

M.A.No. 238/06 & 239/06

In

Case No. 25/03

Present for: M/s Jaiparkash Hydro Power Ltd. Sh.A.B.Chugh,
Sh.R.R.Sharma.

HPSEB:

Er.B.K.Kaushal, Dir(PSP)

Er.M.S.Thakur,Sr.XEN(PSP)

Interim Order

18.11.2006.

Heard.

M.A.No.238/06 filed on behalf of the HPSEB and M.A.No. 239/06 filed by on behalf of M/s Jaiparkash Hydro Power Ltd. are taken on record.

Sh.B.K.Kaushal, Director (PSP) appearing on behalf of the HPSEB, has submitted that the Board vide its letters dated 13.11.2006 and 16.11.2006 has requested M/s Jaiparkash Hydro Power Ltd. New Delhi to intimate latest progress made in regard to the realignment of rate of interest @ 8.5% p.a. with other term lenders at par with ICICI Bank, as per directions given in the Commission order dated 8.9.2006.

Sh.A.B.Chugh, appearing on behalf of the M/s Jaiparkash Hydro Power Ltd., has informed that all the banks (excepting ICICI Bank and UTI Bank), have increased rate of interest on their respective term loans from 10.5% to 11% p.a. - 11.5% consequent to increase in their respective prime lending rates. At the request of the company Central Bank of India has realigned the rate of interest @ 10.5% p.a. w.e.f. 15.5.2006, being the date from which it was increased at 11.00 % p.a. the Indian Overseas Bank has also agreed to realign the rate of interest @ 10.5% subject to similar sanction from other lenders. The State Bank of India has also realigned the rate of interest @ 10.5% pa. w.e.f. 14.10.2006 as against the request of the company to realign w.e.f. 24.5.2006 being the date from which it was increased to 11% pa. However, the Bank of Baroda has expressed its inability to realign the rate of interest. Company is following up with other banks and representing Bank of Baroda for realignment of rate of interest @ 10.5 % p.a.

Sh. A.B. Chugh further submits that in view of the hardening of the interest rates, it may not be possible for the Company to lay any more emphasis on it.

The Commission directs the Company and the Board to continue to make effort for realignment of rate of interest to 9 - 9.5% p.a. at the least.

List it for next review of status on 20th February, 2007 at 3.00 PM or soon thereafter.

(Yogesh Khanna)
Chairman.