred eleven crore ninety two lacs only) including R&R cost. Bidders are free to firm up and select their scheme of coal transportation from Sarai Banjara railway station to the plant site.

The above information may be taken as indicative only.

2. Reference Clause : RFP 1.4 B (4) regarding - Water Supply

The present water cess charges is Rs.32/- per 2500 cft. However the actual payments will be as per Act/ Rules & Regulations of Punjab Government.

3. Reference Clause : 1.4 B (3) regarding - Fuel Transportation

Railways have given assurance for transportation of coal from SECL Mines and M/s RITES have carried out Rail Transportation study. The feasibility report prepared by M/s RITES has been approved in principle by Railways. An amount of Rs.2,01,50,000/- (Rupees Two crore one lac fifty thousand only) as 1% survey fees of estimated Railway Siding and Rail Corridor cost has been deposited with the Railways.

4. Reference Clause : RFP 1.4 B (5) regarding - Power Evacuation

Power generated is proposed to be evacuated through 2 number double circuit 400 KV transmission lines. Accordingly, 4 number 400 KV bays with all the metering and protection equipment etc are required to be provided in the 400 KV switchyard of the project where Procurer shall connect its transmission lines down comer conductors from 1st towers. Besides the Bidders are required to make necessary provisions for construction, start-up and black start power supply. The prevailing PSEB tariff will be charged for construction and other power requirements.

5. Reference Clause : RFP 1.4 A (2) regarding -Environmental

The MOEF have accorded environmental clearance for the project. Ministry of Defence have also given clearance for the project.

6. Reference Clause : RFP 1.6 - Company Transfer Cost

The estimated expenditure likely to be incurred by M/s NPL, considering the tentative date of transfer of SPV to the Selected Bidder as 31st December 2009 is Rs 536.17 crore (Rupees Five hundred thirty six crores and seventeen lacs only).

These liabilities represent;


- a) Declared price of land and others (as indicated in para 1 above of this letter).
- b) Estimated cost of R&R package for land for power station (as indicated in para 1 above of this letter).
- c) Fees to Railways for fuel transportation survey etc. (as indicated in para 4 above of this letter).
- d) Contract for consultancy, studies, investigation, bidding process, employee cost and administrative overhead and other expenses.

- e) Interest and financing charges.
- f) FDR towards Commitment amount to Coal India Ltd for long term coal linkage.

It is further informed that the actual amount of Consideration Payable (Acquisition Price) will be the amount actually spent by NPL up to the Transfer Date and the same shall be worked out based on the audited accounts of NPL.

Thanking you,

Yours faithfully,


Mahesh Mittal
Director (NPL), Patiala