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RAJASTHAN SPINNING & WEAVING MILLS LIMITED

Corporate Office :

Bhilwara Towers, A-12, Sector-1, Post Box No. 185

Noida-201 301, NCR-Delhi (India)

Ph. : 91-120-2541810 (EPABX) FAX : 91-120-2531648/2531745

E-mail : molfin@lnjb.com

Website : <http://www.rajspin.com>

January 2, 2004

ALLAIN DUHANGAN HYDROELECTRIC PROJECT (192 MW) Tehsil Manali, District Kullu, Himachal Pradesh

C I R C U L A R

The enclosed document has been prepared and is being circulated by Rajasthan Spinning And Weaving Mills Ltd., a LNJ Bhilwara group company, in an effort to disseminate information in respect of frequently asked questions about various aspects of the project.

(Sharad Kumar)

Dy. General Manager



Regd. Office : Kharigram, P.O. Gulabpura-311021, District Bhilwara, Rajasthan, India
Phone : 91-1483-223144 to 223150 Fax : 91-1483-223361



FREQUENTLY ASKED QUESTIONS

A. PROJECT

Q.1 What is the Allain Duhangan Hydroelectric Project?

Ans.1. The 192 MW Allain Duhangan Hydroelectric Project (ADHEP) is a run-off-the-river scheme and is located near village Pirni, District Kullu, Himachal Pradesh. It is called Allain Duhangan Hydroelectric Project as it proposes to generate electricity by using the discharge in the Allain and Duhangan nallahs.

Q.2. Who is developing the project?

Ans.2. The ADHEP is being developed by the Rajasthan Spinning & Weaving Mills Ltd. (RSWML), which is a company of the LNJ-Bhilwara Group, India. The RSWML has also implemented the 86 MW Malana Hydroelectric Project Himachal Pradesh and the 13.5 MW Tawa Hydroelectric Project in Madhya Pradesh.

Q.3 Who will benefit from the power generated by the project?

Ans.3.

- i) The local population will benefit by way of increased employment and business opportunities.
- ii) The State Government and the people of Himachal Pradesh shall benefit from the power generated by the project. Revenue amounting to approximately Rs.24 Crores per annum for the first 12 years and Rs.36 Crores per annum for the following 28 years would be received by the State Government as its share of free energy after commissioning of the project.
- iii) The investors hope to get a reasonable return on the equity invested by them on the project
- iv) The energy generated by the project will lead to industrial and agricultural development in Northern India, especially the states of Punjab, Haryana and Delhi.

Q.4. Have alternate studies for the project been carried out?

Ans.4. Yes. According to the Ministry of Power, Government of India, India will need to produce electric power from a variety of sources in order to meet demand and prevent future power shortages. Planning studies by the Central Electricity Authority (CEA) found that development of hydroelectric power stations must be a key part of India's energy policy. In its studies, CEA conducted a preliminary ranking of potential hydroelectric sites and prioritized sites in the order of their overall feasibility. Of the over 90 potential locations in the Indus Basin reviewed by the CEA, Allain Duhangan was ranked at No.2. In addition, alternate studies for optimization of the project have been carried out by the Geological Survey of India, the Himachal Pradesh State Electricity Board (HPSEB), RSW International of Canada (RSWI), Lahmeyer International and Indo Canadian Consultancy Services Ltd. Optimization studies include alternate locations for all major components including the Powerhouse, Pressure shaft, Reservoir and Barrage.



Q.5. Has the safety of the project components been assessed by external parties?

Ans.5. Yes, the safety of the project components has been assessed by experts of the Central Electricity Authority, Central Water Commission, HPSEB and also by international consultants RSWI, Montreal and Lahmeyer International. International Finance Corporation will also depute lender's engineers to monitor the construction quality and progress of the project.

B. LAND

Q.6. How much land is proposed to be acquired for the project?

Ans.6. Acquisition of a total of 77.272 ha of land has been approved by the Government of India and the State Government for the project in the following manner:

Forest land	:	32.167 ha
Private land	:	36.565 ha
Government land	:	8.54 ha

Q.7. How many villages will get affected by the project?

Ans.7. Land is being notified for acquisition in villages Pirni, Jagatsukh, Vashishth and Hamta. These villages are therefore likely to be affected by the implementation of the project.

Q.8. Will the villagers get fodder for cattle? How will the pasturelands be affected?

