

The Singareni Collieries Company Limited

(A GOVERNMENT COMPANY)

GLOBAL NOTICE INVITING TENDER

For

SELECTION OF TECHNOLOGY PROVIDER-CUM-OPERATOR

For

KAKATIYA LONGWALL PROJECT

MAY 2009

Cost of tender documents: INR 6,750.00 (Rupees Six thousand seven hundred fifty only)

Not Transferable

Global Notice Inviting Tender

THE SINGARENI COLLIERIES COMPANY LIMITED

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TENDER NOTICE NO.

The Singareni Collieries Company Limited invites sealed tenders **from Govt. agencies, Private agencies, Public Sector Undertakings, MNCs and foreign based companies having adequate experience in underground mining of coal** for providing Longwall Technology & equipment and operating **Kakatiya Longwall Project** on Cost per Tonne basis.

TERMS & CONDITIONS

Eligibility criteria for submission of bids for this Tender: Only the applicants fulfilling following criteria shall be considered for the Bid Evaluation;

TECHNICAL

The interested Bidders shall adequately demonstrate the following technical capabilities in order to be considered for the Technical Proposal Stage (Step III) of the Bidding Process:

- A minimum of 3 years experience in underground coal mining. The bidder should have produced at least one million tonnes of coal from a single mine in any one of the three preceding Financial years (FY 06, 07, 08), by Longwall Mining technology or Mechanized bord and pillar method of mining.

OR

- Should have supplied not less than three Mechanized Longwall packages (which shall at least include PRS) to a coal mine (s)/company (s) during the last three Financial years (FY 06, 07, 08) with at least one such Mechanized Longwall package supplied during the Financial year 2008, and at least one such LW packages should have produced at least 1.00 million tonnes of coal in any of the three preceding Financial years (FY 06, 07, 08).

FINANCIAL:

The Bidder (subject to the conditions stated in the NIT for the purpose of meeting financial criteria by the lead member of JV/Bidding Consortium) has to satisfy the following financial criteria of Turnover and Net worth in order to be considered for the Technical Proposal stage (Step III) of the Bidding process:

- The Bidder shall have to fulfil the Net worth requirement of more than INR 300 Crores (INR Three Hundred Crores Only) as on the date of last audited financial statement.

AND

- The Bidder shall have to fulfil an average annual turnover requirement of at least INR 500 Crores (INR Five Hundred Crores Only) for the last 3 Financial years (FY 06, 07, 08).

Cost of tender documents is Rs 6,750.00 only (Six thousand seven hundred fifty only) and the same can be obtained in person or by post (postal charges extra Rs. 500.00, in words Rupees Five hundred only) from The Chief General Manager (Purchase), The Singareni Collieries Company Limited, Kothagudem Collieries, Khammam District, Andhra Pradesh – 507101 on any working day between **10.00 and 17.00 hours from XX.XX.2009 to XX.XX.2009** in the form of crossed demand draft (non-refundable), drawn on any nationalised bank (Banks list is provided in section A 22 of this document) in favour of The Singareni Collieries Company Limited payable at Kothagudem/Hyderabad.

Bidders can also download the tender document from the website www.scclmines.com and can pay the cost of tender document at the time of submission of Bids.

The cost of tender document paid by the bidders who fails to satisfy the above mentioned eligibility criteria for the issue of tender document shall not be refunded.

SCCL takes no responsibility for any delay, loss or non-receipt of the Tender Document sent by post.

The bids shall be received by the Chief General Manager (Purchase), The Singareni Collieries Company Limited (SCCL), Kothagudem, Andhra Pradesh, 507101 on any working day upto **17.00 hours of XX.XX.XXXX.** Part I i.e. Technical Bid shall be opened at **10.30 hours on XX.XX.XXXX.** The Bid submitted must remain valid for a period of Six months from the Bid submission date.

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A1: DISCLAIMER

- 1.1 This document is not an agreement or an offer by SCCL to Bidders or any third party. The purpose of this document is to provide interested parties with information to facilitate the formulation of their Bid Proposal.
- 1.2 This document does not purport to contain all the information each Bidder may require. The Document may not be appropriate for all persons, and it is not possible for SCCL to consider the needs of each party who uses or reads this Document. The concerned parties should conduct their own investigations and analysis and should verify the completeness of the information in this document and obtain independent advice from appropriate sources.
- 1.3 Due care has been taken in formulating the document and the information contained in it. All data pertaining to the project incorporated in this document is authentic and adequate as per the wisdom and perspective of SCCL. If any bidder intends to conduct any additional tests, studies or scientific investigations, the same may be permitted by SCCL at the cost of the bidder intending so. However, neither SCCL nor its employees or its consultants make any representation or warranty as to the completeness of the information in this document.
- 1.4 Neither SCCL nor its employees or consultants shall have any liability to any Bidder or any other person under the law of contract, tort, the principles of restitution or unjust enrichment or otherwise for any loss, expense or damage which may arise from or be incurred or suffered in connection with this Document, or any matter deemed to form part of this document, the award of the work, or the information and any other information supplied by or on behalf of SCCL or its employees, any consultants or otherwise arising in any way from the selection process for the project.
- 1.5 The bidder should confirm that the document is complete in all respects. In the event that the Document or any part thereof is mutilated or missing, the Bidder must notify SCCL immediately at the following address:

Chief General Manager (Purchase)
The Singareni Collieries Company Limited,
Kothagudem Collieries, (PO) Khammam District,
Andhra Pradesh, Pin: 507101.

- 1.6 The Document and the information contained herein are strictly confidential and privileged and are for the exclusive use of the party to whom it is issued. This Document must not be copied or distributed by the recipient to third parties (other than, to the extent required by the applicable law or in confidence to the recipient's professional advisors, provided that such advisors are bound by confidentiality restrictions at least as strict as those contained in this document). In the event that after the issue of the document the recipient does not continue with its involvement in the bidding process for any reason whatsoever, this document and the information contained herein must be kept confidential by such party and its professional advisors at all times.
- 1.7 SCCL reserves the right to change, modify, add, alter the Document or cancel the bidding process without assigning any reasons thereof, at any time during the bidding process. All parties to whom this Document has been issued shall be intimated of any such change. The Bidders or any third party shall not object to such changes/modifications/ additions/ alterations explicitly or implicitly. Any such objection by the bidder shall make the Bidder's proposal liable for rejection by SCCL. Further objection by any third party shall be construed as infringement on confidentiality and privileged rights of SCCL with respect to this Document.
- 1.8 The Bidder shall not make any public announcements with respect to this Bidding process or this document. Any public announcements to be made with respect to this bidding process or this Document shall be made exclusively by SCCL. Any breach by the Bidder of this clause shall be deemed to be non-compliance with the terms and conditions of this Document and shall render the bid liable for rejection. SCCL's decision in this regard shall be final and binding upon the Bidder.
- 1.9 The bidder shall bear all costs associated with the preparation and submission of the Technical and Financial Proposals. SCCL and their consultants shall not, under any circumstances, be responsible or liable for any such costs.

A2: LIST OF ABBREVIATIONS

SCCL	The Singareni Collieries Company Limited.
JV	Joint Venture
TPO	Technology Provider cum Operator
MoU	Memorandum of Understanding
JOA	Joint Operating Agreement
SPV	Special Purpose Vehicle
Lol	Letter of Intent
Lakh	One hundred thousand (100,000)
MTPA	Million Tonnes (metric) Per Annum (wherever tons/tonnes/metric tons/metric tonnes is used it shall refer to Tonnes only)
OMS	Output per Man Shift
GCV	Gross Calorific Value
FY	Financial Year
EIA	Environment Impact Assessment
EMP	Environmental Management Plan
RBI	Reserve Bank of India
ICAI	Institute of Chartered Accountants of India
ARB	As Received Basis

A3: Definitions and Rules of Construction

Definitions

- 3.1 **“Authorized Representative and Signatory”**: Each Bidder shall designate one person (“Authorized Representative and Signatory”) authorized to represent the Bidder in all matters pertaining to its proposal. This designated person should hold Notarized Power of attorney duly authorizing him/her to perform all tasks including but not limited to sign and submit the proposal; to participate in all stages of the Bidding process; to conduct correspondence for and on behalf of the Bidder, and to execute the Agreement and any other documents required to give effect to the outcome of the Bidding process. The original power of attorney, duly notarized, in favour of the Authorized Representative and Signatory shall be enclosed by the Bidder along with the covering letter.
- 3.2 **“Bidder/ Bidding Company”** shall mean the single registered corporate entity or Joint Venture or consortium of companies that has submitted its Bid Proposal in response to this document. In case Bidder is Joint Venture, it shall be formed by maximum of four partners. However, a company in the JV cannot participate in this NIT as a member in any other JV, in which case, all such JV Companies shall be declared disqualified. Bidder includes a single entity, a JV Company and a Bidding consortium, who is participating in this bidding process.
- 3.3 **“Bidding Consortium”**: If the Bid for the proposed project has been made by more than one company, then this group of companies is referred to as the Bidding Consortium. Bidding Consortium can be of maximum four members.
- 3.4 **“Member in Bidding Consortium”**: Each individual company in the Bidding Consortium is referred to as a Member in the Bidding Consortium. A member in the Bidding consortium cannot participate in this NIT as a member in any other Bidding Consortium, in which case, all such consortiums shall be declared disqualified.
- 3.5 **“Lead Member of the Bidding Consortium or Joint Venture”**: “Lead Member” in case of Bidding Consortium shall mean the member of the Consortium who is so designated by the Bidding Consortium Members and meets the financial qualifications for the Consortium. Lead Member in case of a Bidding Consortium /Joint Venture shall be the partner who holds at all times a minimum of 51% of the equity/capital of the Bidding Consortium/Joint Venture Company. All members in the Consortium/JV Company shall be jointly and severally responsible for all liabilities including financial,

- legal, environmental and technical liabilities on behalf of the Bidding Consortium/JV Company.
- 3.6 **“Performance Bank Guarantee”** shall mean the guarantee to be furnished by the Bidder who is selected based on the Bidding process. Bank Guarantee shall be issued from any one of the banks mentioned in the Section A 22 of this document.
- 3.7 **“Bid Document”/ “NIT”**: The Bid document/NIT comprises of definitions, rules of construction, description of the selection process, qualifying requirements and instruction to bidders, etc. to enable the Bidders to prepare their proposal for qualification. Project Agreement is also a part of this NIT and all provisions of the Project Agreement shall be applicable to the Bidders.
- 3.8 **“Financial Year”** shall mean the 12 month period corresponding to the audited financial statements.
- 3.9 **“Technology Provider cum Operator” (TPO)** would be the Bidder selected through this Bidding process, who would sign and execute the Project Agreement and/or Legal Agreements as prescribed by the laws applicable, with SCCL. The TPO shall include its legal representatives, successors and permitted assigns.
- 3.10 **“Net worth”** is the sum total of paid up capital and free reserves. Free reserves means all reserves credited out of the profits and share premium account but do not include reserves credited out of revaluation of assets, write back of depreciation provisions and amalgamation. Further, any debt balance of profit and loss account and miscellaneous expenses to the extent not adjusted or written off, if any, shall be reduced from Reserves and Surplus.
- 3.11 **“Turnover”** is Gross Sales or Gross Revenues, as defined by the Indian Accounting Standards published by the Institute of Chartered Accountants of India or accounting standards published by the authorities of the country of the Bidder (in case bidder is foreign company).
- 3.12 The **“Project”** refers to the planning, engineering, financing, construction, operation and maintenance of the Kakatiya Longwall Project and shall include all such works as detailed in the NIT.
- 3.13 **“Project Agreement” or “Agreement”** shall mean the agreement as may be entered into between SCCL and the Bidder selected through this competitive bidding process, for execution of the Kakatiya Longwall Project, (**“Project”**).
- 3.14 **“Project Proposal”** shall mean the proposal submitted by Qualified Bidders in response to this NIT.

- 3.15 **“Qualifying requirements”** shall mean the requirements set forth in this document for the purpose of evaluation.
- 3.16 **“Effective Date”** means the date of execution of the Project Agreement.
- 3.17 **“JV Company or Joint Venture Company”** shall mean an entity formed between two or more parties to undertake economic activity together.
- 3.18 **“Affected Party”** shall mean the party whose performance obligations under this Agreement is affected due to the actions of the opposite party and/ or Force Majeure.
- 3.19 **“Affiliate”** means in relation to any Party, any entity, which directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Party. For the purposes of this definition, the term “control” means effective management control of the Party, including without limitation, control through the power to select a sufficient number of directors, or to appoint a sufficient number of senior managers to exercise control, or similar powers. Further a party shall be presumed to control another person or entity, if it owns 51% or more of the beneficial interest or the voting power of that person or entity.
- 3.20 **“Agreement” or “Project Agreement”** means this Project Agreement (along with all Schedules and Annexures) comprised by the documents set out in Clause 2 of this contract document; as of the date hereof, as may be amended or supplemented in accordance with the provisions hereof.
- 3.21 **“Annual Contracted Quantity” or “ACQ”** means the quantity of Coal to be delivered annually by TPO to SCCL which shall be equal to the quantity specified in Section A23 of this NIT for respective operating year.
- 3.22 **“Applicable Laws”** means any law, rule, regulation, ordinance, order, code, treaty, judgment, decree, injunction, permit or decision of any central, state or local government, authority, agency, court, regulatory body or other body having jurisdiction over the matter(s) in question, as in effect from time to time.
- 3.23 **“Approvals”** mean the DGMS approvals for various equipment, goods, components, apparatus and instruments to be used in the Kakatiya longwall project.
- 3.24 **“(ARB)”** shall mean the percentage of Total moisture (surface and inherent) in the Coal on as received basis.

- 3.25 **“Authority”** includes any government or governmental, semi-governmental, administrative, fiscal or judicial body, local governing body, department, commission, authority, tribunal, agency or entity having jurisdiction over the subject matter(s) in question.
- 3.26 **“BCM (bcm)”** means bank cubic metre.
- 3.27 **“Bid”** shall mean the bid submitted by the TPO to SCCL in response to this tender and subsequent correspondence between the TPO and SCCL in this regard, accepted by SCCL in relation to the matters set out in this NIT/Project Agreement.
- 3.28 **“BIS”** means the Bureau of Indian Standards or any successor or any other similar organization mutually agreed to by the Parties, which performs substantially the same role as that currently performed by the Bureau of Indian Standards.
- 3.29 **“Business Day”** means a day other than a Sunday or a public holiday in India on which banks are open for business at Hyderabad.
- 3.30 **“Certified (First and Second Class) Manager”** means the person nominated by SCCL in accordance with the requirements of Applicable Laws and Regulations, and is in sole charge, subject to the direction, supervision and policies of SCCL and the provisions of this NIT/Project Agreement;
- 3.31 **“Change in Law”** means
- The enactment, adoption, promulgation, modification or repeal (including any change in interpretation or application by competent authorities), after the date of this Agreement of any Law applicable or enforceable in the state of Andhra Pradesh; or
 - The imposition of any material condition on the issuance or renewal or continuation of any Government Approval after the date of the Contract; or
 - The failure by any relevant Government Authority to issue or renew any Government Approval,
- after the effective date that shall make it more burdensome or expensive for the TPO to meet its obligations herein.
- 3.32 **“Claim”** means any claim, notice, demand, debt, account, action, expense, cost, lien, liability, proceeding, litigation (including reasonable legal costs), investigation or judgment of any nature, whether known or unknown;
- 3.33 **“Coal”** means Coal as defined by the Colliery Control Order, 2000 but does not include Washery Rejects.

- 3.34 **“Coal Mines (Nationalisation) Act”** means the Coal Mines (Nationalisation) Act, 1973 by the Government of India (GOI) and all subsequent amendments made to the Act.
- 3.35 **“Commencement Date”** means the date on which the Work under the terms of this NIT/Project Agreement has commenced and shall be the date when all Conditions Precedent under Section A23 have been satisfied.
- 3.36 **“Commencement of Coal Production Date”** means the date on which the first consignment of Coal is delivered at the designated transfer point on surface. For the purpose, total coal quantity in the first consignment shall be calculated as the each day’s production requirement to achieve the annual production target on pro rata basis for the first year.
- 3.37 **“Completion”** means the date when the TPO has carried out all work under the Agreement in accordance with the terms of this NIT/Project Agreement;
- 3.38 **“Consignment”** means each day’s coal delivered at the designated point at surface.
- 3.39 **“Contract Price”** means the price as agreed between TPO and SCCL in accordance with this NIT and which shall be determined in accordance with Clause 6.12 and 6.13 & Section A23 of this NIT.
- 3.40 **“Contract Representative SCCL”** means the person from time to time nominated by SCCL to be its representative in accordance with Clause 27.1 of Project Agreement.
- 3.41 **“Contract Representative TPO”** means the person from time to time nominated by TPO to be its representative in accordance with Clause 27.2 of Project Agreement;
- 3.42 **“CIL”** means Coal India Limited having its registered office at 10, Netaji Subhas Road, Kolkata 700 001, India or its relevant subsidiary.
- 3.43 **“Coal Block”** means the Kakatiya Longwall Block which is an integral part of Peddapur and Gollapalli geological blocks, in Godavari Valley Coalfields which belongs to SCCL from which TPO shall mine the coal and deliver to SCCL under the terms of this Agreement.
- 3.44 **“Delivery Point”** means the Coal unloading facilities (pre-weigh bin(s)) at the destination identified by SCCL on surface for the delivery of Coal by the TPO under this agreement, which is the “designated transfer point”.
- 3.45 **“Effective Date”** means the date as mentioned in Clause 4.1 of the Project Agreement.

