



# पीएफसी कंसल्टिंग लिमिटेड

(पावर फाइनेंस कॉर्पोरेशन लिमिटेड की पूर्णतःस्वामित्वाधीन सहायक कम्पनी)

## PFC CONSULTING LIMITED

(A wholly owned subsidiary of Power Finance Corporation Limited)

CIN U74140DL2008GOI175858

Ref. No. 03/ITP-20/15-16/WKTL/Lol

February 29, 2016

To,

Sh. Kedar Bhagwat  
Associate Vice President  
Essel Infraprojects Limited  
20<sup>th</sup> Floor, Marathon Futurex, A-Wing,  
NM Joshi Marg, lower Parel,  
Mumbai -400013,

FAX : 022 – 66012300

E-mail:

kedar.bhagwat@infra.esse  
lgroup.com

Kind Attn.: Sh. Kedar Bhagwat, Associate Vice President

Sub: Independent Transmission Project for "Additional inter-Regional AC link for import into Southern Region i.e. Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765kV link" – Letter of Intent.

Sir,

We refer to:

- 1) The Request for Proposal document dated November 30, 2015 issued to 'M/s Essel Infraprojects Limited' as regards participation in the international competitive bidding process for Transmission Scheme for "Additional inter-Regional AC link for import into Southern Region i.e. Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765kV link", and as amended till the Bid Deadline including all correspondence / clarifications / amendments exchanged between 'M/s Essel Infraprojects Limited' and PFC Consulting Limited in regard thereto (hereinafter collectively referred to as the "Final RFP");
- 2) 'M/s Essel Infraprojects Limited' offer by way of a Non-Financial Bid (Envelope 1) pursuant to (1) above submitted on February 09, 2016 in response to the Final RFP.
- 3) 'M/s Essel Infraprojects Limited' offer, by way of a Financial Bid (Envelope 2) as submitted on February 09, 2016 in response to the Final RFP.
- 4) The Non-Financial Bid as in (2) above and the Financial Bid as in (3) above, hereinafter collectively referred to as the "Bid".



Accepted unconditionally  
Acknowledged and Accepted

*[Signature]*

Authorized Signatory



पंजीकृत कार्यालय : प्रथम तल, "ऊर्जानिधि", 1, बाराखम्बा लेन, कनॉट प्लेस, नई दिल्ली-110001 दूरभाष : 23456100 फैक्स : 011-23456170

Regd. Office : First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001 Phone : 23456100 Fax : 011-23456170

ई-मेल/ E-mail : pfcconsulting@pfcindia.com वेबसाइट / Website : www.pfcindia.com/www.pfcclindia.com

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This is to inform you that the process of evaluating bids received pursuant to the Final RfP, including the Bid, has been concluded. We are pleased to inform you that your proposal and offer received by way of the "Bid" has been accepted and 'Essel Infraprojects Limited' is hereby declared as the Successful Bidder as per clause 3.4.1.1 of the Final RfP for the above project and consequently, this Letter of Intent (hereinafter referred to as the "LoI") is being issued.

This LoI is based on the Final RFP and you are requested to please comply with the following:

- a) Acknowledging its issuance and unconditionally accepting its contents and recording "Accepted unconditionally" under the signature of your authorized signatory on each page of the duplicate copy of this letter attached herewith at the place indicated for the same, and returning the same to PFC Consulting Limited within seven (7) days of the date of issuance of LoI. This LoI is issued to you in duplicate.
- b) Completion of various activities as stipulated in the Final RFP including in particular Clause 2.4, Clause 2.5 and Clause 2.6 of the Final RFP, within the timelines as prescribed therein.

It may be noted that PFC Consulting Limited has the rights available to them under the Final RfP, including rights under clause 3.4.1.3 thereof, upon your failure to comply with the aforementioned conditions.

As you are aware, the issuance and contents of this LoI are based on the Bid submitted by you as per the Final RFP including the Transmission charges and other details regarding the Scheduled COD as contained therein. The Quoted Transmission Charges as submitted by you and the Scheduled COD of each transmission Element and the Project as agreed by you in your Bid, as per Annexure 4 and Format-1 of Annexure 6 respectively of the Final RFP is annexed herewith as Schedule A and incorporated herein by way of reference.

Yours sincerely,

For PFC Consulting Limited

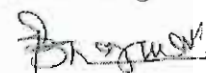


(H.K. Das)  
Sr. Vice President

**Enclosures:** Schedule A – Quoted Transmission Charges and the Scheduled COD of each Transmission Element and the Project submitted in your Bid, as per Annexure 4 and Format-1 of Annexure 6 respectively of the Final RFP.