Ans.8. The Company is not using any pastureland for construction of the main project components; however, some length of road would pass through pastureland. Funds have been provided in the environmental mitigation measures for development of 200 ha of pasture. The Company will deposit Rs.19,00,000 with the State Government for pasture development works in the following areas as identified in the Catchment Area Treatment (CAT) Plan of the project. Pastures will be developed in Sathan (30 ha.), Pahali Nallah (20 ha.), Hamta Garh (30 ha.), Tangra/Chikka Springs (30 ha.), upstream of storage reservoir (90 ha.) distributed over a total period of seven years of the CAT plan. The local people would be allowed to use the developed pasture lands spread over 200 ha for grazing of their animal herds.

Q.9. What will be the effect of the project on the apple trees and other cultivated crops?

Ans.9. The project will give compensation for the standing crop (including for apple trees) on the acquired private land as per Government guidelines. In addition, the project authority is also ready to help the farmers in the shifting of apple trees to alternate locations if the farmer so desires.

Q.10. Will the Company provide potato seeds to the local farmers who have been procuring seeds from the now closed Hamta Potato Farm?

Ans.10. Yes, the Company will make arrangements to provide potato seeds at the same cost at which they were earlier available to the local farmers, if so desired by the villagers.



Q.11. Why does the company not take the third degree private land? The locals depend upon agriculture for their livelihood and if the good quality agricultural land is taken away for the project, how will they earn their livelihoods?

Ans.11. For setting up the project, the Company has acquired the land as approved by the government. The location of the project components is based on topographical characteristics. The road to be made to reach these component locations passes through private land, including some good quality agricultural land and the Company has to acquire this land. However, the Company is compensating the affected landowners for acquisition of the land in a manner that should not threaten livelihoods. The Company's Community Liaison Officer will be available to affected people throughout construction and initial operation of the project.

Q.12. Will the locals whose land will be acquired get any compensation for the land including the standing crop?

Ans.12. Yes, the company will give compensation for the land to be acquired as per the information in the revenue papers. Compensation shall also be paid for the standing crop in the acquired land.

As per the mutual consent of the concerned landowners and the representative of the Company, the following points have been negotiated and decided in the Negotiation Committee meeting under the Chairmanship of Deputy Commissioner, Kullu held on August 28, 2003 at village Prini.

- I) The all inclusive price for land includes all charges payable under the "Land Acquisition Act, 1894" in particular under Section 23(1) and 23(2) including the payments on account of the components mentioned below:
 - a) Cost of land calculated on the present prevailing market rates as per revenue record as at the date of publication of Notification under Section 4, sub-section 1.
 - b) Interest @ 12% per annum on the cost of land as at (a) above, from the date of issue of Notification under Section 4, sub-section 1, i.e. from July 2002 to November 2003.
 - c) Thirty per centum on the cost of land as at (a) above, in consideration of the compulsory nature of acquisition.

The all inclusive price also includes the following additional payments considered by the Company for the land owners:

- a) Land purchase and tree shifting assistance
- b) Transition allowance at the rate of Rs.2000/- per month for one year

Q.13. If the private land to be acquired is in the name of two or more people, who will the project authority give the compensation to?

Ans.13. The Company shall deposit a sum of compensation money as directed by the State Government's Negotiation Committee that has been formed for discussing the issue with the affected people. It is understood that the State Government or its nominated official will disburse the compensation money to the affected landowners as per the official revenue documents.



Q.14. By when will the compensations be issued and whom should we contact?

Ans.14. The Company will deposit the compensation money with the Land Acquisition Officer nominated by the State Government as and when directed by the State Government. The representative of the State Government would disburse the compensation amounts to the affected landowners. Information on the above shall be provided by the Land Acquisition Officer or any other official appointed by the State Government. The Company will, through its Community Liaison Officer, periodically inform affected landowners of the status of this process.

C. FOREST

Q.15. What is the extent of the forest to be diverted for the project?

Ans.15. The Government of India has approved diversion of 32.167ha of forestland for the project. At Allain, this land extends from Hamta upto the Allain barrage near Jabri and at Duhangan, it extends from Khanul to the Duhangan weir site at Chikka.

Q.16. How many trees would be felled for the project?

Ans.16. A total of 1352 trees have been enumerated for felling for the project.

Q.17. How will the Mohru trees in the forest be affected?

Ans.17. Only the Mohru trees that have been approved and have been marked for felling by the H.P. State Forest Department shall be removed to clear the land for building the project components.

D. WATER

Q.18. How will the project affect the natural water sources of the area?