- 3.46 “**Environmental Laws**” means any legislation, regulation, judgment, bye-law or proclamation (whether of a local authority, a State or Central Government) or common law which has as its object, purpose or effect:
- The protection of the environment
 - The storage, handling or transportation of any waste, dangerous goods or hazardous material;
 - The prevention, control, abatement or investigation of pollution or contamination or their effect;
- 3.47 “**Event of Default**” means the event leading to default by the TPO and/ or SCCL, excluding the events of Force Majeure and as defined in this document.
- 3.48 “**Force Majeure**” has the meaning given in Clause 23.67 of this NIT.
- 3.49 “**GOI**” means the Government of India;
- 3.50 “**Invoice**” means an invoice raised by the TPO in accordance with Payment Clauses in this NIT/Project Agreement;
- 3.51 “**Lenders**” means collectively all of the entities (including banks, non-banking financial institutions, multilaterals and export credit agencies if applicable) providing to the TPO, financing or political risk insurance under the financing agreements or otherwise, and any trustee or agent acting on those entities behalf.
- 3.52 “**Main Sump**” shall mean the collecting point of drainage water in the KTK longwall Project from where the collected water is pumped to surface, the location of which is shiftable within the mine to suitable locations, as the mine progresses/retreats, at the discretion of SCCL.
- 3.53 “**Management Plan**” means the plan required under clause 11.2 of Project Agreement;
- 3.54 “**Mine Plan**” means the plan described in Clause 18 of Project Agreement.
- 3.55 “**Mining Lease**” means the rights of excavation of coal from Kakatiya Longwall Project which lies with SCCL.
- 3.56 “**Mine**” means the KTK Longwall Project underground working from where coal is being extracted and shall have the meaning as defined by the Mines Act, 1952;
- 3.57 “**Mine Safety Management Plan**” means the mine safety management plan as approved by the Certified Manager in accordance with Coal Mines Regulations 1957(CMR 1957);

- 3.58 **"Mining Concessions"** means the mining lease(s) granted under the Mines and Minerals (Development and Regulation) Act, 1957.
- 3.59 **"Operating Year"** means the Financial Year commencing from April 01 of each year to the March 31 of the following year.
- 3.60 **"Pollution Control Clearance"** means any clearance or approval issued by the Ministry of Environment and Forests, India (MoEF) and the AP Pollution Control Board's (APPCB) or any other body authorized to do so which are governed by the prevailing Environmental Laws in India;
- 3.61 **"Power"** means any right, power, authority, discretion or remedy;
- 3.62 **"Progress Certificate"** means the Progress Certificate issued by SCCL.
- 3.63 **"Production Requirements"** means the requirements as to quantity and quality for production of ROM Coal in accordance with the production schedules of the Mine Plan and as otherwise adjusted from time to time under this NIT/Project Agreement;
- 3.64 **"Quarterly Contracted Quantity" or "QCQ"** is the quantity of coal to be delivered by TPO at designated delivery point at surface in an operating quarter.
- 3.65 **"ROM Coal"** means Run of Mine coal from the KTK Longwall Project;
- 3.66 **"Sampling Standards"** means sampling and testing standards for Coal in accordance with the procedure laid down in BIS (436 Part I / Sec I), 1964, for Manual Sampling , BIS (436 Part I / Sec 2), 1976, for Mechanical Sampling and BIS (1350 Part I), II revision, 1984, for Proximate Analysis respectively. Method of sampling shall be decided by SCCL.
- 3.67 **"Site Strikes"** means any strike or other industrial action which materially affects the ability to perform the Work;
- 3.68 **"Sub-Contractor"** means TPO's sub-contractor approved by SCCL.
- 3.69 **"Technical Information"** means all copyright, patents, designs or other intellectual property rights, techniques, process and know how of SCCL or TPO as the case may be.
- 3.70 **"Term"** means the period from the Commencement Date until termination of Project Agreement as referenced in the clauses of this NIT/Project Agreement.
- 3.71 **"TPO"** means Company/JV/Consortium of Companies who has been appointed by SCCL to carry out the terms of this NIT/Project Agreement and includes the [NAME OF TPO] employees, agents,

consultants or permitted sub-contractors.

- 3.72 **“TPO’s Employees”** means the employees to be furnished by [NAME OF TPO] for the purpose of carrying out the Work as itemized and described in the Scope of this Agreement.
- 3.73 **“TPO’s Technical Information”** means all copyright, patents, designs or other intellectual property rights, techniques, process and know-how of the TPO.
- 3.74 **“TPO’s Equipment”** means the equipment to be furnished by [NAME OF TPO] for the purpose of carrying out the Work as itemized and described in the Scope of this NIT/Project Agreement.
- 3.75 **“Work”** means all work required to operate the Mine in accordance with this NIT/Project Agreement and all applicable rules, regulation and statutes.

All such definitions not figuring in this NIT shall be referred to in the “Project Agreement”.

Rules of Construction

- 3.76 Words imparting singular shall also include plural and vice-versa and any word defined in the singular shall have the corresponding meaning when used in the plural and vice versa.
- 3.77 The titles or headings in this Bid Document are for convenience and easy reference only and shall not be taken into account for the purpose of construction or interpretation of this Bid Document.
- 3.78 Any reference to “person” shall include companies, firms, corporations and associations or bodies of individuals, whether incorporated or not and shall include their respective successors in business and permitted assigns
- 3.79 A reference to any gender includes the other gender.
- 3.80 Unless otherwise specified, a reference to a Section, Clause, Annexure, Schedule, Attachment or paragraph is a reference to a Section, Clause, Annexure, Schedule, Attachment or paragraph of this Document.
- 3.81 The terms “include” and “including” shall be deemed to be suffixed with the words “without limitations”, whether or not so followed.

Governing Law

- 3.82 The Document shall be governed by and interpreted in accordance with laws in force in India and the Courts in the state of Andhra Pradesh shall have exclusive jurisdiction over matters relating thereto.

Interpretation

3.83 In this NIT unless the context otherwise requires:

- a. the headings are for convenience of reference only and shall not be used in and shall not affect the construction or interpretation of this Agreement
- b. (singular) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context
- c. (gender) words importing a gender include every gender.
- d. (include) a reference to “include”, “includes” or “including” means “includes but is not limited to;
 - i. (corresponding meanings) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
 - ii. (legislation) a reference to any legislation or provision of legislation or a policy includes all amendments, consolidations or replacements and all regulations or instruments issued under it;
 - iii. (successors and assigns) a reference to Party to a document includes that Party's permitted successors, assignees, administrators and substitutes;
 - iv. (Business Day) where a day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day;
 - v. (writing) a reference to a notice form, consent or approval of a Party and agreement between the Parties, means a written notice, consent, approval or agreement;

A4: INTRODUCTION AND BACKGROUND

Introduction

- 4.1 The Singareni Collieries Company Limited (SCCL) is an existing coal company owned jointly by Government of Andhra Pradesh and Government of India having 51:49 shareholdings respectively.
- 4.2 The Singareni Collieries Company Limited proposes to operate Kakatiya Longwall project in the Godavari Valley Coalfield in Bhoopalpalli area, Warangal District for extraction of coal by Longwall Method of Coal Mining.
- 4.3 SCCL is looking for technically competent and financially sound Technology Provider cum Operator (TPO) to provide longwall mining technology, deploy the gate roadway development & longwall mining equipments, mine coal and deliver the coal at the designated transfer point on surface.

Kakatiya Longwall Project

The Kakatiya Longwall Project is located in Godavari Valley Coalfield in Warangal District of Andhra Pradesh. The Kakatiya Longwall Project is an integral part of Peddapur and Gollapalli geological blocks.

The Mine Block is bounded by North Latitude 18° 20' 52" to 18° 23' 40" East Longitude 79° 52' 20" to 79° 55' 44". It is covered in Survey of India Toposheet No.56N/15. The total area of the project is 9.71 km² covering 7.39 Km in strike direction and 1.75 Km in dip direction.

The Parkal - Mahadevpur state highway passes on the NW side, 4.5 km away from the block connecting Warangal – Godavarikhani - Karimnagar. The nearest rail head is Jammikunta of South Central Railway, located 45 kms. towards WSW as the crow flies. Warangal, the district headquarter is connected by road, which is at a distance of 65 kms. Hyderabad, the state capital is also connected by road which is at a distance of 205 Kms

The area is mainly characterized by a plain terrain with a gentle slope with sandy soil cover. The general topographical relief varies from 189.91m to 209.60m above Mean Sea Level towards south to southeast.

The drainage network is meagre. Four small tanks are located within the block. The Gundla vagu, power line and a road is passing in the south west side of the block. Three villages, namely- Madhavaopalli, Ravinagar and Jangupalli are within the block. Part of the block is under cultivation.

Within 10km radius from the edge of the block (465 sq. km. area), 3,490 Ha is covered by forest, 1950 Ha is barren and uncultivable land and 3781 Ha of land is used for non-agricultural purposes. 2352 Ha of land is permanent pastures and grazing lands, while 1,800 Ha of land is cultivable, 12616 Ha are fallow lands and 9980 Ha is the net area.

A total of 132 boreholes are drilled at an interval not exceeding 200m X 400m. The bore hole density of about 13.6 per sq. km ensures all required geological data explored for effective design of suitable PRS (Powered Roof Supports) for the project. The data shall be made available to the successful bidder for planning his operations.

The area experiences a tropical climate with hot and dry summer from March to middle of June, a fairly good monsoon from middle of June to September, and a pleasant winter from October to February. The maximum temperature varies from a minimum of 15°C in January to 46.2°C in June with a mean of 21.7°C to 38.7°C. The minimum temperature varies between 10.2°C in December to 40°C in May with a mean of 16.7°C to 34.2°C. The maximum relative humidity in the area is 100% in the rainy season and varies between 13% to 96%. The annual rainfall varies from 818.4mm (1992) to 1502.3mm (1996), with a mean annual rainfall of 1159.2mm. The maximum daily rainfall in this period is 200.6mm, and the maximum monthly rainfall is 583.8mm (July 1994).

The depth of water in the surrounding wells varies from 5.30 m to 12.26 m during pre-monsoon period and 0.90 m to 7.59 m during post-monsoon period. The water level fluctuation on an average is 1.75 m to 9.42 m, with a net fluctuation of 4.57m. The present make of water in the existing mines of this area considered at 130 litres/sec.

Boundaries of the Kakatiya Longwall block are as follows:

1	Northwest	Fault F6-F6
2	Southeast	Proved limit along boreholes 350 to 353 (Peddapur Block)
3	Northeast	542m depth line of No.IV seam
4	Southwest	In-crop of IV seam

The detailed exploration in the block has established the presence of 10 recognizable and correlatable coal seams viz. IB, IA, I, II, IIIB, IIIA, III (split into two sections in part of the block), IVA, IV & Index in descending order out of which only four seams viz., IA, I, II and III are considered for extraction. The sequence of operation and lay-out of the LW panels in various seams of the mine shall be as per the approved projections of SCCL, or the proposed projections of the TPO as approved by SCCL.

The general attitude of the coal measures is WNW-ESE with corresponding North-Northeasterly dips. The block is structurally uniform except for one oblique fault in the dip side of the block. The gradient of the coal seams varies from 1 in 2.8 to 1 in 3.3.

Kakatiya Longwall is a mine owned and constructed by SCCL with a present development/construction stage production capacity of 0.3 MTPA with Drill and Blast method in Bhoopalpalli area in Warangal district. The mine is being developed with an intention to deploy New-generation Longwall technology to ultimately produce not less than 3.00 MTPA of coal from the mine to meet the basket linkages committed to its consumers. Permissions required for the operation of the mine as enclosed in Annexure-A have been obtained.

PRESENT STATUS OF KTK LONGWALL PROJECT

With critical permissions already obtained and the requisite infrastructure established by SCCL, it is expected that KTK LW is a lucrative business opportunity with hardly any gestation period. Once the contract is finalised, the mine is ready for production.

The present status of KTK Longwall Project is brought out in the annexures enclosed to the NIT document.

Annexure-I : List of permissions/approvals obtained for KTK Longwall Project.

Annexure-II : Infrastructure presently available


Annexure-III: Infrastructure that will be made available by SCCL along with the time schedules.

Annexure-IV: List of Scientific Investigations completed by SCCL for design of Longwall Technology at KTK Longwall Project.

Annexure V : Mining Scheme of SCCL for KTK Longwall Project.

(Reports of the same are made available at the data room, at the Project Planning department of SCCL at Kothagudem. Interested bidders can access the data room for viewing the reports, with prior intimation to Chief GM (Purchase)).

Objective

- 4.4 SCCL proposes to operate Kakatiya Longwall Project, which is located in the Bhoopalpalli area in the state of Andhra Pradesh by appointing a Technology Provider cum Operator (TPO) who will provide and operate Longwall Mining technology for extracting coal from the KTK Longwall Project and transfer coal to SCCL.
 - 4.5 SCCL is looking for technically competent and financially sound **Technology Provider cum Operator (TPO)** to provide longwall mining technology, deploy the gate roadway development & longwall mining equipments, mine coal and transfer the coal at the designated transfer point on surface, at a guaranteed rate of production of 2.75 mtpa, as stipulated in this NIT, with competent conservation and safety measures acceptable to SCCL.
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A5: DESCRIPTION OF THE SELECTION PROCESS

The objective of SCCL is to select a TPO who has the financial strength and appropriate experience in coal mining operations to ensure proper development and operations of the Kakatiya Longwall Coal block in accordance with the requirement of SCCL.

SELECTION PROCESS

- 5.1 The selection process for the TPO shall consist of the following steps:
 - 5.1.1. Responsiveness Check – Step I
 - 5.1.2. Qualification Proposal Evaluation – Step II
 - 5.1.3. Technical Proposal Evaluation – Step III
 - 5.1.4. Financial Proposal Evaluation – Step IV
- 5.2 The tender documents submitted by the bidders (including qualification, technical and financial proposals) shall be accompanied by Earnest Money Deposit (EMD) of INR 50, 00,000 (Indian Rupees Fifty Lakhs only) in the form of irrevocable Bank Guarantee issued from any one of the banks mentioned in the Section A 22 of this document, valid for a period of one year from the date of submission of bids. Alternatively, the bidders can also opt to submit EMD by way of Demand Draft favoring “The Singareni Collieries Company Limited” payable on par at Hyderabad/Kothagudem from any scheduled bank. The Bank Guarantee of the unsuccessful bidders shall be returned within one month of the award of contract to the successful bidder. In case of the successful bidder this Bank Guarantee shall be returned within one month of the Effective Date as defined in this document / Project Agreement. SCCL shall not pay interest to the EMD submitted by the bidders.

Bidders downloading Tender documents from SCCL website shall enclose Demand Draft towards cost of Tender documents, in a separate sealed envelope with a superscription – “DD towards cost of Tender documents”. The DD shall be drawn on any Nationalized Bank (list provided in Section A22 of this document), in favor of The Singareni Collieries Company Limited payable at Kothagudem/Hyderabad.

Step I: Responsiveness Check

- 5.3. The Proposal submitted by the Bidders in response to this Bid Document shall initially be scrutinized to establish “Responsiveness”. A Proposal shall deemed to be “Non-responsive” in the following cases, if
- 5.3.1. It is not received at the designated place by the last date and time specified for submission of Proposal.
 - 5.3.2. It does not include sufficient information for it to be evaluated objectively.
 - 5.3.3. Prima-facie there is significant inconsistencies between the information submitted and the supporting documents.
 - 5.3.4. It is not signed and/ or sealed in the manner and to the extent indicated in the Bid document.
 - 5.3.5. If cost of Tender documents, in case of downloaded Tender documents is not enclosed in a separate envelope.
 - 5.3.6. If EMD is not enclosed.
 - 5.3.7. If signed NIT is not enclosed.

Step II: Qualification Proposal Evaluation

- 5.4. The Bidders need to submit a Qualification Proposal demonstrating their Technical, and Financial Capabilities. The information required to be provided by the Bidders submitting their Qualification Proposal is outlined in Section A6.
- 5.5. The “Responsive” Qualifying Proposals shall be evaluated to determine their compliance with the Qualifying Proposal Requirements, detailed in Section A6. For this purpose, SCCL shall use the supporting documents and/ or information available with or obtained by SCCL.
- 5.6. The Qualification Proposal is to be submitted by the bidder. A member in the Bidding consortium/JV cannot participate in this NIT as a member in any other Bidding Consortium/JV, in which case, all such Consortiums/JV Companies shall be declared disqualified.
- 5.7. In case of Bidding Consortium the Bidder must mention the name of the Lead Member. The Bidder should designate one person to represent the Bidder in its dealings with SCCL. The person so designated should be authorized to perform all tasks including, but not limited to providing information, responding to enquiries, entering into an agreement on behalf of the Bidder.

The Bidder shall submit a Notorized Power of Attorney, authorizing the signatory of the Bid to commit the Bidder, along with submission of Bid. The Bidder shall provide required Shareholders Resolutions authorizing

Boards of respective Consortium Partners/JV Partners to commit 100% of equity of the Bidder for investment in this project.

- 5.8. Where the Bidder is a Joint Venture Company, the stake in the ordinary share capital of the company can be acquired and held either through an investment vehicle (“Special Purpose Vehicle”) or through direct holding in the Company. In case of investment in the ordinary share capital of the joint venture company through special purpose vehicle (SPV), the SPV can not draw any strength – technical or financial – of its promoters/parent company/holding company/subsidiary company for meeting the qualifying requirements of this tender.
- 5.9. In case the Bidder is a Joint Venture Company or a Bidding Consortium, the Turnover and Net worth of Lead member shall only be considered to meet Financial Criteria.
- 5.10. The Bidder must fulfill the Technical and Financial requirements of Qualification Proposal in order to be considered for the next step in selection process.

Step III: Technical Proposal Evaluation

- 5.11. The Bidders qualified in the Qualification Proposal Evaluation Step shall only be considered for Technical Proposal evaluation (Step III).
- 5.12. The Technical Proposal shall be scrutinized to establish “responsiveness”. A Technical Proposal shall be deemed to be “Non-responsive” in the following cases, if
 - 5.12.1. it does not include sufficient information for it to be evaluated objectively
 - 5.12.2. prima-facie there is significant inconsistencies between the information submitted and the supporting documents.
 - 5.12.3. it is not signed and/ or sealed in the manner and to the extent indicated in the Bid document.
- 5.13. The Bidders shall submit Technical Proposal. The information required to be provided by the Bidders submitting their Technical Proposal is outlined in Section A6 as Technical Proposal Requirements.
- 5.14. The “Responsive” Technical Proposals shall be evaluated to determine their compliance with the Technical Proposal Requirements, detailed in Section A6. For this purpose, SCCL shall use the supporting documents and/ or information available with or obtained by SCCL.

Step IV: Financial Proposal Evaluation

- 5.15. The Bidders meeting the Technical Proposal Requirements shall only be considered for Financial Proposal Evaluation (Step IV).
- 5.16. The Financial Proposal shall be initially scrutinized to establish “responsiveness”. A Financial Proposal shall deemed to be “Non-responsive” in the following cases, if
 - 5.16.1. it does not include sufficient information for it to be evaluated objectively
 - 5.16.2. prima-facie there is significant inconsistencies between the information submitted and the supporting documents.
 - 5.16.3. it is not signed and/ or sealed in the manner and to the extent indicated in the Bid document.
- 5.17. The Bidders need to submit a Financial Proposal. The information to be provided by the Bidders submitting their Financial Proposal is outlined in Section A6 as Financial Proposal Requirements.
- 5.18. The “Responsive” Financial Proposals shall be evaluated to determine their compliance with the Financial Proposal Requirements, detailed in Section A6. For this purpose, SCCL shall use the supporting documents and/ or information available with or obtained by SCCL.



A6: PROPOSAL REQUIREMENTS

Proposals Invited

- 6.1 The bidders may submit proposals. The bidders are invited to submit a three part proposal – Qualification Proposal, Technical Proposal and Financial Proposal, as specified in this document to deploy Longwall Technology, produce coal at a guaranteed rate and transfer to SCCL at a designated transfer point on surface. The Proposals shall be the basis for negotiations and further for signing of Project agreement with the selected bidder.
- 6.2 The bidders must familiarize themselves with local conditions and take them into account in preparing their Proposals. Bidders are encouraged to make a visit to the Corporate office at Kothagudem and mine site to collect additional information if required but at their own cost, before submitting a Proposal to SCCL. SCCL do not stand guarantee to the reports on their completeness. If the wisdom and perspective of bidder supported by explanation as per scientific, safe and economic mining practices, or by means of studies determines otherwise, bidder can propose accordingly in his bid.
- 6.3 Please note that the costs of preparing the proposal and of negotiating the agreement, including visits to SCCL, are not reimbursable.

Qualifying Proposal Requirements

- 6.4 The Bidders shall furnish all the details as per Technical Criteria, Financial Criteria mentioned below:

In case of a Bidding Consortium, Technical Criteria can be met by any of the Members but the Financial criteria must be met by the Lead Member.