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**SCHEDULE - A**  
(Page 1 of 2)

**1. Quoted Annual Transmission Charges as per Annexure-4 of the RfP**

Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Non-Escalable Transmission Charges (Rs.in Millions)	Escalable Transmission Charges (Rs.in Millions)
1	15-Jul-19	31-Mar-20	3589.77	0.00
2	01-Apr-20	31-Mar-21	4050.14	Same as Above
3	01-Apr-21	31-Mar-22	4073.36	Same as Above
4	01-Apr-22	31-Mar-23	4088.72	Same as Above
5	01-Apr-23	31-Mar-24	4096.13	Same as Above
6	01-Apr-24	31-Mar-25	4095.99	Same as Above
7	01-Apr-25	31-Mar-26	4087.97	Same as Above
8	01-Apr-26	31-Mar-27	4072.23	Same as Above
9	01-Apr-27	31-Mar-28	4048.67	Same as Above
10	01-Apr-28	31-Mar-29	4017.80	Same as Above
11	01-Apr-29	31-Mar-30	3979.20	Same as Above
12	01-Apr-30	31-Mar-31	3933.09	Same as Above
13	01-Apr-31	31-Mar-32	3879.34	Same as Above
14	01-Apr-32	31-Mar-33	3818.58	Same as Above
15	01-Apr-33	31-Mar-34	4027.75	Same as Above
16	01-Apr-34	31-Mar-35	4316.79	Same as Above
17	01-Apr-35	31-Mar-36	4345.08	Same as Above
18	01-Apr-36	31-Mar-37	4357.64	Same as Above
19	01-Apr-37	31-Mar-38	4353.85	Same as Above
20	01-Apr-38	31-Mar-39	4334.10	Same as Above
21	01-Apr-39	31-Mar-40	4298.19	Same as Above
22	01-Apr-40	31-Mar-41	3366.34	Same as Above
23	01-Apr-41	31-Mar-42	3072.13	Same as Above
24	01-Apr-42	31-Mar-43	3072.13	Same as Above
25	01-Apr-43	31-Mar-44	3072.13	Same as Above
26	01-Apr-44	31-Mar-45	3072.13	Same as Above
27	01-Apr-45	31-Mar-46	3072.13	Same as Above
28	01-Apr-46	31-Mar-47	3072.13	Same as Above
29	01-Apr-47	31-Mar-48	3072.13	Same as Above
30	01-Apr-48	31-Mar-49	3072.13	Same as Above
31	01-Apr-49	31-Mar-50	3072.13	Same as Above
32	01-Apr-50	31-Mar-51	3072.13	Same as Above
33	01-Apr-51	31-Mar-52	3072.13	Same as Above
34	01-Apr-52	31-Mar-53	3072.13	Same as Above
35	01-Apr-53	31-Mar-54	3072.13	Same as Above
36	01-Apr-54	July-2054 (35th anniversary of the Schedule COD)	3072.13	Same as Above

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*[Signature]*

Authorized Signatory



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**SCHEDULE – A**

(Page 2 of 2)

Sr. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date	Percentage of Quoted Transmission Charges recoverable on Scheduled COD of the Element of the Project	Sequence of commissioning of Element(s)
1	Establishment of 765/400kV substations at Warangal (New) with 2x1500 MVA transformers and 2x240 MVAR bus reactors	40 months	8.12%	Warora Pool - Warangal (New) 765 kV D/c line and Warangal (New) – Hyderabad 765 kV D/c line
2	Warora Pool - Warangal (New) 765 kV D/c line with 240 MVAR switchable line reactor at both ends	40 months	33.22%	Establishment of 765/400kV substations at Warangal (New) and Warangal (New) – Hyderabad 765 kV D/c line
3	Warangal (New) – Hyderabad 765 kV D/c line with 240 MVAR switchable line reactor at Warangal end	40 months	16.63%	Establishment of 765/400kV substations at Warangal (New) and Warora Pool - Warangal (New) 765 kV D/c line
4	Warangal (New) – Warangal (existing) 400 kV (quad) D/c line	40 months	0.51%	Establishment of 765/400kV Substations at Warangal (New)
5	Hyderabad–Kurnool 765 kV D/c line with 240 MVAR switchable line reactor at Kurnool end	40 months	16.23%	-

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6	Warangal (New) - Chilakaluripeta 765kV D/c line with 240 MVAR switchable line reactor at both ends	40 months	23.77%	Establishment of 765/400kV substations at Warangal (New)
7	240 MVAR Switchable line Reactors at Warora Pool end in each circuit of Warora Pool- Rajnandgaon 765 kV D/c line with NGR (700 Ohm)	Nov 2018##	1.52%	

## This reactor is to be commissioned matching with Warora Pool -Rajnandgaon 765 kV D/c line which is already awarded with scheduled commissioning of November, 2018.

**Scheduled COD for the Project: 40 months from Effective Date**

CC:

- (1) Chairman and Managing Director, Power Finance Corporation, "Urjanidhi", 1, Barakhamba Lane, Connaught Lane, New Delhi - 110 001.
- (2) Joint Secretary (Transmission), Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi- 110001.
- (3) Member Secretary, Empowered Committee / Chairperson, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi - 110 066.
- (4) Secretary, Central Electricity Regulatory Commission, 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi - 110 001.
- (5) CEO, PFC Consulting Limited, First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Lane, New Delhi - 110 001.



*Accepted unconditionally*

Acknowledged and Accepted

*[Signature]*

Authorized Signatory



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