Ans.18. The project is not disturbing the Pahli nallah water source which is used by the villagers at Pirni. The water flowing in the Allain and Duhangan streams will be stored in the reservoir over a period of a few hours and shall be then released to generate electricity. This released water shall flow back into the Allain nallah through the tailrace channel near Aleo. Water flow in the downstream of barrage/weir of Allain and Duhangan streams will be maintained as indicated in the ESIA reports. Therefore, the project will not adversely affect the use of water resources by people of the area.

Q.19. How will the water of the Chorr nalla and the drinking water of Jamlu Devta be affected?

Ans.19. The water of the Chorr nallah and Jamlu Devta is not going to be used for the project. The water needs being met by these nallahs will not be disturbed.

E. ENVIRONMENT

Q.20. How will the natural balance of the area be maintained with the development of



the project?

Ans.20. Adverse impacts from the project like deforestation, soil erosion, etc. will be mitigated using well established practices like afforestation, pasture development, construction of check dams as part of the project's Catchment Area Treatment Plan (CAT Plan). The Company shall deposit a total of Rs.3,98,05,650 with the State Government for implementation of the CAT Plan as per the disbursement schedule approved by the Government.

Q.21. What measures will the Company take to ensure control of air, water, noise, soil pollution arising during the construction phase of the project?

Ans.21. The ESIA reports have prepared detailed Environment Management and Monitoring Plans that include implementation of mitigation and control measures for curbing air, land, noise and water pollution during the construction phase of the project. Monitoring will be continued during the construction and operation phases of the project. The Company's Community Liaison Officer will be available during construction to respond to any concerns from the public.

Q.22. Will the project set up an effluent treatment plant for treating domestic waste from colony?

Ans.22. Yes, the project will set up an effluent treatment plant to treat the domestic waste and the treated effluent water shall be re-used for horticultural purposes, washing of vehicles, flushing toilets, etc. The organic sludge generated from the treatment plant shall be used as manure for plantation activities within and around the project area.

Q.23. How will the Company ensure that the environment protection measures are taken up seriously?

Ans.23 The Company is setting up a separate Environmental & Social Cell to implement, manage & monitor the environmental action plans drawn up for the project. Also, the Ministry of Environment & Forests, Government of India shall monitor the six-monthly progress achieved in the environmental program of the project. In addition, the lenders will monitor the implementation of these plans until the project is completed.

Q.24. How will the Company compensate for environmental loss?

Ans.24. The Company has already deposited Rs.2,57,33,600 with the State Government towards compensation against loss of environmental value of diverted forest land as per orders of the State Government. In addition, the Company has deposited Rs. 29,50,722 to the Government of Himachal Pradesh towards compensatory afforestation of 64.334 ha. of degraded forest land (double the forest land being acquired for the project). The compensatory afforestation works shall be carried out by the State Forest Department. The aim of this afforestation is to reduce the adverse effects of loss of forest land diverted for implementation of the project.

Q.25. What is the Company doing for Catchment Area Treatment?

Ans.25. The Company has deposited Rs.21,03,400 with the State Government towards the first year installment for the Catchment Area Treatment Plan. The total amount of



Rs.3,98,05,650 has been earmarked for the CAT plan in the Company's environment budget. The salient features of the CAT plan include:

1. Afforestation over 800 ha
2. Pasture Development over 200 ha.
3. Engineering measures such as Check Wall, Check Dam, Spur farm, Pond, etc.

The company will provide the funds for the plan in a phased manner over a period of seven years and the implementation in the field will be carried out by the State Government Forest Department.

Q.26. Has the Company consulted with the Himachal Pradesh State Environment Protection and Pollution Control Board (HPSEPPCB) regarding the project?

Ans.26. Yes, the HPSEPPCB has conducted Pre-Commissioning Environmental Monitoring Studies for the project. The Company has also deposited a total of Rs.11,75,000 towards HPSEPPCB stipulated fees.

Q.27. Will Environment Audit be carried out for the project?

Ans.27. Yes, the effectiveness of the company's environmental and social programs will be evaluated by an Environment Audit carried out by an independent party during the operation phase of the project as part of the monitoring program.

F. SOLID WASTE MANAGEMENT

Q.28. Where will the tunnel muck be disposed?

Ans.28. The muck from the Allain and Duhangan Head Race Tunnels shall be disposed in the Muck Disposal Site No.1 near Hamta and the excavated rock and soil shall be used to fill the plant area near Khanul.

Q.29. Will the muck flow during the rains?

Ans.29. Prevention of muck flow during rains was specifically addressed during design of the project. Catchment drain and toe drains have been provided in the proposed muck disposal sites. These drains will carry off excess water to the natural stream.