In case of a Bidding Joint Venture Company, Technical Criteria can be met by any of the Partners but the Financial criteria must be met by the Lead Member.

- 6.5 **Qualification criteria**

- 6.5.1. **Technical Criteria**

The interested Bidders shall adequately demonstrate possessing the following technical capabilities in order to be considered for the Technical Proposal Stage (Step III) of the Bidding Process:

- A minimum of 3 years experience in underground coal mining. The bidder should have produced at least one million tonnes of coal from a single mine in any one of the three preceding Financial years (FY 06, 07, 08), by Longwall Mining technology or Mechanized bord and pillar method of mining.

OR

- Should have supplied not less than three Mechanized Longwall packages (which shall at least include PRS) to a coal mine (s)/company (s) during the last three Financial years with at least one such Mechanized Longwall package supplied during the Financial year 2008, and at least one such LW packages should have produced at least 1.00 million tonnes of coal in any of the three preceding Financial years (FY 06, 07, 08).

The bidders shall submit authenticated documents in support of their technical qualifications.

6.5.2. Financial Criteria:

The Bidder (or Lead Member of JV/Bidding Consortium) has to satisfy the following financial criteria of Turnover and Net worth in order to be considered for the Technical Proposal stage (Step III) of the Bidding process:

- The Bidder shall have to fulfil the Net worth requirement of more than INR 300 Crores (INR Three Hundred Crores Only) as on the date of last audited financial statement.

AND

- The Bidder shall have to fulfil an average annual turnover requirement of at least INR 500 Crores (INR Five Hundred Crores Only) for the last 3 Financial years (FY 06, 07, 08).

The bidders shall submit authenticated documents in support of their financial qualifications. In support of the turnover and networth, the bidders shall submit audited documents certified by a chartered accountancy firm, which is recognized by ICAI or by a firm authorized by accounting authority of the country of the Bidder. All documents submitted must be countersigned by the Company Secretary of the Bidder (or Lead Member of JV/Bidding Consortium).

In case, Bidders have their financial statements in the currency other than

Indian Rupees, for the purpose of evaluation, the financial results shall be converted into Indian Rupees at exchange rate issued by Reserve Bank of India prevailing on the balance sheet date for that financial year. In case financial statements of the bidder are in any language other than English, bidder shall also submit a copy of financial statements in English duly certified by an advocate entitled to practice in any High Court in India.

Note:

- 1) The terms Net worth and Turnover shall have the meaning and definition as stated in this document.
- 2) In case Bidder is a Joint Venture or Bidding Consortium, the Turnover and Net worth (i.e. all financial criteria) of only Lead member shall be considered.

Technical & Financial Proposals

- 6.6 In preparing the Technical and Financial Proposals, bidders are expected to examine this Bid Document in detail. Material deficiencies in providing the information may result in rejection of a Proposal.

Technical Proposal Requirements

- 6.7 The Bidders need to submit conceptual report on mine planning – for development and operations of the KTK longwall Project – that should include all of the following:
- 6.7.1 Detailed mine development plan with layout of Longwall Panels for maximizing the annual production and extractable reserves within the Project. During development, TPO shall essentially use cutting technology for the drivage of Gate roads and Trunk Roads and may use drilling and blasting for cross connections. Bidder shall submit Detailed Mine Development Plan so as to extract the top most seam of the Project first and the next lower seam shall be extracted only after complete extraction/exhaustion of the top most seam and the extraction of subsequent seams shall also follow the same sequence. The rated capacity of the Project shall not be less than 2.75 mtpa.
 - 6.7.2 Design of equipment, design of coal evacuation system, design of mining layout, mining scheme, and sequence of extraction, phasing, logistics and other operational requirements while considering the development/construction already existing/undertaken in the Project by SCCL.
 - 6.7.3 Details of ventilation requirement and proposed mine

- ventilation system (including details of panel wise ventilation requirement and set up for distributing air into panels), sequence of development of trunks, gates and extraction of longwall panels and scheduling. Main Mechanical Ventilator of suitable capacity shall be owned and operated by SCCL.
- 6.7.4 Mine production schedule (seam wise).
 - 6.7.5 Drilling and blasting methods for drivage of cross connections, etc., design, handling of explosives, coal handling and storage planning upto the surface designated transfer point – pre weigh bin(s). Explosives shall be procured and supplied to TPO at Pit Magazine on chargeable basis.
 - 6.7.6 Logistics for transportation of men and material from surface to the working place and back.
 - 6.7.7 PERT/CPM chart for all the activities
 - 6.7.8 Design and layout of Mine drainage system (Main sump of the mine shall be maintained by SCCL.)
 - 6.7.9 Total power requirement for all equipments to be deployed and the specific power requirement. Electric power shall be supplied to the TPO on chargeable basis, at rates as payable from time to time by SCCL to the APNPDCL (AP Northern Power Distribution Company Ltd.).
 - 6.7.10 Appropriate illumination system (with due care to safety aspects) within the area of operation of the TPO in the mine as per the Coal Mines Regulation (CMR) – 1957 and other applicable laws and circulars, as amended from time to time.
 - 6.7.11 Manpower deployment plan according to applicable laws and requirement, having required experience, technical competence and qualification of each person and indication of Output per Man Shift (OMS). Statutory supervision and Safety Management at Mining Sirdar and above level, under CMR,1957, shall be provided by SCCL.
 - 6.7.12 Detailed Safety Management Plan (Risk Management Plan).
 - 6.7.13 Proposed Support Plan.
 - 6.7.14 Proposed Rescue Plan. List of trained Rescue personnel along with their detailed curriculum vitae shall be submitted by the selected bidder at the time of signing of the Project Agreement.
 - 6.7.15 Expected time for start of production and expected time frame for reaching peak capacity, confirming to the time schedules prescribed in the NIT.
 - 6.7.16 Safe operating practices along with codes of practice, maintenance plan for various equipment and emergency plan for the operations to meet all the requirements of the

statue.

6.7.17 An undertaking by the bidder to the effect that the particulars furnished by him about his employees are correct to the best of his knowledge and that the (Bidder/Lead member) shall be held responsible in case of default.

6.8 The Bidders shall submit ramp up plan for reaching maximum capacity production according to the coal requirement provided by SCCL. The Bidders shall also submit outline report for Environmental Management Planning. For reference, approved Environment Management Plan can be provided to the bidders for study within SCCL premises. The tentative production schedule proposed by SCCL is as follows:

(Million Tonnes)

Year	Development	Longwall	Total
1 st year	0.25	0	0.25
2 nd year	0.25	1.00	1.25
3 rd year	0.25	2.50	2.75
4 th year	0.25	2.50	2.75
5 th year	0.25	2.50	2.75
6 th year	0.25	2.50	2.75
7 th year	0.25	2.50	2.75
8 th year	0.25	2.50	2.75
9 th year	0.25	2.50	2.75
10 th year	0.25	2.50	2.75
11 th year	0.25	2.50	2.75
12 th year	0	1.25	1.25
Total	2.75	24.75	27.5

Note: The contract shall be co-terminus with the then Longwall Panel under extraction on completion of 12 years or an achievement of 30 Million Tonnes, whichever is earlier.

6.9 The successful Bidder shall submit detailed Curriculum Vitae of experts and skilled personnel who shall work on the project, along with their roles and responsibilities.

6.10 The Bidder shall furnish document to the effect that the equipment proposed to be deployed by him is capable of performing the job and that similar equipment had successfully performed elsewhere.

6.11 The Bidders shall submit the details of equipment in the format given below.

The Bidder shall submit proof of ownership/capacity to arrange adequate fleet of machinery to be deployed or/and submit proof of his registered agreement with any other supplier of equipments to provide the same on lease/rental basis to the bidder for performing the work

S.No	Equipment Type			
	Description (Type, Specification)	No. Of Each	Capacity	Expected Time Of Deployment At Site

Financial Proposal Requirements

6.12 The Bidders shall furnish the Coal Mining Fee per tonne for the first year, where:

6.12.1 Bidder shall quote Mining Fee per tonne of coal produced which shall be payable for the first year.

6.12.2 60% of the Mining Fee quoted shall be variable component, which shall be escalable, and remaining 40% shall be fixed component, which shall not be escalated. The Annual escalation shall be applicable from 2nd year in accordance with Clause 6.13 of this document.

6.12.3 For taxes and levies, following shall be applicable:

(a) The bidder shall quote The Mining Fee exclusive of Stowing Excise Duty, Royalty payable to State / Central Governments.

- (b) Stowing excise duty, royalty payable to the State / Central Government shall be payable directly by SCCL to the respective Government Authorities.
- (c) The Mining Fee quoted shall be exclusive of the applicable service tax, which shall be reimbursed at the prevailing rates.
- (d) Income Tax payable shall be to the account of the TPO.
- (e) All other taxes etc., payable by the bidder, which are incidental to the Project, applicable as on date of submission of the bid shall be deemed to have been included in the Mining Fee quoted itself and no additional payment would be made by SCCL.
- (f) Bidder shall consider CENVAT credit available against Service Tax while offering the Mining Fee quote.
- (g) Subsequently, if there is any revision in the applicable rates of taxes, which are in force as on the date of submission of tender, such variation shall be to SCCL account. Similarly, if any new taxes are introduced or any taxes are omitted/withdrawn after submission of bid and till the end of the contract period, such addition /deletion shall be to SCCL's account. For the applicability of this clause, bidders shall provide the detailed breakup of the Mining Fee indicating the portion of Mining Fee attributed to the coal mining and various taxes considered for estimating the Mining Fee. The provisions of this clause shall be applicable only to revision of those taxes, which are considered by the bidder for estimation of Mining Fee. However, Income Tax as applicable to the TPO and/or its employees shall be to the account of the TPO. The Mining Fee quoted for the first operating year shall be applicable from the effective date.

6.12.4 The coal Mining Fee shall be quoted for ROM coal delivered at surface at the designated transfer point.

ITEM	DESCRIPTION	RATE (INR PER TONNE OF COAL)
	Cost of Coal Mining (Coal delivered at transfer point on surface)	
1	Mining Fee	To be left Blank

NOTE: 1. The Mining Fee Quote shall be left blank here. Mining Fee shall be quoted at format A-17 only. SCCL cannot ensure secrecy of the price quote of the bidder, if it is entered here.

- 6.13 For the period from 2nd year to the 12th year of the Project agreement, the following shall be applicable:
- (a) Variable component (60%) of the Mining Fee as described above shall be varied based on Formula for Escalation Rate (Section A 20).
 - (b) The Annual escalation rate applicable for payment for an operating year shall be calculated 15 (fifteen) days prior to the start of the operating year and shall be notified by SCCL.
- 6.14 The Bidder shall submit a schedule of proposed investments to be made for the development of the mine.
- 6.15 Selected bidder may seek financial support from SCCL in the form of Mobilization advance for this project. Mobilization advance of upto INR 300 (Three hundred) Million can be extended by SCCL after 2 months of issue of LOI, against submission of Bank Guarantee for an amount equivalent to 115% of the Mobilization Advance from any of the banks in India (list is provided in Section A 22 of the NIT) which should be extended one month in advance, every year for an amount equivalent to 115% of the Mobilization advance due, valid for a period of one year. Interest payable by the TPO on the Mobilization Advance shall be at a rate of CC Rate + 1%. Interest shall be paid before 5th of every month before the Commencement date. After Commencement date, the Mobilization Advance and the interest payable shall be recovered from the running bills of the TPO at the rate of 20% of the corresponding bill till the Mobilization advance and the accrued interest are totally repaid. If for any reason, the Mobilization advance is not totally repaid within 3 years from the Commencement date, the applicable rate of interest shall be twice of CC Rate, during the extended term, for the advance due.

Note:

1. This NIT, along with its Annexure(s) and Project Agreement is not transferable.
2. Though adequate care has been taken while preparing this NIT, the Bidder shall satisfy himself/itself on receipt of this NIT, that the document is complete in all respects. Intimation of any discrepancy shall be given to this office immediately. If no intimation is received from any Bidder within ten (10) days from the date of issue of this document, it shall be construed that the Bid Document received by the bidders is considered as complete in all respects by the Bidder.

3. SCCL may modify, amend or supplement this Bid document if such a need arises in the future, prior to the Bid Deadline. In case of such changes thereof to the document, the Bidders to whom the Bid document has been issued shall be notified. The changes also form an integral part of this NIT.
4. Project Agreement supplied along with this NIT is the draft agreement. The final Project Agreement will be prepared based on the draft Project Agreement supplied and negotiations held with the successful bidder.
5. Upon evaluation and negotiations, the terms and conditions mentioned in this document and the Project Agreement, as agreed upon by SCCL and the successful bidder shall be binding on both parties.
6. The Bid document does not constitute any binding offer or an agreement by SCCL.
7. This Bid Document may be withdrawn or cancelled by SCCL at any point of time during the Bidding process, without assigning any reasons thereof.
8. This Bid Document has been prepared in good faith. Neither SCCL nor their advisors/consultants make any representation or warranty, express or implied, or accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the, completeness of information contained herein, and shall incur no liability under any law, statute, rules or regulations as to the completeness of this Bid Document, even if any loss or damage is caused to the Bidder by any act or omission on their part.
9. CC Rate is the Cash Credit Rate at which SBH lends loans to SCCL. The present CC Rate is 10.5%



A7: CONDITIONS PRECEDING EVALUATION

Conditions preceding evaluation of Qualifying Proposal

- 7.1 The conditions preceding evaluation of the technical and financial capabilities of the Bidders shall be carried out based on the procedure stated below.
- 7.2 The Bidder can bid as a Single Bidder, a Bidding Consortium, or a Joint Venture.
- 7.3 In case, Bidder is a Single Company, all the financial and technical criteria shall be met by itself.
- 7.4 In case the Bidder is a Joint Venture, the Turnover and Net worth of the Lead member of the Bidder alone shall be considered for meeting financial criteria as per Qualifying Proposal Requirements.
- 7.5 In case the Bidder is a Consortium, the Turnover and Net worth of the Lead member of the Consortium alone shall be considered for meeting financial criteria as per Qualifying Proposal Requirements.
- 7.6 In case the Bidder is a Joint Venture or a Bidding Consortium, the members of the Joint Venture/ Bidding Consortium shall execute a notarized Joint Operating Agreement on a non-judicial stamp paper clearly identifying all the individual members as per the proforma provided in the section A 21 of this document. The proposal document shall also furnish certified copies (copies to be certified by the Company Secretary) of the shareholders resolution from the JV partners and/ or members of the Bidding Consortium committing 100% equity in the JV or Bidding Consortium for investment in this project.
- 7.7 The Bidder, who is finally selected, as the TPO shall be required to furnish a Performance Bank Guarantee of INR. 5,000,000 (Indian Rupees Five Million only) issued from any of the banks in India (list is provided in the section A 22 of the NIT). The format and terms of this Performance Bank Guarantee are specified in this bid document.

Notes:

1. The specific gravity (tonnes / cubic metre) of coal shall be considered as 1.4 (value) for all the calculations wherever required.
2. All the financial figures (i.e. Net Worth and Annual Turnover) shall be as

per the audited financial statements for the preceding three (as applicable for the criteria under evaluation) financial years. In case the audited financial results for the last preceding financial year are not available, certification of financial statements from an Accountancy Firm (the signatory shall be a Chartered Accountant) shall be acceptable.

Methodology for Evaluating Technical Proposal

- 7.8 The technical proposal shall be checked only for “Responsiveness” and shall not carry any weight in the final evaluation of the bids.

Methodology for Evaluation of Financial Proposal

- 7.9 The financial proposal shall be opened only of those bidders who satisfy the Qualification Criteria and meet the requirement under Technical Proposal. In final evaluation, only financial bids shall be considered and thus, shall have 100% weightage.
- 7.10 The financial proposal shall be made in Indian Rupees only. It shall be evaluated in accordance with the following scheme.
- 7.10.1. Only Mining Fee shall be considered.
- 7.10.2. The Bidder quoting lowest Mining Fee shall be ranked as L1 and similarly next higher shall be ranked as L2 and so on. The Bidder quoting lowest Mining Fee (L1) shall be called for negotiation.



A8: APPLICABLE PRICE, BASIS OF PAYMENT & PRICE ADJUSTMENT AND PAYMENT TERMS

8.1 PRICE APPLICABLE DURING CURRENCY OF AGREEMENT

The price applicable during the currency of the Agreement shall be determined as follows:

- 8.1.1 Tax at Source shall be deducted, as per the relevant rules of Income Tax Act, 1961, from all payments on account of mining services provided by TPO which is due from the TPO. SCCL shall issue valid certificates for the tax deducted at source.
- 8.1.2 Bidder shall present documentary proof of the service tax payments for reimbursement of the same from SCCL.
- 8.1.3 Mining Fee per tonne for the respective year shall be paid after adjusting for the Tax deducted at source and for penalties if any.

8.2 BILLING AND PAYMENT TERMS:

- 8.2.1 The Mining Fee shall be payable fortnightly. The TPO shall submit its bills, complete in all respects, within (7) days from the end of the fortnight. SCCL shall make payment after 7 days but not later than 10 days of the submission of the bill, complete in all respects.
- 8.2.2 From the running bills of the TPO Further Security Deposit (FSD) of 1% of the bill value shall be deducted. The FSD so recovered shall be refunded annually (on submission of documentary evidence) after ensuring that the TPO has fulfilled the statutory obligations like payment of minimum wages, CMPF/EPF, Workmen Compensation etc. Further, The FSD is liable for forfeiture in case of failure of the TPO to execute the order as per order terms in addition to other guarantee/ security amounts.

FSD shall be refunded after making necessary deductions for penalties, if any, payable by the TPO.



A9: INSTRUCTIONS TO BIDDERS (ITB)

- 9.1 Bidders may request a clarification on NIT and other BID documents upto 15 days before the Proposal submission date. Any request for clarification must be sent in writing by paper mail, cable, telex, facsimile, or electronic mail to SCCL's address. SCCL shall respond by paper mail, cable, telex, facsimile, or electronic mail to such requests and shall send copies of the response (including an explanation of the query, but without identifying the source of inquiry) to all bidders who intend to submit proposals.
- 9.2 The original Proposals (Qualifying Proposal, Technical Proposal and Financial Proposal) shall be prepared in indelible ink. It shall contain no inter-lineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the person or persons authorised to sign the Proposals (Authorized Signatory).
- 9.3 An authorized representative of the firm shall sign all pages of the Proposals. The authorization should be confirmed by a written power of attorney accompanying the Proposals.
- 9.4 The Qualifying Proposal, Technical and Financial Proposals duly filled up with the information, along with supporting documents (wherever applicable) shall be submitted by Bidders in the manner as described in the following paragraphs.
- 9.5 The Proposals, one original and two copies each of Qualifying Proposal, and Technical proposal and one copy in original of Financial proposal sealed in 3 separate envelopes, shall be packed in a sealed envelope or a box, with the following inscription:

“Qualifying, Technical and Financial Proposals for Selection of TPO (Technology Provider cum Operator) for the Kakatiya Longwall Project”

Chief General Manager (Purchase)
The Singareni Collieries Company Limited,
Kothagudem Collieries, Khammam District
Andhra Pradesh, India. Pin: 507101

OR

Chief General Manager (Purchase)
The Singareni Collieries Company Limited,

Singareni Bhavan, Red Hills,
Khairatabad, Hyderabad
Andhra Pradesh, India. Pin: 500 004.

- 9.6 The original and all copies of the Qualifying Proposal, Technical Proposal and Financial Proposal in original shall be placed in three different sealed envelopes clearly marked as “Qualifying Proposal”, “Technical Proposal,” and “Financial Proposal”. The original set of the three proposals (Qualifying, Technical and Financial) shall be marked and labeled as “Original”. Financial proposal shall carry the warning: “FINANCIAL PROPOSAL - Do Not Open with the Technical Proposal.” The 3 envelopes (containing Qualifying, Technical and Financial Proposals) shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and shall be clearly marked, “DO NOT OPEN, EXCEPT IN PRESENCE OF THE COMPETENT AUTHORITY FOR EVALUATION.”
- 9.7 SCCL shall not be liable or held responsible for non-confidentiality of price bid before the price bid-opening schedule if price bid is not sealed properly in the manner described above.
- 9.8 The Bidder shall also submit soft copy in non-editable PDF format of its Qualifying Proposal and Technical Proposal in two Compact Discs (2 CD) in a sealed cover along with the hard copies. The same shall be opened along with the hard copy. In case of any mismatch or conflict between the soft copy and hard copy of Qualifying Proposal and Technical Proposal, the hard copy of Qualifying Proposal and Technical Proposal shall prevail and be binding on the bidder
- 9.9 The Qualifying Proposal shall be submitted along with Earnest Money Deposit in the form of a Bank Guarantee of INR 5,000,000 (Indian Rupees Five Million only) issued by any Public Sector Scheduled Commercial Bank (list is provided in Section A 22) in favor of “The Singareni Collieries Company Limited” in the format appended with this document valid for a period of one year from the last date of submission of the proposals. Bidder may also submit EMD in the form of Demand Draft drawn in favour of “The Singareni Collieries Company Limited” issued by any bank having branch in India which is payable at par at Hyderabad/Kothagudem (India). No interest shall be paid for the EMD submitted by the bidders.
- 9.10 The last date and time for the submission of the Proposals shall be XXXXXXXXXXX at XXXXXX hours at the following address:

Chief General Manager (Purchase)

The Singareni Collieries Company Limited,
Kothagudem Collieries, Khammam District
Andhra Pradesh, India. Pin: 507101

OR

Chief General Manager (Purchase)
The Singareni Collieries Company Limited,
Singareni Bhavan, Red Hills,
Khairatabad, Hyderabad,
Andhra Pradesh, India. Pin: 500 004.

- 9.11 Bidder must submit the following documents along with the technical proposal in a separately sealed envelop marked as “Supporting Documents”:
- 9.11.1. Complete set of the Bid document along-with clarification agenda/ corrigenda, as issued by SCCL, if any, duly filled in and signed by the authorized representative of the Bidder.
 - 9.11.2. The Bidder should submit the copy of its latest income tax returns or equivalent document submitted to the Tax Authority. The tax returns shall be for the preceding financial year in which the Bid is submitted.
 - 9.11.3. Details of work experience from accredited sources acceptable to SCCL in respect of works to satisfy the eligibility criteria as per NIT, during any of the last three years. Supporting certificate issued by the party who awarded such contract should also be submitted.
- 9.12 Bidder shall also provide following information along with the supporting documents:
- 9.12.1 In case of a Firm, Company or Corporation,
 - (a) Legal name, the nature of business along with year of incorporation and full address of the registered office.
 - (b) Authorized, subscribed and paid-up capital, wherever applicable.
 - (c) The name and address of all the Directors, Chief Executives, President, Secretary or other persons authorized to bind the firm, company or corporation in the matter.
 - 9.12.2 In case of a Consortium/JV companies, the details of all participating firms/companies.

- 9.12.3 Name, designation and address of the authorized representative.
- 9.13 Bidder can download the tender document from the website of SCCL i.e. "www.scclmines.com" and submit the same along with the prescribed value for the tender documents in form of Demand Draft drawn in favour of The Singareni Collieries Company Limited issued by any bank having branch in India which is payable at par at Hyderabad/Kothagudem (India). Bidders downloading Tender documents from SCCL website shall enclose DD as above, in a separate sealed envelope with a superscription – "DD towards cost of Tender documents". However, if the tender documents submitted after downloading from SCCL website are either found to have been tampered or differ from the tender documents available with SCCL, the Bid of such Bidder shall be rejected and EMD of such Bidder shall be forfeited.
- 9.14 No submissions shall be allowed after the above deadline specified for submission of Proposals.
- 9.15 The Bidder has the option of sending its Proposal by registered post or submitting the Proposal in person so as to reach the designated address by the time and date specified in the Bid Document. SCCL shall not be responsible for any delay, loss or damage in receipt of the Proposals.
- 9.16 The Bidders must note that the Proposals shall not be received by SCCL by fax and/or email. Only those Proposals that are received in properly sealed condition by SCCL by post or in person till the last date and time specified for submission shall be considered by SCCL.

Opening of Proposals

- 9.17 The Proposals would be opened on the date and time specified in the Bid Document. Each bidder may send its representative to be present at the time of opening of the Proposals. The Bidder's representatives attending the opening of the proposals shall be required to record their presence and initial the minutes of Proposal Opening.
- 9.18 The date and time of opening the Qualifying Proposals are on **XXXXXXXX at XXXXX hours.**
- 9.19 The Qualifying Proposals shall be opened first and the Technical Proposals of only those bidders shall be opened in next step who fulfill the Technical Criteria and Financial Criteria as mentioned in Qualifying Proposal Requirements.
- 9.20 The date and time of opening the Technical Proposals are on **XXXXXXXX at XXXXX hours.**

- 9.21 SCCL shall evaluate the Technical Proposals on the basis of their responsiveness to the Scope of work. A proposal shall be rejected at this stage if it does not respond to various aspects of the Scope of work and/or NIT.
- 9.22 After the evaluation of Technical Proposal is completed, SCCL shall notify those bidders whose proposals are considered non-responsive to the Bid Document and Scope of work, indicating that their Financial Proposals shall be returned unopened after completing the selection process. SCCL shall simultaneously notify the Technically Qualified bidders, indicating the date and time set for opening the Financial Proposals. The notification may be sent by registered letter, cable, telex, facsimile, or electronic mail.
- 9.23 The Financial Proposals shall be opened publicly in the presence of the bidders' representatives who choose to attend. The name of the Bidder and Mining Fee quote shall be read aloud and recorded when the Financial Proposals are opened.
- 9.24 In accordance with the evaluation criteria mentioned in this Bid Document the Bidder declared L1 shall be called for negotiations.
- 9.25 SCCL reserves the right not to accept the lowest offer.

Negotiations

- 9.26 Negotiations shall be held on the date and at the address, which shall be intimated after the opening of price bid (Financial Proposal). The aim is to mutually agree on all points and sign the Final Project Agreement.
- 9.27 Negotiations shall include a discussion on the Draft Project Agreement, Technical Proposal, the proposed methodology (work plan), and staffing. SCCL and Bidder called for negotiation shall then work out final staffing, and bar charts indicating activities, staff, periods in the field and in the home office, staff-months, logistics, and reporting. The agreed work plan shall then be incorporated in the "Description of Services" and form part of the Project Agreement. After the negotiations, Project Agreement shall be signed with the successful bidder.
- 9.28 In the case of disqualification of the L1 declared bidder by SCCL, prior to signing of the Agreement, SCCL at its sole discretion may decide the future course of action regarding the bid process.

Disqualifications

- 9.29 Notwithstanding anything to the contrary contained herein and without

prejudice to any of the rights or remedies of SCCL, a Bidder shall be disqualified and its Proposals dropped from further consideration for any of the reasons listed below:


- 9.29.1. Misrepresentation by any Bidder or member of the Bidding Consortium/JV in the Proposal for Qualification
 - 9.29.2. Failure by the Bidder and/ or members of the Bidding Consortium/JV to provide necessary and sufficient information as required and asked for in the Bid document
 - 9.29.3. A winding up/insolvency or other proceedings of a similar nature is pending against the bidder or consortium member or a receiver has been appointed for the assets of such member or consortium,
 - 9.29.4. If any member of the Consortium/JV is shown as a member in another Consortium/JV also.
 - 9.29.5. The company or the consortium ceases to fulfil the prescribed financial and/or technical criteria mentioned in the Bid document.
 - 9.29.6. Failure of the Bidder to extend the validity of its Technical and/or Financial proposals and/or EMD, on the request of SCCL.
- 9.30 If information becomes known after the bidder has been qualified, at any stage, to proceed with the bid process, which would have entitled SCCL to reject or disqualify the relevant bidder, SCCL reserves the right to reject or disqualify the relevant Bidder at the time, or at any time, such information becomes known to it. Where such party is a Bidding Consortium, SCCL may disqualify the entire consortium, even if it applied to only one member of the Consortium. SCCL's determination that one or more of the events specified under this section has occurred shall be final and conclusive.

Change in consortium/JV company or formation of consortium /JV company

- 9.31 In no case, SCCL shall allow change in the Consortium/JV Company by inclusion/exclusion of members or if a Bidder desires to form a Consortium/JV by inducting new Member(s). The Lead member shall not directly or indirectly, including through merger/ acquisition/joint venture, dilute its stake below 51% in the equity/capital of the Joint Venture / Consortium during the term of this agreement. In case stake of Lead member in JV/Consortium falls below 51%, this tender document and agreement signed for this contract shall be void and ownership of all the mining machineries/assets/infrastructure

deployed by TPO shall be transferred to SCCL. Provided that the change of any member other than the Lead member in the JV Company or the Bidding Consortium can be permitted by SCCL, only after 3 complete years after the TPO reaches the rated output of 2.75mtpa.

Further information

- 9.32 If at any time during the evaluation process SCCL requires any clarifications, they reserve the right to request such information from any sole bidder or member companies of a bidding consortium/JV Company and the bidder/member companies shall be obliged to provide the same within seven days from the date of issue of letter requesting such clarification.
- 

A10: SCOPE OF WORK

The TPO shall provide **Longwall Mining Technology**, design Longwall Panels and operate the mine for a period of 12 years or till the achievement of a total production and transfer of 30.0 million tonnes of coal, whichever is earlier, as brought out in the NIT. The TPO shall design, engineer, develop, operate and maintain the technology to ensure the production and transfer of coal at a pre-designated transfer point on surface to SCCL at most competitive commercial terms with utmost consideration to conservation of Coal, Safety of the Project and the persons employed therein. The mining operations shall involve excavation of coal from the underground, loading, transportation, and delivery of the same at the surface at the pre designated transfer point (pre-weigh bin(s)), maintaining the ventilation and illumination of mine, mine safety, creation of related infrastructure facilities like equipment workshop, pumping from mine activities to the below-ground main sump, maintaining drivage and roads in good working condition etc. The TPO shall be required to abide by all statutory rules, regulations and laws as applicable from time to time including but not limiting to those related to Government licenses, workmen compensation, insurance etc.

10.1 The scope of work of the TPO shall be as follows:

- 10.1.1. Seek and get all required approvals from Directorate General of Mines Safety for the method of mining and technology, deployment of mining machinery, safe working procedures, systematic support rules etc. as required for safe and efficient mine working. In the capacity of the Mine Manager of the "Project", SCCL shall assist suitably.
- 10.1.2. Mining of coal as per approved mine plan. The TPO shall submit its own mine plan within pre-determined parameters in accordance with SCCL's requirements and the details provided to him. If any additional data is required, TPO may undertake studies as per its requirements on its own cost with prior approval from SCCL. The Geological Report, the Mining Plan, the EIA and EMP for the project have been formulated and approved by competent authorities.
- 10.1.3. Compliance of all regulatory and statutory requirements on behalf of SCCL.
- 10.1.4. The TPO shall arrange mining machinery for drivage of gate roadways as per the sequence of longwall panels planned in the Project.
- 10.1.5. TPO shall satisfy the statutory ventilation requirements at the face and trunk roadways and make necessary arrangements for distribution and coursing of air at the face and at the sealed-off panels at his cost.
- 10.1.6. TPO shall abide by the Coal Mines Regulations, 1957, Safety Rules

- and regulations as specified under Indian Electricity Rules, and/or any other existing or future statutes that may be applicable.
- 10.1.7. Investing in and providing Longwall mining machinery and other mining machinery for mining coal and transport of the same to surface.
 - 10.1.8. Deployment of auxiliary equipments to support mining operation.
 - 10.1.9. Strata monitoring as required as per scientific LW Mining requirements and also as required by DGMS or other statutory bodies.
 - 10.1.10. Electric power shall be supplied to the TPO on chargeable basis, at rates as payable by SCCL from time to time to the APNPDCL (AP Northern Power Distribution Company Limited). TPO shall make arrangements to distribute and stabilize the voltage, supplied by SCCL at surface sub-station, to counteract any fluctuations or drop of voltage of the electricity supplied.
 - 10.1.11. Drilling and blasting of coal for cross cut drivage for connecting Gate roads and Trunk roads.
 - 10.1.12. Providing mine support system for safe and stable mine working.
 - 10.1.13. Deployment of Powered support at longwall face of sufficient capacity.
 - 10.1.14. Construction, maintenance and operation of mine-dewatering arrangement upto the main sump of the mine. TPO shall undertake dewatering arrangement from mine workings upto main sump. From main sump, water will be pumped by SCCL. Drainage of gate road drivages and Longwall face upto the main sump shall be the responsibility of the TPO.
 - 10.1.15. Establish suitable communication network between mine workings and surface.
 - 10.1.16. Drinking water supply arrangement in underground.
 - 10.1.17. Construction and maintenance of internal power supply arrangements.
 - 10.1.18. Provision for mine illumination as per prevalent laws, to the satisfaction of SCCL.
 - 10.1.19. Safe use of explosives abiding by the applicable laws. Explosives shall be supplied by SCCL, at pit Magazine on chargeable basis.
 - 10.1.20. Provision of all the consumables required for the operation and maintenance of equipment deployed by TPO as per his scope.
 - 10.1.21. Arrangement of petrol/diesel, oil and lubricants for the equipment and machinery of TPO.


- 10.1.22. Compliance of specific conditions under environment and other clearances as applicable to the TPO.
- 10.1.23. Transportation of coal upto the designated point at the surface (pre-weigh bin(s)). Pre-weigh bin(s) shall be constructed, installed, operated and maintained by the TPO. SCCL representative shall be present at the Pre-weigh bin(s) and cross-check the actual measurements at the Pre-weigh bin(s).
- 10.1.24. Transportation of men and material from and to the surface including transportation of heavy machinery.
- 10.1.25. Arrangement for vocational training to the workmen and establish Vocational Training Center. If required, TPO shall make arrangement for regular training program for his employees for the safe working of mine. SCCL can extend Vocational Training to the employees and issue Training certificates, on the request of the TPO on chargeable basis.
- 10.1.26. Initial Medical Examination / Periodical Medical Examination statutorily required for the employees of the TPO. However, the same can be arranged by SCCL, on the request of the TPO on chargeable basis.
- 10.1.27. The TPO shall make all arrangements for ensuring safety standards as required by law & conforming to best industry practices. The TPO shall also provide for prevention of occupational health disorders and creation of good work environment. In case of any breach and hence, penal sanctions on SCCL, the same shall be borne by the TPO over and above the penalties for loss of production. TPO shall indemnify SCCL in such occurrences. Further, TPO shall bear any compensation to be paid to his employees as regards any accident or any breach of safety standards.
- 10.1.28. The TPO shall adhere to the approved Mine safety plan and shall make necessary investments and expenses to mitigate all safety related risks. In case of any breach and hence, penal sanctions on SCCL, the same shall be borne by the TPO over and above the penalties for loss of production.
- 10.1.29. The TPO shall be responsible for maintenance of attendance for persons engaged by him in appropriate register and for producing the same for inspection as and when demanded by the Manager/Agent or any other authorized persons from SCCL or DGMS.
- 10.1.30. TPO shall take up the development of trunk roadways also as per the projections of SCCL after finalization of the contract.
- 10.1.31. Any other requirement as per scientific LW mining practices and/or compliance of all statutory/non-statutory stipulations/directives

/instructions/obligations of DGMS/state/central/local governing bodies etc., for smooth execution of the project.

- 10.1.32. Any other activity incidental to construction, operation and maintenance of the mine, apart from the indicated list as above.
- 10.1.33. The TPO shall adhere to the approved Environmental Management Plan and shall make necessary investments and expenses to mitigate all environmental risks. In case of any breach and hence, penal sanctions on SCCL, the same shall be borne by the TPO over and above the penalties for loss of production.
- 10.1.34. Sealing of goaved out longwall panels and drainage, inspection and environmental monitoring of the goaved out longwall panels.

10.2 SCCL shall undertake the following activities:

- 10.2.1. SCCL shall operate the 3 lakh cfm / 150 cu. m/sec rated (as measured in the fan drift) Main Mechanical Ventilator to be installed for the purpose.
- 10.2.2. Drivage of drifts, touching Coal Seam(s) from the surface has already been completed.
- 10.2.3. Proposed inter-seam tunnels, as per approved Mining plan are being driven by SCCL and shall be completed by SCCL.
- 10.2.4. Sinking of Return Air Shaft.
- 10.2.5. Trunk Roadways drivage until the contract is finalized.
- 10.2.6. SCCL shall engage required statutory supervision at Mining Sirdar and higher level and the TPO employees shall follow the safety instructions of the statutory personnel in all matters pertaining to safety.
- 10.2.7. Required electrical power at 6.6 KV or higher shall be provided by SCCL at the surface sub-station, on secondary side of the sub-station with provision for recording/billing of the TPO consumption of electricity. Separate metering arrangements for power consumed by SCCL as per the scope of work of SCCL shall be arranged by SCCL.
- 10.2.8. Pumping from the belowground main sump will be done by SCCL. (Drainage of gate road drivages and Longwall face, old workings and goaved out panels up to the main sump of SCCL shall be the responsibility of TPO).
- 10.2.9. Water supply (raw/drinking) at designated point on surface, free of cost.
- 10.2.10. Provision of explosives at pit magazine on chargeable basis.

- 10.2.11. Provision of unfurnished accommodation for Canteen and Rest shelter in “as is where is” condition. Electricity charges for such accommodation shall be borne by the TPO.
 - 10.2.12. Covered and unfurnished warehouse, space for office and a maximum of forty block accommodation shall be provided by SCCL in “as is where is” condition. Electricity charges for such accommodation shall be borne by the TPO.
 - 10.2.13. Medical assistance to the employees of TPO can be provided by SCCL at SCCL Bhoopalpalli Area Hospital on chargeable basis. The medical facilities extended shall be limited to the facilities available at Bhoopalpalli Area Hospital of SCCL.
- 

A11: BIDDERS EXECUTIVE SUMMARY

The executive summary should contain a one-page write up about the Bidder/ Consortium/JV Company, providing the Business Profile of the company and key achievements in the mining sector.