Q.30. How will the explosive blasting for construction of tunnels affect the homes and water supplies? What will be the effect of blasting on the fauna of the area?

Ans.30. The blasting of explosives for excavation of tunnels would be carried out as per the best construction practices and all nearby local population shall be forewarned. The effects of noise pollution and high-suspended particulate matter in the air shall be minimized because all the major works of the project are underground. The ground vibrations generated by blasting during the tunnel excavations will not affect the existing structures beyond about 80 m from the point of blast. Further, ground vibrations shall be minimized by using specialized techniques and special explosives. Although there may be minor disturbances during blasting events, no long-term effects on water supplies or fauna are expected.



G. LABOUR FORCE

Q.31. What measures will the Company take so that the influx of people does not disturb the local life style?

Ans.31. The company will build a separate permanent colony for its staff at Pirni village (near Power House) and four temporary colonies near Allain Barrage, at Surge Shaft (near Hamta), near Khanul in Duhangan and near Jagatsukh. The permanent colony will have the following facilities for the employees:

- i) Potable water supply arrangements
- ii) Sanitation and sewage disposal arrangements
- iii) Drainage arrangements
- iv) Internal roads and cross-drainage works
- v) Electrical supply
- vi) Fencing and security
- vii) Medical Centre
- viii) Recreation Centre
- ix) Telephone Exchange

A provision of Rs.50,00,000 has been kept for supply of coal/kerosene to the construction workers. The Health Management Plan for the construction phase of the project provides for facilities like mobile dispensaries, medical infrastructure, laboratory, medicines, etc. for the project employees that would also be extended to the local population. During the operation phase, the Company shall conduct regular field surveys and will take necessary actions to curb any spread of disease with additional budget.

Q.32. How will the project develop the nearby areas including the three villages?

Ans.32. Development of surrounding area will take place due to:

- i) Increased employment opportunities to the local people during project construction
- ii) Improved health care and educational facilities in the nearby villages due to access to medical health care and school facilities to be constructed primarily for project staff but would also be extended to the affected local community
- iii) Improved market facilities in villages adjacent to the hydroelectric power facility because of construction of new and improved roads upto Jabri Nallah and Chikka springs and a shopping center that has been proposed to be set up at the permanent colony near Pirni.
- iv) Increased tourism potential of the area, leading to more income-generating opportunities.

H. DEVELOPMENT

Q.33. What will be the job opportunities for the affected villages?

Ans.33. Affected people will have preferential employment opportunities during both construction and operation. Local communities will be trained and supported financially to set up petty businesses and services to cater to the needs of the labour camps and the project in general. Some examples include employment as hospital



staff, taxi drivers, help in setting up of general stores, etc. Also, educated youth could get employment befitting their qualifications and talent.

Q.34. What all health facilities will the company provide?

Ans.34. The Company has earmarked a sum of Rs. 2.71 Crores for the following health facilities during the project's construction phase:

- i) Mobile dispensaries:
Three ambulances will be procured and provided by the project for meeting immediate and urgent medical calls in and around the project area including emergency calls from local villages.
- ii) Construction of hospital buildings:
The project will also construct buildings for housing a permanent hospital and a separate Field Hospital.
- iii) Provision of medical/health assistance to the project employees and the surrounding village population by procuring and providing medical testing/diagnostic, emergency operating and recuperating facilities. These will include emergency medical facilities like Oxygen (cylinders), fracture attendance, pre-natal and post-natal care for mother and child, etc.
- iv) Appointment of Medical Officer, Compounder, Laboratory Technologist, Epidemiologist and other helping staff to provide the medical facilities

The Company will continue to provide support for health care after construction of the project. During the operation phase, the main factors influencing health problems would be water borne diseases and the company would make regular field surveys and take necessary actions to curb the disease if it thrives in the area using additional budget. The Company will also arrange HIV/AIDS awareness programmes.

Q.35. Will the Company build a school?

Ans.35. Yes, the Company will build a school for the children of the Company staff and shall also extend the same facility to the children belonging to the project area.

Q.36. Will the Company allow others to use the project road?

Ans.36. The Company will allow the locals to use the project road keeping in mind the safety and security of the person using the road.

Q.37. Will the trekking routes be disturbed?

Ans.37. Most portions of the trekking routes will remain undisturbed, and where routes must be disturbed, the Company will ensure that alternate routes are available. In fact, the Company is building a good road upto Allain Barrage (Jabri). However, in case of any damage to the trekking route, the Company will repair the same.