1. Name of the Bidding Company/ Bidding Consortium.
2. Name of the Lead member in the Bidding Consortium.
3. Details of the Bidding Consortium (*If applicable*):
 - Name of all the companies in the Bidding Consortium
 - Role Envisaged for each of the Member Company
 - Details of Experience
 - Financial requirement met by Lead member
4. Details of the Joint Venture (*If applicable*):
 - Name of all the companies in the Joint Venture
 - Role Envisaged for each of the Member Company
 - Details of Experience
 - Financial requirement met by Lead member
5. Contact Details:
 - Name of the Contact Person
 - Address for communication
 - Phone/Fax/Email:
6. Signature of Authorized Signatory
7. Seal and stamp of the Company

**A12: FORMAT FOR COVERING LETTER FOR
QUALIFICATION PROPOSAL**

Bidder's Name:

Full Address:

Telephone No:

Email Address:

Fax No.

To,

Chief General Manager (Purchase)

The Singareni Collieries Company Limited,

Kothagudem Collieries, Khammam District

Andhra Pradesh, Pin: 507101

India

Sub:- Response to Bid Documents for Selection of Technology Provider cum Operator for coal mining at the Kakatiya Longwall Project.

Dear Sir,

We, the undersigned Bidder having read and examined in detail the Qualification Proposal Requirements for selection of Technology Provider cum Operator (TPO) for coal mining at the Kakatiya Longwall Project hereby submit our response.

CONTACT PERSON

(Details of the contact person are furnished as under)

Name

Designation

Company

Address

Phone Nos.

Fax Nos.

Email address

We are herewith enclosing the information with duly signed formats, in one (1) original + two (2) copies and two Compact Discs (CD) containing all the information submitted, as desired by you, for your consideration.

Dated the ----- day of ----- of 20---

The period of validity of the response to bid document/NIT shall not be less than 6 months from the last date of submission.

Thanking You,

Yours faithfully,

(Signature, Name, Designation and Company's Seal of the Authorised Signatory)

Business Address:



**A13: FORMAT FOR SUBMISSION OF TECHNICAL CRITERIA
AS PER QUALIFYING PROPOSAL REQUIREMENTS**

To,
Chief General Manager (Purchase)
The Singareni Collieries Company Limited,
Kothagudem Collieries, Khammam District
Andhra Pradesh, Pin: 507101
India

Sub: Qualification Proposal for Selection of Technology Provider cum
Operator for Kakatiya Longwall Project.

(Please strike out whichever is not applicable)

Dear Sir,

We ----- (The legal name of the Bidder) confirm that we have

OR

We, the Bidding Consortium, consisting of the following members -----
- and -----, confirm that ----- have

OR

We, the Joint Venture between ----- and ----- confirm
that ----- have in the preceding three completed financial years,
reckoned from the date of submission of the Bids, produced on an average
more than 1 MTPA of coal from Longwall method or mechanised Bord and
Pillar method of underground coal mining from a single coal mine operated at
[Name of the Mine and Location]. 1 MTPA = 1 MILLION TON PER ANNUM.

Sl. No.		Coal In MTPA
1	YEAR 1	
2	YEAR 2	
3	YEAR 3	
	TOTAL PRODUCTION	
	AVERAGE PRODUCTION*	

* AVERAGE PRODUCTION = TOTAL PRODUCTION / 3

And/Or

Supplied mechanised longwall package to the following mines in last three years

S.No.	Name of the Mine	Company/Country	Capacity of the Mine	Year of Supply

Thanking you,

Yours faithfully,

(Authorised Signatory

Date:

(Name).....

Place:

(Designation).....

(Seal).....

NOTE:

- (A) In case the Financial Year as per the audited financial statement is different from 1st April to 31st March as specified here, the Bidder may mention the Financial Year as per the audited financial statements and furnish the production details of coal and overburden accordingly.
- (B) Bidder shall also provide the levels of mechanisation in case of production requirement for the qualification purpose are met by the Bord and Pillar method of mining.



**A14: FORMAT FOR SUBMISSION OF FINANCIAL CRITERIA
AS PER QUALIFYING PROPOSAL REQUIREMENTS**

To,
Chief General Manager (Purchase)
The Singareni Collieries Company Limited,
Kothagudem Collieries, Khammam District
Andhra Pradesh, Pin: 507101
India

Sub: Qualification Proposal for Selection of Technology Provider cum Operator for the Kakatiya Longwall Coal Mining Block.

Dear Sir,

We ----- (The legal name of the Bidder) confirm that we have

OR

We, the Lead member of the Bidding Consortium, consisting of the following members ----- and ----- confirm that we have

OR

We, the Lead member of the Joint Venture, between ----- and ----- confirm that we have

In the preceding three (3) completed financial years, reckoned from the date of submission of the Bids,

(A) An annual turnover of INR Crore (Year 1), INR crore (Year 2) and INR Crore (Year 3).

And as on the last date of the immediately preceding financial year i.e. _____, reckoned from the date of opening the Bids,

(B) A networth of INR Crore (Year 1).

INR = Indian Rupee

Where the financial parameters are expressed in currencies other than INR, the exchange rate shall be that of the Balance sheet date as published by Reserve Bank of India.

Table for Bidding Company

OR

Lead Member of the Bidding Consortium

OR

Lead Member of the Joint Venture Company

SNo.	Year	Turnover in Rs. Crore	Networth in Rs. Crore
1	Year 1		
2	Year 2		
3	Year 3		

It is understood that, in case of a Bidding consortium OR Joint Venture, the financial requirements (Turnover and Networth) of only the Lead member shall be considered.

Yours faithfully,

(Authorised Signatory

Date:

(Name).....

Place:

(Designation).....

(Seal).....



A15: FORMAT OF COVERING LETTER FOR TECHNICAL PROPOSAL

(The covering letter is required to be submitted by the Bidder on its letter head)

Bidder's Proposal Ref. No. and Date:

From:

Bidder's Name and Address:

Authorized Representative

Name:

Designation:

Tel. Nos:

Mobile No.:

Fax No.:

Email Address:

To,

Chief General Manager (Purchase)

The Singareni Collieries Company Limited,

Kothagudem Collieries, Khammam District

Andhra Pradesh, Pin: 507101

India

Dear Sir,

Sub: Technical Proposal for Selection of Technology Provider cum Operator for the Kakatiya Longwall Project.

Please find enclosed herewith one (1) original + two (2) copies + soft copies (2 CD) of our Technical Proposal for Development and Operation of the Kakatiya Longwall Project as TPO for production and transfer of coal to SCCL, in response to the Documents issued by SCCL vide letter no. -----

----- dated ----- (Bidder to specify date of issue of Documents by SCCL) and its subsequent corrigendum No. (s) ----- (Bidder to insert corrigenda issued, if any by SCCL subsequent to issue of Document)

We ----- (Name of the Bidder) having our registered office at --- ----- having examined in detail and understood the terms and conditions stipulated in the aforesaid Documents and subsequent corrigendum, if any, issued by SCCL and confirm that our Technical Proposal is in full conformity with these Documents.

If negotiations are held during the period of validity of the Proposal, i.e., before [Date] we undertake to negotiate. Our Proposal is binding upon us and subject to the modifications resulting from negotiations on the Project Agreement.

We understand that SCCL is not bound to accept any Proposal received.

We remain,

Yours faithfully,
Authorized Signatory:

(Name).....

(Designation).....

(Seal).....

Address:



A16: FORMAT FOR SUBMISSION OF ADDITIONAL INFORMATION

To,
Chief General Manager (Purchase)
The Singareni Collieries Company Limited,
Kothagudem Collieries, Khammam District
Andhra Pradesh, Pin: 507101
India

Sub: Proposals for Selection of Technology Provider cum Operator for Kakatiya Longwall Project.

Dear Sir,

We ----- (Name of the Bidder) are furnishing the following additional information apart from those already mentioned in the bid documents, which in our opinion strengthens our case for being well qualified to undertake the development and operation of Kakatiya Longwall Coal Mining Block.

The following is the list of documents/ information provided by us:

1. -----
2. -----
3. -----

Thanking you, we remain,

Yours faithfully,

(Authorised Signatory)

Date:

(Name.....)

(Designation...)

Place:

(Seal.....)



A17: FORMAT OF COVERING LETTER FOR FINANCIAL PROPOSAL

(The covering letter is required to be submitted by the Bidder on its letter head)

Bidder's Proposal Ref. No. and Date:

From:

Bidder's Name and Address:

Authorized Representative

Name:

Designation:

Tel. Nos:

Mobile No.:

Fax No.:

Email Address:

To,

Chief General Manager (Purchase)

The Singareni Collieries Company Limited,

Kothagudem Collieries, Khammam District

Andhra Pradesh, Pin: 507101

India

Dear Sir,

Sub: Financial Proposal for Selection of Technology Provider cum Operator for the Kakatiya Longwall "Project".

We, the undersigned, offer to provide Longwall Technology and operate the proposed "Project" in accordance with your Request for Proposal dated [Date], and our Proposal (Technical and Financial Proposals). Our financial proposal is

1. Mining Fee.....(INR per tonne of coal)

The details of our financial proposal are presented below:

ITEM	DESCRIPTION	RATE (INR PER TONNE OF COAL) Year 1
	Cost of Coal Mining (Coal delivered at transfer point on surface)	
1	Mining Fee	

NOTE: a) Bidders shall quote the “Mining Fee” in INR only.

b) Bidder shall consider CENVAT credit available against Service Tax while offering the Mining Fee quote.

Our financial proposal shall be binding upon us upto expiry of the validity period of the Proposal, i.e., [Date].

We understand that SCCL is not bound to accept any Proposal received.

We remain,

Yours sincerely,

Authorized Signatory :

Name and Title of Signatory:

Name of the Firm:

Address:



A18: FORMAT OF BANK GUARANTEE - EMD

(Similar Format shall be used for Performance Bank Guarantee)

GUARANTEE BOND

(To be stamped in accordance with the Stamp Act)

Bank Guarantee No.

Date

To:

Chairman & Managing Director,
The Singareni Collieries Company Ltd.,
Singareni Bhavan, Red Hills,
Post Box No. 18,
PO. Khairatabad,
Hyderabad – 500 004
A.P., India.

Dear Sirs,

In consideration of M/s.The Singareni Collieries Company Ltd., (hereinafter referred to as 'SCCL' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and permitted assigns) having entered into a "Project Agreement" with M/s having its registered office at..... and principal place of business at [hereinafter referred to as the "TPO" which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and permitted assigns] vide Agreement No. dated for development and operation of Kakatiya Longwall Coal Mine and the TPO having agreed to provide a Earnest Money Deposit/Performance Bank Guarantee/Production Bank Guarantee for the due performance of the entire Agreement for an amount equal to Indian Rs. XXXXXXXXX (Indian Rupees XXXXX initially be valid for XXX (XX) years from the XXXXX Date as defined in Agreement and essentially required to be extended every XXX years till the Term of the Agreement, presently expected to be Seven years.

We, (Name & address of the Bank), having its Head Office at..... (hereinafter referred to as the "Bank" which expression shall, unless repugnant to the context of meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake

to pay SCCL, on demand any and all monies payable by the TPO to the extent of Rs.XXXXX (Indian Rupees XXXX only) as aforesaid at any time up to@..... [days/month/year] without any demur, reservation, contest, recourse or protest and/ or without any reference to the TPO. Any such demand made by SCCL on the Bank shall be conclusive and binding notwithstanding any difference between SCCL and the TPO or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during its currency without previous written consent of SCCL and further agrees that the guarantee herein contained shall continue to remain enforceable till SCCL discharges this guarantee.

SCCL shall have the fullest liberty, without affecting in any way the liability of the Bank under this Guarantee, from time to time to extend the time for performance of the Agreement by the TPO. SCCL shall also have the fullest liberty, without affecting in any way the liability of the Bank under this Guarantee to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the TPO, and to exercise the same at any time in any manner, and either to enforce or to forebear to enforce any covenants, contained or implied, in the Agreement, between SCCL and the TPO or any other course or remedy or security available to SCCL. The Bank shall not be released of its obligations under these presents by any exercise by SCCL of its liberty with reference to matter aforesaid or any of them or by reason of any other act of forbearance or other acts of omission or commission on the part of SCCL or any other indulgence shown by SCCL or any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Bank.

The Bank also agrees that SCCL at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against TPO and notwithstanding any security or other guarantee that SCCL may have in relation to TPO's liabilities.

We, the said Bank, also undertake not to revoke this Guarantee during the currency except with the previous consent of the SCCL in writing and agree that any change in the constitution of the said TPO or the said Bank shall not discharge our liability hereunder.

Notwithstanding anything contained hereinabove our liability under this Guarantee is restricted to Indian Rs.XXXXXX (Indian Rupees XXXXXXX only) and shall remain in force upto and including (the date) and shall be extended from time to time for the period, as may be desired by M/s (the TPO) on whose behalf this guarantee has been given.

Dated this day of 200 at

WITNESS:

_____	_____
(Signature)	(Signature)
_____	_____
(Name)	(Name)
_____	_____
(Office Address)	(Designation with Bank Stamp)

Attorney as per
Power of Attorney No. _____
Date: _____

NOTE:

1. The Stamp Paper of appropriate value shall be in the Name of the Bank issuing the BG.
2. Power of Attorney No., Name and Designation of the executant along with bank stamp should be inserted.

The Bank Guarantee shall be from a Bank listed in Section A22 of the NIT only.



A19: FORMAT OF MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding

Tender No.

This Memorandum of Understanding (MoU) agreed and signed this day of between having its registered office at “..... (hereinafter called Lead Member) and (hereinafter called Associate Member) to form a consortium / Joint venture to participate in the Tender Floated by SCCL for selection of a Technology Provider cum Operator (TPO).

In case of Joint Venture, Lead Member and Associate Member would have _____ %, _____ %, _____ % and _____ % equity stake respectively in the Joint Venture company.

It is further agreed by & between the consortium/Joint Venture members that the responsibilities and roles of each member shall be as under:

Responsibilities and Role of Lead Member is as under

1. The Lead Member shall act as Bidder under this Invitation of Bid.
2. The Lead Member shall be fully competent and authorized on behalf of the consortium/Joint Venture to sign and submit the bid, offer any clarification to the bid as & when required by SCCL, discuss and negotiate any aspect of the bid including the price, financials and structure of the proposed KTK Longwall Project.
3. Lead Member of the consortium/Joint Venture shall be fully competent and authorized to enter into and sign any agreement with SCCL for any aspect under Tender No. The Lead Member shall also be fully authorized to nominate a person to sign the bid and all related documents.
4. The Lead Member shall be responsible for all financial aspects of the NIT, Bid and Tender Document (Project Agreement) including furnishing securities, bringing the necessary financial capital for execution, etc under above mentioned NIT.
5. The Lead Member shall also be responsible for all liaison activities with all agencies including Government of India, SCCL, etc.
6. The Lead Member shall be fully competent and authorized to incur liabilities and receive instructions on behalf of the consortium and its members. The Lead Member shall also be fully authorized and competent for entire execution of the agreement including to receive payments there

under. All such actions of the Lead Member shall be deemed to be on behalf of the Consortium/Joint Venture.

7. The Lead Member shall also be liable and be responsible for all financial, legal, environmental, technical, and other aspects, liabilities and consequences of the project on behalf of the Consortium/Joint Venture in their capacity as Lead Member and Bidder. In case of Bidding Consortium / JV, all members of the Consortium / JV Company shall be jointly and severally responsible for the execution of the Project Agreement. .

Responsibilities and Role of as Associate Member.

Responsibilities and Role of as Associate Member.

Responsibilities and Role of as Associate Member.

8. The associate member(s) shall provide all technical inputs including extraction of reserves from the mines for SCCL to meet its requirement. The associate member shall ensure the satisfactory performance of the mining activities for SCCL.
9. The associate member(s) shall lend and allow its experience and mining support, operation of mines, production of coal, etc for SCCL to meet its desired requirement.
10. The role of associate member(s) shall be further refined and mutually discussed and decided.

<p>Signed on behalf of Lead Member of Consortium/Joint Venture.</p> <p>.....</p> <p>.....</p>	<p>Signed on behalf of associate member of Consortium/Joint Venture</p> <p>(Signature with Name and seal)</p>
<p>Signed on behalf of associate member of Consortium/Joint Venture</p> <p>(Signature with Name and seal)</p>	<p>Signed on behalf of associate member of Consortium/Joint Venture</p> <p>(Signature with Name and seal)</p>



A20: ESCALATION INDEX FOR OPERATING EXPENSES

Escalation shall be calculated using formula as follows:

S. No	Component Index	Weight
1	Mean Escalation of AICPI Series for Industrial Workers (E1)	0.60
2	Mean Escalation of WPI Series for Heavy Machinery and Parts (E2)	0.40
	Mean Escalation Index for Operating Expenses*	$0.60 \cdot E1 + 0.40 \cdot E2$

*60% of the Mining Fee applicable for the corresponding year shall be considered as Operating expenses and shall be subject to Price variation for fixing Mining Fee for the next year. Balance 40% shall be fixed component of Mining Fee.

Mean escalation for the index shall be calculated on annual basis.

For calculation purpose, Mean AICPI/WPI index shall be calculated as twice of increase in the six monthly average of AICPI/WPI indices for last six months over the six monthly average of WPI index for the preceding six months.

Note: The variable component of the Annual Mining Fee shall be escalated/de-escalated based on the Mean Escalation Index calculated as per the above formula.



A21: Format of Joint Operating Agreement

JOINT OPERATING AGREEMENT

This Joint Operating Agreement (JOA) is executed on this day of among

[.....] a company incorporated under the laws of [.....] and having its [registered office or Principal place of business] at [.....](herein after called the "Operating Partner- 1", which Expression shall include its successors, executors and permitted assigns);

and

[.....] a company incorporated under the laws of [.....] and having its [registered office or principal place of business] at [.....] (hereinafter called the "Operating Partner - 2", which expression shall include its successors, executors and permitted assigns);

and

[.....] a company incorporated under the laws of [.....] and having its [registered office or principal place of business] at [.....] (hereinafter called the "Operating Partner - 3", which expression shall include its successors, executors and permitted assigns);

and

[.....] a company incorporated under the laws of [.....] and having its [registered office or principal place of business] at [.....] (hereinafter called the "Operating Partner - 4", which expression shall include its successors, executors and permitted assigns);

The Operating Partner – 1, Operating Partner -2 Operating Partner - 3 and Operating Partner - 4 are collectively referred to as the "Operating Partners".

The Bidder and the Operating Partners are hereinafter referred to individually as Party and collectively as Parties.

WHEREAS

- A. [Name of the Bidder], a company constituted under Companies Act and having its Registered office at [Name and address of the place] has been technically qualified and intends to submit its bid to The Singareni Collieries Company Limited (SCCL), for providing Longwall Technology and equipment for operating **Kakatiya Longwall Project** on Cost per Tonne basis. (hereinafter referred to as the 'Project')
- B. SCCL has invited bids from the bidders to act as TPO in relation to the project work and has given the detailed description of the scope of work of the TPO and the terms & conditions on which the TPO has to execute the said work by giving a draft of the agreement to be entered between SCCL and the successful bidder.
- C. [Name of the Bidder] intends to submit its price proposal bid to SCCL.
- D. SCCL desired that if the bidder is a Joint Venture of several parties, they shall enter into a Joint Operating Agreement (JOA) on the lines suggested by SCCL, in addition to and notwithstanding any other agreement(s) entered / to be entered among the parties of this JOA.

NOW THIS JOINT OPERATING AGREEMENT WITNESSESS AS FOLLOWS;

- 1. All the capitalized terms used herein unless the context otherwise requires shall have the same meaning as those ascribed to them in the agreement between SCCL & the Parties to this JOA which shall hereafter be referred as Project Agreement (PA).
- 2. In consideration of SCCL agreeing to consider the bid of the Bidder and entering into the contingent agreement with the Parties, inter-alia relying upon the collective strength and mutual support of the Parties, the Operating Partners hereby irrevocably and unconditionally agree and undertake to be jointly and severally bound and liable for any and all acts and omissions of the Bidder in all the dealings with SCCL. For avoidance of doubt, it is clarified that:
 - a) Any service by SCCL of a notice pursuant to Project Agreement shall be deemed to be serving of notice to the Operating Partners on several basis.
 - b) The Operating Partners hereby assume full responsibility and liability for the performance by the Bidder of its obligations in accordance with and subject to the terms of PA read with this JOA.

- c) The Operating Partners confirm that the Bidder shall have authority to submit Earnest Money Deposit (EMD) of RS.50, 00,000 (Indian Rupees Fifty lakhs only) along with submission of the bid.
 - d) The Bidder and Operating Parties confirm that if the bid of the Bidder shall be accepted by SCCL, the Project Agreement shall come into operation subject to and contingent upon the conclusion of contract between SCCL and [name of the TPO] and approval of the TPO by SCCL. The Parties shall not have a right to withdraw from the contractual obligations between SCCL and the Parties arising out of the Project Agreement after the date of submission of the bid and before the date on which SCCL & [Name of the TPO] conclude the Project Agreement.
 - e) Upon any default whatsoever by the Bidder in performing, meeting or otherwise complying with any of its obligations in accordance with the terms of the Project Agreement, SCCL may at any time as it deems fit and/or appropriate in its sole discretion, require the Operating Partners to hold SCCL harmless from and against any and all damages, losses, liabilities, obligations, claims of any kind, interest, cost, fee, or expenses (including, without limitation, reasonable Attorneys' fees and expenses) suffered, incurred or paid by SCCL, as a result of, in connection with or arising out of such default.
 - f) The obligations of the Operating Partners or the rights of SCCL hereunder, shall not stand revoked, or otherwise be impaired or mitigated in any manner whatsoever, if there exists at anytime any dispute before any court (whether in India or abroad), arbitration, claims, settlements, obligations, expert determination or similar proceedings under the JOA between the operating partners.
3. The Parties to this agreement shall be jointly and severally responsible for the execution of the works in accordance with the terms of Project Agreement and in the event that one of the Parties
- a. withdraws from the joint venture; or
 - b. is adjudicated as insolvent / bankrupt, by a duly constituted judicial tribunal; or
 - c. goes into liquidation in accordance with the laws of the country of incorporation; or
 - d. otherwise ceases to exist; or
 - e. becomes legally incapable of continuing in the contract,

then, the surviving parties shall be obliged to carryout and perform the obligations under the Project Agreement and shall be empowered to use all necessary facilities furnished by any Party to this JOA and shall be entitled to require, that any contract be assigned to them.

The Parties are jointly responsible and each of the Party is severally liable to SCCL for discharging all the obligations arising out of Project Agreement and SCCL shall have a right to demand performance of all the obligations jointly by all the Parties and also severally by each one of the Parties. The Parties are jointly and severally responsible for compensating any loss caused to SCCL on account of any act or omission by any of the Parties to this JOA in performance of Project Agreement.

4. The Operating Partners hereby irrevocably and unconditionally undertakes, agrees and acknowledges that their respective obligations hereunder:
 - a) are irrevocable, absolute and unconditional, irrespective of the insolvency, bankruptcy, reorganization, dissolution, winding-up or liquidation or any change in the ownership of the Bidder or any of the Parties or any purported assignment by the Bidder or any of the Parties or any other circumstances whatsoever which might otherwise constitute a defence or discharge of a guarantor or surety;
 - b) shall not be affected by the existence of or release or variation of any guarantee of or security for any of the obligations of the Bidder or any of the Parties under the Project Agreement;
 - c) shall not be affected by any failure by SCCL to pay or perform any of their obligations under the Project Agreement or any waiver of any of such obligations;
 - d) shall not be affected by any exercise or non-exercise of any right, remedy, power or privilege of any person under or in respect of any payment obligations of the Bidder or any of the Parties under the Project Agreement; and
 - e) shall not be affected by any failure, omission or delay on the part of SCCL to enforce, assert or to exercise any right, power or remedy conferred on SCCL in this JOA or any such failure, omission or delay on the part of SCCL in connection with any obligation of the Bidder or any of the Parties under the Project Agreement.

5. Each Party hereby represents and warrants that:

- a) it is duly organized and validly existing under the laws of the jurisdiction of their organization, with full power, authority and capability to enter into this JOA and to perform all acts and obligations contemplated herein;
 - b) the signature and delivery of this JOA on its behalf and the exercise of its rights and performance of its obligations under this JOA have been duly authorised;
 - c) this JOA has been duly signed and delivered by it and its obligations described in this JOA are legal, valid and binding obligations of such Party; and
 - d) the execution and/or performance of this JOA:
 - (i) will not conflict with or violate any provision of any of its constitutional documents/charters or other organizational document;
 - (ii) will not require any notice to or filing with, or any approval of any Authority or the consent of any third party;
 - (iii) will not conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any person the right to terminate, modify or cancel or require any notice, consent or waiver under any contract or instrument to which such Party is a party or by which such Party is bound or to which any of such Party's assets are subject;
 - (iv) will not result in the creation or enforcement of any security interest upon any assets of the Bidder;
 - (v) will not violate any applicable law or any order, writ, injunction, or decree applicable to it;
6. This JOA shall be construed and interpreted in accordance with the laws of India. In the event of any dispute or claim of any kind whatsoever that may arise between the Parties and SCCL as a result of construction, interpretation or application of any of the terms and conditions of this JOA, such dispute shall be settled in accordance with the provisions of the Project Agreement.
7. The Parties hereby acknowledge and agree that this JOA has been executed for the sole benefit of SCCL and for the specific purpose of ensuring that SCCL receives the benefits of the services of the Bidder and the other Parties to this JOA under and in accordance with the Project Agreement. Accordingly, SCCL shall, notwithstanding anything contained herein, at all times have the right to enforce the performance by the

Operating Partners of their obligations pursuant to this JOA read with the Project Agreement and the Operating Partners hereby irrevocably and unconditionally waive any defence, rights or protection that they may have in law, contract or otherwise in this regard.

8. None of the Operating Partners shall assign or delegate its rights, duties or obligations under this JOA and the Project Agreement in any manner whatsoever, except with prior written consent of SCCL.
9. The terms and conditions of this JOA shall not be amended or modified, except with prior written consent of SCCL.
10. This JOA shall have effect and shall be enforced notwithstanding anything contrary contained in any other agreement(s) entered or to be entered between Parties to this JOA.
11. The Bidder and each of the Operating Partners have perused the draft Project Agreement supplied by SCCL. The Operating Partners hereby authorize the Bidder represented by Sri _____ to sign the Agreement. The Parties shall be bound by the provisions of Project Agreement as if each Party has signed the same.

This JOA shall be prepared in two sets and one set duly signed by all the Parties to this JOA shall be handed over by the Bidder to SCCL. Upon receiving such set by SCCL it shall have the effect of SCCL being made a party to this JOA so far as the obligations of the Parties to this JOA towards SCCL and the rights of SCCL against the Parties to this JOA mentioned in the preceding paragraphs.

IN WITNESS WHEREOF, the Parties have, through their authorised Representatives,

executed these presents in two sets and affixed the common seals of the Parties wherever necessary on the day, month and year first mentioned above.

On behalf of the SCCL

On behalf of the Operating
Partner- 1

Name:

Name:

Designation:

Designation:

Seal of SCCL

Common Seal of the Operating Partner - 1

On behalf of the Operating Partner - 2

Name:

Designation:

Common Seal of the Operating Partner - 2

On behalf of the Operating Partner - 3

Name:

Designation:

Common Seal of the Operating Partner - 3

On behalf of the Operating Partner - 4

Name:

Designation:

Common Seal of the Operating Partner - 4



A22: List of Approved Banks

List of banks acceptable to SCCL for BANK GUARANTEES.

A. SBI AND ASSOCIATES

1. State Bank of India
2. State Bank of Bikaner & Jaipur
3. State Bank of Hyderabad
4. State Bank of Indore
5. State Bank of Mysore
6. State Bank of Patiala
7. State Bank of Saurashtra
8. State Bank of Travancore

B. NATIONALISED BANKS

1. Allahabad Bank
2. Andhra Bank
3. Bank of India
4. Bank of Maharashtra
5. Canara Bank
6. Central Bank of India
7. Corporation Bank
8. Dena Bank
9. Indian Bank
10. Indian Overseas Bank
11. Oriental Bank of Commerce
12. Punjab National Bank
13. Syndicate Bank
14. Vijaya Bank

A23: ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions shall be applicable to the selected Bidder (TPO) and the selected Bidder shall sign a “Project Agreement” before issue of LOI which shall comprise of the following terms and conditions in addition to other applicable clauses:

- 23.1 The LW Panel development and extraction in the Project is to be undertaken by the TPO in accordance with the Applicable Laws including but not limited to applicable provisions of the Mines Act – 1952, Coal Mines (Nationalization) Act, 1973, The Coal Mines Regulation – 1957, The Contract Labour (Regulation and Abolition) Act 1970 and all Mineral, Environmental, Labour laws and other Regulations governing and applicable to the Coal Mining and Industry, including the laws of State Government of Andhra Pradesh and other statutory local bodies.

CONDITIONS PRECEDENT

- 23.2 Effectiveness of Agreement: The Project Agreement shall become effective after the Performance Bank Guarantee referred to in Clause 23.8 of this NIT have been submitted by the TPO within the specified time and subsequent signing of the agreement. The date on which the Performance Bank Guarantee is submitted by TPO shall signify the Effective Date for the purpose of this Agreement.

- 23.3 Commencement Date shall be effected from the date when SCCL certifies and so declares, in consultation with the TPO, the completion of all of the following conditions precedent by the TPO:

- (a) obtaining all the necessary clearances and approvals for commencing development work of the Mine.
- (b) deployment of the mine development equipments i.e. road header or any other cutting technology without drilling & blasting and other supporting equipments.

Commencement Date shall be effected within 180 days of Effective Date, after completion of the preceding conditions.

Commencement of coal Production at rated capacity shall begin within 90 days of Commencement Date.

- 23.4 Best Endeavors: The Parties shall use their best endeavors and provide reasonable assistance to the other Party wherever possible to ensure the conditions precedent contained herein are satisfied expeditiously.

TERM OF AGREEMENT

- 23.5 Term of Agreement: This Agreement, unless terminated earlier in accordance with terms hereof or upon revocation of mining lease by competent authority, shall continue to remain in force until expiry of 12(twelve) years from the effective date or achieving a total production of 30 (thirty) million tonnes of coal whichever is earlier. The contract shall be co-terminus with the then Longwall Panel under extraction.
- 23.6 Commencement of Work: The commencement of all works mentioned in this NIT and in the Project Agreement such as seeking approvals and clearances from DGMS etc. shall begin from the Effective Date. Any work carried out by the TPO prior to the commencement date of the Project Agreement shall be governed by the Scope of Work and the Terms of the Project Agreement. Commencement Date shall be effected within 180 days of Effective Date, after completion of the preceding conditions.
- 23.7 Commencement of Coal Production: The production of coal shall begin from the production date which shall not be later than 90 days of commencement date.

BANK GUARANTEE:

- 23.8 The TPO shall provide to SCCL, a Performance Bank Guarantee, of INR 50, 00,000 (Indian rupees Fifty lakhs only) pursuant to the execution of Project Agreement. The Bank Guarantee provided by the TPO would be valid till the Production Bank Guarantee as mentioned in clause 23.8 is provided to SCCL. The Performance Bank Guarantee issued by Public Sector, Scheduled Commercial Banks (list is provided in the section A 22 of NIT) only shall be accepted. TPO must submit the Performance Bank Guarantee within 20 days of signing of agreement.
- 23.9 From the Commencement of Coal Production Date the TPO shall provide to SCCL, a Production Bank Guarantee the value of which would be equivalent to the value of Performance Bank Guarantee. The Bank Guarantee provided by the TPO would be valid on a yearly revolving basis, for every year during the Term of Agreement beginning from the Commencement of Coal Production date. The Performance Bank Guarantee issued by Public Sector, Scheduled Commercial Banks (List provided in Section A 22 of NIT) only shall be accepted.

The Performance Bank Guarantee shall be released upon the issuance and verification thereof, of the Production Bank Guarantee.

QUANTITY OF COAL

- 23.10 **Delivery of Coal:** The TPO shall deliver 2.75 million tonnes of Coal (or the annual contracted quantity for the particular year as mentioned in this NIT per operating year (**the “Annual Contracted Quantity” or “ACQ”**)) to the delivery points at surface of the mine, provided that, where an operating year is less than 12 (twelve) months ACQ shall be pro-rated accordingly.
- 23.11 Subject to Clause 23.10, SCCL may alter the quantity of Coal being transferred to SCCL at surface delivery point depending on the requirements by giving a 30-day notice to the TPO
- 23.12 At least 60 (sixty) days before any Operating Year, SCCL shall intimate the TPO of the quantity of Coal to be transferred to SCCL in such operating year provided that SCCL may increase or decrease the ACQ for any operating year by 10% from the quantity agreed in this agreement for the respective year. The agreed ACQ upto +/- 10% of 2.75mtpa shall be the “ACQ”.
- 23.13 At least 30 (thirty) days before the beginning of any quarter, SCCL shall intimate the TPO of the Quarterly Contracted Quantity (QCQ) to be transferred to SCCL in the quarter.
- 23.14 No penalties shall be levied on failure of TPO to transfer Quarterly Contracted Quantity (QCQ). If TPO fails to supply the agreed QCQ, he can make up for the deficit quantity in the subsequent quarters subject to the condition that TPO shall meet the ACQ (Annual Contracted Quantity) target stipulated.

Measurement of Coal

- 23.15 The quantity of coal transferred to SCCL at the designated delivery point (at surface) shall be measured in the pre weigh bin(s) provided and maintained by TPO at the surface. Representatives of the parties shall be present to witness the weighment and sign the challan (dispatch advice along with weighment, date, time, competent person details, etc).
- 23.16 Quantity of coal supplied shall also be calculated on volumetric basis. Volumetric measurement shall be done by multiplying the volume of the coal excavated as measured in the survey, which shall be conducted by SCCL at specified interval multiplied with 1.4 (density of coal in t/m³) TPO's representative may witness the survey conducted by SCCL.
- 23.17 For payment of Mining Fee on cost per tonne basis, lower of the two quantities of coal (measured in accordance with clause 23.15 and 23.16) delivered shall be considered.

23.18 If, as a result of any inspection by the SCCL or any statutory inspection authority, any pre-weigh bin is found defective and erroneous in excess of the tolerances provided by law (or if no such tolerance is provided by law, then in excess of the tolerance provided by BIS or if not provided by BIS, then as established in the manufacturer's specification), an appropriate adjustment shall be made in the invoices and payments affected by such inaccuracy; provided, however, no such adjustment shall be made for a period in excess of the lesser of:

- i) One-half of the period since the date that SCCL first questioned the accuracy of the weights and the date of the last test of the scales, or
- ii) Three (3) months prior to the date of the inspection.

23.19 TPO shall rectify the defect found within 15 days of the day on which such defect is identified.

Quality of Coal

23.20 All coal delivered hereunder shall be free of stones and metal or other foreign/extraneous objects/contaminants. The TPO shall adopt prudent industrial practices to avoid a mixture of foreign materials like stones and metallic objects during mining of Coal and ensure that no stones or foreign material extraneous to Coal shall be delivered.

TAKE-OR-PAY AND SERVE-OR-PAY

23.21 SCCL may alter the Annual Contracted Quantity ("ACQ") to be delivered in an Operating Year by giving at least 60 days notice to the TPO. Such a notice may be served provided that SCCL may not increase or decrease the ACQ by more than 10% (ten percent) in an Operating Year. Any deviation resulting in lower off-take of coal by SCCL than the permitted 10% deviation shall attract Take-Or-Pay as described in Clause 23.22, except if the deviation is due to a Force Majeure Event or results of an Event of Default of the TPO.

23.22 When the offtake by SCCL is lowered by more than 10% from the production plan specified for the half-year, SCCL shall pay to TPO for the differential quantity of coal (% reduction in coal offtake less 10%) an amount equal to the fixed component of the mining fee for the respective year.

23.23 The TPO may also alter ACQ to be delivered in an Operating Year

by giving at least 60 days notice to SCCL. Such a notice may be served provided that the TPO may not increase or decrease the ACQ by more than 10% (ten percent) in an Operating Year. Any deviation resulting in lower delivery of coal by the TPO than the permitted 10% deviation shall attract Serve-Or-Pay as described in Section A23.

OBLIGATION under Serve or Pay Basis

- 23.24 In the event of the TPO's inability to meet the production requirements on annual basis, TPO shall be liable to financial penalty.
- 23.25 In the event of deficit in the Coal delivery without prior notice and approval thereof, the serve-or-pay shall be attracted to the entire deficit quantity.
- 23.26 The financial penalty shall be governed by the schedule provided below:

Shortfall in the Quantity transferred	Penalty payable by TPO
Shortfall < 10% of ACQ	NIL
Shortfall > 10% of ACQ	0.20 times the Mining Fee applicable for that year.

Where, ACQ is annual contracted quantity. Any penalty applicable shall be adjusted against subsequent invoices.

CHANGES TO RATES OF REMUNERATION

- 23.27 For the Coal delivered at specified delivery point, no adjustments to the Schedule of Rates shall be applicable during the term of Project Agreement. The coal supplied shall be analysed for the moisture content and accordingly quantity of coal supplied shall be adjusted. If the Total Moisture (ARB) in the coal as determined in a consignment on sampling and analysis exceeds 12%, the weight of Coal received shall be reduced by the same percentage by which the moisture content exceeds 12 %. No bonus or weight adjustment shall be effected for total moisture content (ARB) in Coal below 12%.

ESCALATION RATES FOR OPERATING EXPENSES

23.28 The fees quoted shall be applicable for the first operating year which can be escalated in accordance with the clause 23.29. If the mine and the agreement are extended beyond last operating year under the term of this agreement, the fees quoted for the last operating year shall be paid, if such extension does not exceed 6 months beyond the last operating year. If agreement extends by more than 6 months, fee payable shall be escalated.

23.29 For the period from 2nd year to the 12th year of the Project agreement, the following shall be applicable:

- (a) The 60% of the Mining fee quoted shall be considered as variable component and shall be escalated annually based on Formula for Escalation Rate provided in Section A20.
- (b) The escalation rate applicable for payment for an operating year shall be calculated 15 (fifteen) days prior to the start of the operating year and shall be notified by SCCL.

INSURANCE

23.30 The TPO shall carry and keep current during the Term of this Agreement adequate insurance coverage for the TPO's employees, the coal mining, handling & transportation facilities, the contracted facilities and equipment, Third Party Liability policies and Motor vehicle insurance covering own damage, Third Party Property damage and Third Party Personal Injury insurance to the satisfaction of SCCL. The TPO shall upon request of SCCL, furnish SCCL with particulars of the insurance policies procured by the TPO for the purpose of the Works.

23.31 The TPO shall indemnify SCCL against any financial losses, any coal losses, penal sanctions, claims or any other losses that may result due to lack of required insurance cover.

SUSPENSION OF WORK

Suspension of Coal Production by SCCL:

23.32 If SCCL considers suspension of the whole or any part of the Coal production or Works under this Agreement is necessary:

- (a) Because of any act, default or omission of SCCL under this contract.
- (b) Because of any act, default or omission of the TPO or TPO's Employees, agents consultants, Sub-contractor; or

(c) For the protection of safety of any person or property; then

SCCL may direct the TPO in writing to suspend the progress of the whole or any part of the Work for such time as SCCL reasonably determines. The anticipated period of suspension shall be given in writing by SCCL within 24 hours of enacting the suspension.

23.33 If the cause for suspension of the works is on account of conditions stated in Clause 23.32 (a), the TPO shall be compensated under the conditions stated in the Take or Pay terms;

23.34 If the cause for suspension of the works is on account of conditions stated in Clause 23.32(c), the TPO shall not be compensated under the conditions stated in the Take or Pay terms notwithstanding whether the TPO is responsible or not. However, Force Majeure conditions apply only if the TPO is not responsible for such suspension of work.

23.35 If the suspension of works is because of any act, default or omission of the TPO or TPO's Employees, agent, consultants, sub-contractor as stated in Clause 23.32 (b), the TPO would be bound by the Serve or Pay terms.

Request for Suspension by the TPO

23.36 If the TPO wishes to suspend the progress of the whole or part of the work, it must notify SCCL and explain the reasons for the requested suspension. SCCL may, in its absolute discretion, grant permission for the suspension of the whole or part of the work for such time as SCCL believes applicable, and SCCL shall be compensated for losses of any kind due to such suspension as per the Serve or Provide conditions.

Resumption of Work after Suspension

23.37 If SCCL or TPO becomes aware that the reason for the suspension of work no longer exists, it must notify the other Party in writing and the work shall recommence as soon as reasonably practical after such notice has been given

MEASUREMENT AND PAYMENT

23.38 **Currencies:** All amounts stated in this NIT and Project Agreement are stated in INDIAN RUPEES (INR) only.

COAL DELIVERY AND INVOICING

23.39 In consideration of the TPO performing the Works under this

Contract, SCCL shall pay the TPO the Mining Fee, which shall be computed and paid in the manner stated hereunder.

- (a) SCCL and the TPO shall conduct a joint survey to determine the progress of the works at the end of each calendar month, as detailed in Project Agreement. This measurement shall be completed by the 5th day of the following month and summarized by the TPO on a Progress Certificate to be delivered to SCCL.
- (b) Within 2 weeks of receipt from the TPO, SCCL shall check the Progress Certificate subject to clause 23.40 approve and return the Progress Certificate to the TPO.
- (c) For the purpose of billing and payment, each day's coal delivered at the surface at designated delivery point shall be treated as "one consignment" and processed for payment. The quantity of coal delivered for the purpose shall be measured in accordance with clause 23.15, 23.16 and 23.17. The TPO shall submit the bills in triplicate in complete manner on fortnightly basis.
- (d) The Mining Fee shall be payable fortnightly. The TPO shall submit its bills, complete in all respects, within (7) days from the end of the fortnight. SCCL shall make payment after 7 days but within 10 days of the submission of the bill.
- (e) From the running bills of the TPO further security deposit (FSD) of 1% of the bill value shall be deducted. The FSD so recovered shall be refunded annually (on submission of documentary evidence) after ensuring that the TPO has fulfilled the statutory obligations like payment of minimum wages, EPF, ESI etc. Further, The FSD is liable for forfeiture in case of failure of the TPO to execute the order as per order terms along with other guarantee amounts.
- (f) Payments made by SCCL based on such invoices, shall constitute an acceptance of the Works covered by such invoices. Any unpaid amounts from agreed invoices existing seven (7) days after the periods prescribed above shall be subject to interest at the rate being Prime Lending Rate less 300 basis point of the State Bank of India prevailing on the date payment became due, calculated from the date on which payment became due. The foregoing is without prejudice to any other right of the TPO under the provisions of this Contract and the applicable law for the recovery of overdue amounts.
- (g) If either Party fails or neglects to attend any joint survey or measurement, the other Party shall be entitled to proceed with the survey or measurement on it's own, and the results so obtained

shall be deemed to have been obtained pursuant to a joint survey or measurement.

- (h) After the completions of the joint survey, TPO shall issue a progress certificate and shall submit it to SCCL within 5 days of completion of survey.

DISPUTED MEASUREMENT

- 23.40 If SCCL disputes any aspect of a Progress Certificate, it shall within 10 working days after receipt of the Progress Certificate notify the TPO in writing of all aspects that it disputes, and to the extent to which it is able to calculate them, provide details of the adjustments that it requires. SCCL may request the TPO to provide such further information as it requires to determine the amounts in dispute and if so requested the TPO shall provide such further information as soon as practicable and in any event not later than 5 days after being so requested. If upon receipt of such further information SCCL no longer disputes any aspect of the Progress Certificate, SCCL shall approve the Progress Certificate without delay.
- 23.41 If the TPO notifies SCCL in writing that it agrees with the adjustments requested by SCCL, then the TPO shall revise the Progress Certificate accordingly and SCCL shall approve such revised Progress Certificate without delay.
- 23.42 If the TPO notifies SCCL in writing that it disagrees with the adjustments requested by SCCL, then the TPO may revise the Progress Certificate to show the amount with which SCCL agrees and SCCL shall approve such revised Progress Certificate without delay. The Mine site personnel of the Parties shall endeavor to agree the disputed amount before the next month's survey or measurement. In the event that this is not possible, the dispute shall be resolved in accordance with arbitration clause.

TAX

- 23.43 For taxes and levies, following shall be applicable:
- (a) The mining fee quoted by the TPO shall be exclusive of Stowing Excise Duty, Royalty payable to State / Central Governments and Service Tax.
 - (b) Stowing excise duty, royalty payable to the State / Central Government shall be payable directly by SCCL to the respective Government Authorities.
 - (c) The mining fee quoted shall be exclusive of the applicable service tax which shall be paid at the prevailing rates.

- (d) All other taxes payable by the TPO, which are incidental to the Scope of work of this Project Agreement as on date of submission of the bid shall be deemed to have been included in the quoted rate itself and no additional payment would be payable.
- (e) If there is any revision in the applicable rates of taxes, which are in force as on the date of submission of the Bid, such variation shall be to SCCL account. Similarly, if any new taxes are introduced or any taxes are omitted/withdrawn after submission of bid and till the end of the contract period, such addition /deletion shall be to SCCL's account. For the applicability of this clause, bidders shall provide the detailed breakup of the mining fee indicating the portion of mining fee attributed to the coal mining and various taxes considered for estimating the mining fee. The provisions of this clause shall be applicable only to those taxes which are considered by the bidder for estimation of mining fee except income tax as applicable to bidder and/or its employees.
- (f) Bidder shall consider CENVAT credit available against Service Tax while offering the Mining Fee quote.

EXTENSION OF AGREEMENT

23.44 The Term of Project Agreement may be extended by the Parties through mutual agreement not later than one year before the expiry of the Term. The Parties may agree to extend the Term for such further period as they mutually agree. Unless otherwise agreed by the Parties the terms of this agreement, as relevant to the context shall apply during any extended Term.

EVENT OF DEFAULT

23.45 An event of default is said to have occurred under the following conditions:

- (a) Delay in commencement date by more than three months from the "Effective Date" due to delay in obtaining the necessary approvals and clearances for the technology and/or equipment of TPO.
- (b) Delay in Commencement of Coal Production Date by more than three months due to TPO's delay in deploying the necessary mining equipment, staff and labour and other operational

requirements for coal production.

- (c) The production of Coal by the TPO falls short of the Mine Plan/Schedule by more than 25% for 2 (two) consecutive Operating Years of production.
- (d) In case of a production shortage, the TPO is deemed to default if the TPO fall short of planned production by more than 50% for 2 (two) consecutive quarters in an Operating Year. This Clause would be applicable in all the cases whether TPO serve the notice of shortfall or not.
- (e) In case SCCL fails to pay for the excess/ deficit production of Coal in excess of 10% under the Take or Pay basis for (2) two consecutive quarters in any Operating Year, a default event is said to have occurred.
- (f) In case SCCL fails to pay for the entire quantity of Coal delivered at the delivery point for 1 (one) quarter, an event of default is deemed to have occurred.
- (g) The other party has materially defaulted and failed to comply with the terms and conditions set in the contract.

Termination Condition In Case Of Force Majeure

- 23.46 If the production of Coal is delayed for more than a year or stopped due to a Force Majeure event for a continuous period of 100 days.

Liquidated damages due to delays

- 23.47 Notwithstanding anything stated in the NIT and Project Agreement except in case of Force majeure as defined in the NIT and Project Agreement, the TPO shall be liable to pay liquidated damages in case of delay in Commencement Date for which TPO is liable. The liquidated damages would be calculated at a rate of 1% of the annual Mining fee (annual contract price) (excluding taxes) for each week of delay or part thereof subjected to a maximum of 10%.
- 23.48 Notwithstanding anything stated in the NIT and Project Agreement except in case of Force majeure as defined in the NIT and Project Agreement, the TPO shall be liable to pay liquidated damages in case of delay in Commencement of Coal Production Date due to TPO's delay in deploying the necessary mining equipment, staff and labour and other operational requirements for Coal production. The liquidated damages would be calculated at a rate of 1.00% of the annual Mining fee (annual contract price) (excluding royalty and taxes) for each week of delay or part thereof subject to a maximum of 10% of the annual mining fee.

Recourse to Event of Default

- 23.49 In case of an event of default, the following recourse is available to SCCL and the TPO or both as the situation may warrant:
- 23.50 In case of occurrence of an Event of Default event mentioned in Clause 23.45 (a) the TPO shall have an option to seek termination of the Agreement. The termination conditions shall be governed by conditions stated in section A23. In seeking the termination of the Agreement, the TPO would have to clearly demonstrate that the Event of Default has occurred despite all possible steps taken by the TPO to avoid delay.
- 23.51 In case of occurrence of default event mentioned in Clause 23.45(b), SCCL shall have the option to seek termination of contract. The termination shall be governed by Clause 23.60, 23.61 and 23.62.
- 23.52 In case of occurrence of default event mentioned in Clause 23.45.(c) and (d), SCCL shall have the option to seek termination of contract. The termination shall be governed by Clause 23.60, 23.61 and 23.62 of this agreement.
- 23.53 In case of occurrence of an Event of Default mentioned in Clause 23.45.(e), and (f), the TPO shall have the option to terminate the Agreement if the Event of Default is not remedied even after the expiry of three months from the occurrence of the said Event of Default. The termination shall be governed by Clause 23.63. In the event that TPO does not exercise its right to terminate the Agreement and in the Event of Default is remedied by SCCL, the Event of Default shall cease to exist.
- 23.54 In case of occurrence of default event mentioned in Clause 23.45.(g), the affected party shall have the option to seek termination of contract. The termination shall be governed by Clause 25.53-62.
- 23.55 In case of termination of this agreement under the condition mentioned in Clause 23.46, Clause 23.64 shall govern the possible recourse available to the parties.

TERMINATION

Termination for Default

- 23.56 SCCL and/or TPO, as the case may be, shall have the right to terminate this Agreement by delivering a **three-month** prior written notice to the other Party in the event:
1. On the occurrence of an Event of Default as specified, subject to the terms specified therein.

2. The other Party is or shall be made insolvent, or goes into liquidation or receivership or if any act is done or event occurs which has a similar effect to any of the foregoing acts or events.
 3. The other Party is in serious breach of any Applicable Law or regulation affecting the Works.
 4. The other Party by its actions or inaction, wrongfully prevents the innocent Party from performing its obligations under this Agreement.
 5. The other Party assigns this Agreement without the prior written consent of the innocent Party.
- 23.57 All obligations hereunder incurred prior to and which by their nature would continue beyond the cancellation, termination, or expiration of this Agreement shall survive such termination,
- 23.58 In the event of the expiration or termination of this Agreement under this Clause, the TPO shall remove from the Coal Mine all the TPO's Employees, sub-contractors, all it's Plant and Equipment and its goods and materials from the Coal Mine within 3 months from the time of expiration of the termination notice.
- 23.59 Notwithstanding other provisions of the Agreement, in the event this Agreement is terminated for any reason attributable to SCCL, SCCL is obliged to make payment to the TPO for all works executed up to and excluding the date of termination. However, such payment will be net of all penalties and Liquidated damages, due from the TPO.

Termination by SCCL

- 23.60 SCCL may terminate this Agreement by written notice in case of the occurrence of the Event of default as mentioned in Clause 23.45.(a) and/ or 23.45.b. SCCL shall invoke the Performance Bank Guarantee provided by the TPO as well as seek liquidated damages for a period of 1 (one) year.
- 23.61 SCCL may terminate this Agreement by a three month prior written notice in case of the occurrence of default event mentioned in Clause 23.45.(c) and (d). SCCL shall invoke the Production Bank Guarantee provided by the TPO.
- 23.62 SCCL may terminate this Agreement by written notice of at least 3 months to the TPO if any Approval (including any Mining Lease, Pollution Control License, mining technology approval or any other license, permit, consent or permission required for the operation of the Mine) is cancelled, suspended or revoked. SCCL shall invoke the

Production Bank Guarantee provided by the TPO in case of such a termination if TPO is responsible to get such permission or license.

Termination by TPO

23.63 The TPO may opt to terminate the agreement in case of event of default by SCCL under clause 23.45 (e) and (f).

TERMINATION DUE TO FORCE MAJEURE

23.64 If a delay or failure by a Party to perform its obligations due to Force Majeure as provided under Clause 23.46 exceeds 100 continuous days, the other Party may immediately terminate this Agreement by notice in writing to the Affected Party. In case of termination of agreement due to Force Majeure, the Performance Bank Guarantee or Production Bank Guarantee as the case may be, shall be returned to the TPO.

PAYMENT UPON TERMINATION

23.65 If the Agreement is terminated due to default on the part of TPO, SCCL shall pay the TPO according to the payment terms for un-paid coal supplied to the delivery point at surface by TPO up to and including the date of termination, after making adjustments for liquidated damages and serve-or-pay penalties. Such payments to the TPO by SCCL shall be paid within 3 months of the appointment of new TPO or one year of such default, whichever is earlier.

SCCL MAY RECTIFY DEFAULT

23.66 Notwithstanding anything stated in the NIT and Project Agreement, if the TPO is in default in performance of an obligation under the Agreement, the continuation of which would deprive SCCL of the substance of its bargain under the Agreement, and that default is not rectified within **30 (thirty) days** of receipt by the TPO of a written notice from SCCL notifying it of the default, SCCL may without limiting SCCL's rights otherwise by the Applicable Law, take whatever actions necessary as determined by SCCL to rectify the default itself and recover from the TPO the cost to SCCL of so doing.

FORCE MAJEURE

23.67 Force Majeure Events

"Force Majeure" shall mean (with respect to either Party) any event or circumstances or combination of events or circumstances:

- (a) beyond the reasonable control of the Party claiming relief under this Clause; and

- (b) which materially and adversely affects, prevents, delays any Party in the performance of its obligations under this Agreement; and
- (c) could not have been foreseen, prevented, overcome or remedied by the affected Party by exercising a standard of care and diligence consistent with Good Industry Practices.

Force Majeure does not include: Breakdown of plant, machinery or equipment and other disruptions which are caused by negligence or otherwise on the part of the TPO and/ or SCCL.

Suspends Relevant Obligations of Both Parties

23.68 If a Party (the “affected party”) becomes unable by Force Majeure to carry out an obligation under this Agreement strictly in accordance with this Agreement:

- (a) the Affected Party must give to the other Party prompt written notice and reasonable particulars of the Force Majeure and, so far as is known, the probable extent to which the Affected Party shall be able to perform or be delayed in performing its obligation;
- (b) the other Party may give notice to the Affected Party of the extent to which the other Party’s ability to comply with its obligations shall be affected by the Affected Party’s inability to comply with its obligations;
- (c) the relevant obligations of the Affected Party and the other Party, so far as they are affected by the Force Majeure, shall be suspended during, but no longer than, the continuance of the Force Majeure; and
- (d) the Affected Party must use all possible diligence to overcome or remove the Force Majeure as quickly as possible but the Affected Party shall not have to settle any labour or other dispute creating the Force Majeure on terms contrary to its wishes.
- (e) Burden of proof : In the event that the parties are unable to agree in good faith that a Force Majeure event has occurred, the Parties shall resolve their dispute in accordance with the provisions of this NIT. The burden of proof as to whether a Force Majeure event has occurred shall be upon the party claiming the Force Majeure event.

Parties Must Meet

23.69 In the event of either party giving a Force Majeure notice, the parties must meet promptly and each use reasonable endeavours to reach a mutually acceptable solution to alleviate any hardship or unfairness caused by either Party as a result of the circumstances constituting

the Force Majeure.

Mitigation of Loss

23.70 Nothing in this Clause 23.67 prevents SCCL, during the continuation of any Force Majeure claimed by the TPO, from taking any reasonable measure, including engaging third parties to perform the obligations of the TPO, for the purpose of mitigating any loss that it may incur as a result of any such Force Majeure.

ISSUE AND DISPUTE RESOLUTION

Resolution Protocol

23.71 Any dispute or disagreement between the Parties hereto arising out of or in connection with the Agreement or the performance of any of the obligations of the Parties hereunder or referred to herein, including an issue or dispute as to breach or termination of this Agreement or as to any claim in tort, in equity or pursuant to any statute ("**Dispute**") which cannot be resolved amicably by the disputing Parties themselves within **14 calendar days** of written notice by one Party to the other Party of the existence of such dispute or disagreement, shall be resolved as follows:

- i. Such Dispute shall be referred first to the Contract Representatives of both Parties who shall attempt to reach a consensus on the matter;
- ii. If the Contract Representatives have not resolved the issue(s) within 14 calendar days of referral to them, the Dispute shall be referred to the Operation Management of both Parties, which will be appointed after the execution of this contract by respective parties.
- iii. If the Operation Managements have not resolved such Dispute within seven calendar days of such referral, they shall refer the matter to the Corporate Management which will be appointed after the execution of this contract by respective parties. And
- iv. Only if the Corporate Managements have not resolved the Dispute within 30 calendar days of referral to them shall the dispute be referred to arbitration, in accordance with the following provisions.

Arbitration

23.72 Any Dispute which has not been resolved by the Parties in accordance with the foregoing provision, shall be settled by arbitration under the Arbitration and Conciliation Act, 1996 (as amended or modified from time to time) by reference to a sole arbitrator if the parties so agree and in the absence of such an agreement, to three arbitrators; one to be appointed by the TPO and one to be appointed by SCCL within a period of (21) days after the expiry of the aforesaid period of 30 days.

23.73 The two appointed arbitrators shall appoint a third arbitrator within period of (7) days after the appointment of the two arbitrators and the three arbitrators so appointed shall form an Arbitration Tribunal. The Arbitration Tribunal panel shall preside over the arbitration proceedings. The arbitration award by the Tribunal shall be final. The Arbitration Tribunal shall have the power to order specific performance of this Agreement.

Language

23.74 The arbitration shall be held in English language only in as expedient and cost-effective manner as the Arbitration Tribunal deems feasible, while allowing both parties a reasonable opportunity to present their cases, and the award shall be final and binding, not subject to appeal or contest for any reason whatsoever, except as provided under the Applicable Law, and enforceable in any relevant jurisdiction.

Jurisdiction

23.75 The Arbitration Tribunal shall have jurisdiction to determine and rule upon any question relating to the arbitrability of the dispute or disagreement, to render any such interim orders or awards as the Arbitration Tribunal may deem appropriate at any time during the reference, and also to award any or all costs, including legal costs of the successful Party, against the unsuccessful Party, the Arbitration Tribunal may deem appropriate in the circumstances.

Continuation of Works

23.76 During the course of the arbitration both Parties shall be obliged to continue the performance of their respective obligations under and in connection with the Project Agreement. However, if one party refuses or completely fails to continue the performance of its obligations hereunder, the other Party shall have the right, upon written notice to the other and to the Arbitration Tribunal, to suspend its own performance until such time as the other Party resumes its performance and/or the Arbitration Tribunal renders an award to the contrary and/or a final award on the merits.

No Application to any Court or Administrative Body

23.77 Under no circumstances shall either of the Parties at any time make application to any court or administrative body for any relief or order relating to any dispute or disagreement, the Parties hereby acknowledging that their agreement to refer all disputes to arbitration, as set out herein, shall and does divest any court of any jurisdiction which it might otherwise have over the relationship of the Parties hereunder or in connection herewith. Any breach of this Clause shall be considered a material breach of the Agreement and the Party so breaching shall reimburse the other Party for any and all costs of whatsoever nature, including but not limited to legal costs and expenses, engendered by such breach.

ASSIGNMENT AND SUB-CONTRACTING

No Sub-Contracting Without Permission

23.78 Subject to Clause 23.79, the TPO must not sub-contract its obligations under this Agreement without the prior written approval of SCCL, which shall not be unreasonably withheld. Any approval to sub-contract given by SCCL in accordance with this Clause shall not discharge the TPO from any liability under the Agreement and TPO remains subject to all of its obligations under the Agreement. The TPO must ensure any sub-contractor approved by SCCL observes all the provisions of the Agreement as if the sub-contractor was a party to this Agreement.

Assignment

23.79 Neither party shall assign, mortgage or charge or otherwise deal with the Agreement without the prior written approval of the other party, which approval may not be unreasonably withheld.

COAL MINES PROVIDENT FUND

23.80 The TPO shall make necessary arrangements for enrolling all his employees, workmen and staff as the members of CMPF. A copy of the monthly subscription towards CMPF contribution together with TPO share of contribution shall be made available to the Mine Manager of KTK Longwall Project appointed by SCCL regularly. A copy of recovery details and return along with original deposit challan duly certified by TPO certifying the amount deposited by the TPO shall be submitted to The Mine Manager appointed by SCCL

every month. If the TPO fails to submit sufficient proof of compliance of this obligation, the monthly bill of the TPO shall not be released. If any obligation arises on account of the failure of the TPO with regard to these provisions, SCCL will be entitled to recover the same from the running bills or otherwise. If the TPO already holds EPF registration for his employees/workmen/staff, the same can be transferred to CMPF during the tenure of this contract or the posting of the employee/workman/staff concerned at the "Project".



Annexure – I

List of Permissions/Approvals obtained by SCCL for KTK Longwall

S.No.	Permission details	Details
1	Mining Lease	
2	Mining Plan	
3	EMP	
4	Feasibility Report	
	<u>Mining & Electricals</u>	
5	Permission for solid blasting with P-5 explosives in No.3 seam under Reg. 168(15), 173(a) & 175(5) of CMR,1957.	H1/KTK8&8A/Perm/2007/324 dt: 18.02.2008
6	SSR for No.3 seam under Reg.108 of CMR,1957.	H1/KLWP/Perm/2554 dt: 06.11.2008
7	SSR application for No.2 seam under Reg.108 of CMR,1957.	H1/KLWP/Perm/2549 dt: 06.11.2008
8	Permission under reg. 99(3) of CMR,1957 for development of workings in apparent dip forming rhombus shaped pillars in No. 3 seam	H1/KTK8&8A/Perm-Recd/1566 dt: 30.06.2008
9	For permission to use belt conveyor in No.3 seam under Reg.92(4) of CMR, 1957	H1/2008/889 dt: 16.04.2008
10	Classification of No.3 seam gassiness under Reg.116 of	H1/KTK8&8A/Perm/

	CMR,1957.	2008/353 dt:19.02.2008
11	Classification of No.2 seam gassiness under Reg.116 of CMR,1957.	H1/KLP/Perm/1575 dt: 01.07.2008
12	Permission for solid blasting with P-5 explosives in No.2 seam under Reg.168(15), 173(a) and 175(5) of CMR,1957	H1/KTKLW/Perm/1553 dt: 30.06.2008
13	Proposed development in apparent dip forming rhombus shaped pillars in No.3 seam under Reg.99(2) & (3) of CMR,1957.	H1/KTLW/Perm/08/2303 Dt: 23.09.2008
14	Proposed development in apparent dip forming rhombus shaped pillars in No.2 seam under Reg.99(2) & (3) of CMR,1957.	H1/KTLW/Perm/08/2326 Dt: 24.09.2008
15	Approval to bring into use 3.3 HT VCBs, 315KVA transformer, transwitches, 150HP hauler at surface and underground substations both in No.2 seam and No.3 seam.	SZE/SCCL/63/KLP/08/19-5/2820 dt: 27.06.2008
16	Permission to develop No.1A,.1,2 & 3 seams of KLP mine under Reg.105(1) and 126(2) of CMR,1957 to work beneath and within 45m of AP Transco lines	H1/KLP/Perm/2008/2896-98 dt: 16.12.2008
17	Change of mine boundary	H1/010086/Perm/2009/656 dt: 17.03.2009.

18	Notice under Reg.129(1) of CMR,1957 for construction of water retaining wall at 1LN/MWD in No.3 seam.	***
	<u>ENVIRONMENT</u>	
19	Environment clearance	J-11015/357/2006-1A.II(M) dt: 06.08.2007
20	Consent order for establishment	58/PCB/CFE/RO-WGL/HO/2008-2720 dt: 19.03.2008.
21	Ground water clearance	5855/Hg-II(1)/06-1 dt. 28-06-2006.
	<u>Coal controller permissions</u>	
22	Opening permission in respect of seam No.III of KTK No.8&8A incline UG mine	CC/Tech/OP/Kak.Khani No.8&8A incline UG/sccl/07-08 DT: 05.02.2008
23	Opening permission in respect of seam No.II of KTK8&8A incline UG Mine	CC/Tech/Open Perm /KTK 8&8A incl/2 seam/ 08-09 DT: 20.11.2008

Annexure – II

Infrastructure facilities presently available at Kakatiya Longwall Project.

S.No.	Description
1	Filter bed (1 lakh gallons capacity)
2	33 KV/3.3KV Indoor Sub-station (1 x 1600 KVA and 1 x 1000 KVA)
3	WBM internal roads
4	A pair of tunnels (4.2 x 3.4m & 4.2 x 3.0m cross section) each driven and connected to No.2 & 3 seams.
5	Mine take area land of 69 acres was acquired for office use
6	Portable magazine of 1.0 ton capacity
7	WBM approach road to the mine connecting to the state highway suitable for 40 T carriage
8	Main Mechanical Ventilator
9	Haulage for material and coal transport
10	Drinking water @ 2000 gpm
11	Raw water @ 1000 gpm
12	Main sump with adequate pumping arrangement
13	Administrative building
14	Communication facility including Broad band Internet connectivity
15	VSAT connectivity
16	Pit-stores building for SCCL use

Annexure – III

Infrastructure that will be made available along with time schedules at Kakatiya Longwall Project.

S.No.	Description	Date of starting	Likely date of completion
1	Asphalting of approach road	April,2009	Dec.,2009
2	Canteen	Nov.,2008	July,2009
3	Lamp cabin	Nov.,2008	July,2009
4	Rest shelter	Nov.,2008	July,2009
5	Inter seam tunnels from No.3 seam to 1A seam. a) 357m so far driven out of 723m in a haulage level Tunnel b) 35m so far driven in conveyor raising tunnel (1 in 5) out of 350m	May,2008 March,2009	Nov.,2009 Nov.,2009
6	Sinking of 6.5m dia return air shaft	Jan.,2009	Jan.,2011
7	Commissioning of 2 x 300HP MMV	Oct.,2009	Jan.,2011
8	Acquisition of land for CHP, diversion of gundlavagu nallah, subsidence area up to 150m depth etc.	July,2005	Dec.,2009

Annexure – IV

List of Scientific Investigations completed by SCCL for design of Longwall Technology at KTK Longwall Project

S.No.	Scientific Investigations
1	Permeability studies by Mesy India Pvt. Ltd.
2	Longwall PRS capacity studies by CSIRO, Australia.
3	In-situ strength of coal assessment by NIRM
4	In-situ stress measurement by Mesy India Pvt. Ltd.
5	Rock Mechanics investigation to evaluate strength characteristics of rocks for Longwall Mining, KTK Block, SCCL, Rammagundam Collieries by CIMFR
6	Geological and Geo-physical characterisation by CSIRO, Australia
7	Hydro-Geomechanical Framework and PMP Characterisation by CSIRO, Australia
8	Hydro-fracturing by CSIRO, Australia.

Annexure - V

EXECUTIVE SUMMARY AND MINING SCHEME FOR KTK LONGWALL

1.0 LOCATION

The Kakatiya Longwall Project is carved out of two geological blocks viz., Gollapalli and Peddapur in northern part of Mulug Coal Belt. Mulug Coal Belt is located in Warangal District of Andhra Pradesh in Godavari Valley Coalfield.

The Mine Block is bounded by North Latitude $18^{\circ} 20' 52''$ to $18^{\circ} 23' 40''$ East Longitude $79^{\circ} 52' 20''$ to $79^{\circ} 55' 44''$. It is covered in Survey of India Toposheet No.56N/15.

2.0 COMMUNICATION

The Parkal - Mahadevpur state highway passes on the NW side, 4.5 kms. away from the block connecting Warangal – Godavarikhani - Karimnagar. The nearest rail head is Jammikunta of South Central Railway, located 45 kms. towards WSW as the crow flies. Warangal, the district headquarter is connected by road, which is at a distance of 65 kms.

3.0 GEOLOGY

The Kakatiya Longwall Project is an integral part of Peddapalli and Gollapalli geological blocks. These blocks are located in the North Western part of Bhoopalpalli-Chelpar-Pasra-Lingala coal belt referred to as Mulug coal belt.

The detailed exploration in the block has established the presence of 10 recognisable and correlatable coal seams viz. IB, IA, I, II, IIIB, IIIA, III (split into two sections in part of the block), IVA, IV & Index below IV in descending order. Out of the total ten coal seams, IB, IIIB, IIIA, IVA, & Index are not considered for extraction as detailed study of the block reveals that these five seams are not persistent and developed in patches only and hence are not amenable for extraction. No. IV seam is developed in very limited patch with an average

thickness of 1.65m which needs further detailed exploration during the development of III seam to know the actual thickness and extent. At this stage, No. IV seam is not considered in this project. Hence, only four seams viz., IA, I, II and III are considered for extraction.

The details are presented below:

		Lithology	Thickness variation (m)
		BARREN MEASURES	
Strata	:	Grey white sandstone and shale/clay	8.25 – 20.90
IB Seam	:	Coal and Shaly coal	0.90 – 2.10
Parting	:	Grey sandstone with shale and clay bands with thin coal bands	16.45 – 22.60
IA Seam	:	Coal with thin carbonaceous clay/shale band in the middle	1.24 – 2.54
Parting	:	Grey White sandstone	27.85 – 33.49
I Seam	:	Coal with shaly coal with occasional carbonaceous shale band	1.58 – 3.44
Parting	:	Grey white sandstone, shale and carbonaceous shale bands and a thin coal band	27.10 – 38.90
II Seam	:	Coal and shaly coal with carbonaceous shale and clay bands at places	1.41 – 3.60
Parting	:	Grey white sandstone with carb. shale bands and thin coal bands	31.69 – 42.80
IIIB Seam	:	Coal	0.16 – 1.59
Parting	:	Grey white sandstone	16.00 – 32.03

IIIA Seam	:	Coal	0.10 – 1.24
Parting	:	Grey white sandstone	7.60 – 14.20
III Seam (Top)	:	Coal	0.06 – 1.78
III Seam (Composite)	:	Coal	2.00 – 3.90
Parting	:	Grey white sandstone	12.50 – 30.19
IVA seam	:	Coal and Shaly coal	0.30 – 2.20
Parting	:	Grey white sandstone with a thin coal band	20.90 – 33.67
IV seam	:	Coal	0.60 – 2.35
IV seam Parting	:	Grey white sandstone with thin coal bands	114.80– 139.03
TALCHIR FORMATION			

3.1 Structure

The general attitude of the coal measures is WNW-ESE with corresponding North-Northeasterly dips. The block is structurally uniform except for one oblique fault in the dipside of the block.

The gradient of the coal seams varies from 1 in 2.8 to 1 in 3.3

4.0 MINE BOUNDARY

Boundaries of the proposed Kakatiya Longwall Project is as follows:

1	Northwest	Fault F6-F6
2	Southeast	Proved limit along boreholes 350 to 353 (Peddapur Block)
3	Northeast	542m depth line of No.IV seam
4	Southwest	Incrop of IV seam

The total area of the project is 9.709 km² covering 7.39 Kms in strike direction and 1.75 Kms in dip direction.

5.0 MODE OF ENTRIES

A pair of tunnels is proposed from surface to III seam. Out of these two tunnels, one will be for coal conveyance and another for material transport. Both will serve as Intake airway. Second pair of tunnels will connect II seam, out of which one will be for Manriding system. Both will serve as Intake airway. The gradient of these tunnels will be 1 in 5 and the dimensions are as follows:

Sl. No.	Description	Width (m)	Height (m)	Length (m)
1	Tunnels upto III seam:			
	a) Manway/Belt conveyer	4.2	3.0	170
	b) Haulage/Material transport	4.2	3.4	170
2	Tunnels upto II seam:			
	a) Manway/Manriding	4.2	3.0	178
	b) Main Incline	4.2	3.4	179

5.1 Air Shaft

After study of ventilation requirements, the shaft pillar to be left for protection and the surface features, the location of shaft has been proposed at Borehole No.292. The return air shaft is located adjacent to the trunk roadways which will connect all the seams.

The brief technical details are presented below:

Sl. No.	Details	Upcast Shaft
1	Type of duty	Return air
2	Shaft diameter (m)	6.5
3	Depth (m)	200
4	Lining	Lined throughout by RCC/PCC
5	No. of Insets	4 (IA, I, II and III)
6	Fan drift	Connected to shaft at the shaft collar
7	Rate of sinking	20m/month
8	Arrangement for dewatering pipes, electrical cables and signaling	

The shaft pillar is decided basing on the angle of draw which is taken as 35° for multi seam working, an additional distance of 50m all around the shaft is left for essential surface buildings which are to be protected. From the edge of these buildings, the angle of draw of 35° is marked to fix the limit of extraction in the respective seams. The resultant shaft pillar ($200 \tan 35^{\circ} + 50\text{m}$) is of 190m radius.

5.2 Approach to Seams

To have approach to other seams from III seam for Haulage and coal evacuation, two drifts viz. CENTRAL HAULAGE DRIFT and CENTRAL COAL DRIFT are planned from III seam to IA seam. The central haulage drift will be haulage connection to all seams from III seam. In similar lines a central coal drift is planned for coal evacuation for all the seams with a storage strata bunker located

in the parting between III and II seams. One Inspection/Manway tunnel from III seam to IA seam connecting other seams is also proposed at TG of Panel No. 4.

6.0 RESERVES

The Geological and Extractable reserves in mine take area are presented below.

Seam	Geological Reserves (Mt)	Extractable Reserves (Mt)
IA	26.16	15.66
I	36.75	19.53
II	37.55	19.54
III	44.54	25.52
Total	145.00	80.25

The extractable reserves have been arrived at considering thickness of mining, support system, presence of clay bands, etc.

Extraction of the top most IA seam shall be completed first and extraction of the lower I seam shall commence on complete exhaustion of IA seam. Subsequent seams shall also be extracted accordingly.

7.0 GEO-MINING PARAMETERS FOR SELECTION OF MINING TECHNOLOGY

7.1 Depth, Thickness and Grade of Coal Seams

Seam	Depth(m)		Thick-ness of extraction (m)	Average UHV (Inband) K.Cal/Kg	Grade
	Min.	Max.			
IA	35.53	296.60	2.0	3825	E
I	47.55	332.69	2.5	3008	F
II	33.50	340.00	2.5	3016	F
III	45.80	412.16	3.0	5988	B

7.2 Nature of Immediate Roof & Floor

Sl. No.	Seam	Compressive Strength Kg/Sq.cm	Nature of Roof/ Floor	
			Roof	Floor
1	IA Seam	79 - 312	Coal/Carb. clay	Grey Sandstone
2	I Seam	95 - 340	Shaly coal/Sand stone	Grey Sandstone
3	II Seam	112 - 676	Coal/Shaly coal/Sand stone	Grey Sandstone
4	III Seam	84 - 498	Coal/Sand stone	Grey Sandstone

7.3 Cavability of Roof Rocks

One of the vital factors to be taken into consideration before introduction of Longwall method of work is the cavability of the relevant roof above the working section. The Caving Index of roof of different seams is presented below:

Seam	Caving Index (Weighted avg.)
Roof of Seam IA	3237
Roof of Seam I	1029 – 8209
Roof of Seam II	1638 – 3043
Roof of Seam III	3161 - 9473

Form the above table it is evident that the roof rocks are moderately difficult to cave.

8.0 GASSINESS

All the seams considered have been classified as Degree-I Gassiness in the neighbouring Mines in Bhoopalpalli area. Based on this, seams in the Kakatiya Longwall Project have been considered to be Degree-I gassy for planning purpose.

9.0 METHOD OF WORK

Longwall retreating with caving is chosen as the principal method of mining in all the above seams for the following reasons. The length of the panels shall vary from 2 km to 3 km and face length shall be 250 m.

- a) Potential for Bulk production
- b) To work in steep gradients and at higher depths with better strata control
- c) Higher percentage of extraction & productivity

- d) Concentrated workings and higher standards of Safety

9.1 Drivage of Roadways

The trunk roadways and Gate roadways are proposed to be developed by Roadheaders with mounted roof bolter. The inter connections at 100m intervals between the roadways will be by conventional blasting and use of Side Dump Loaders.

9.2 Trunk Roadways

The Trunk Roadways are planned in an apparent dip at a gradient of 1 in 5 for operational convenience of belt conveyor system and to have maximum possible length of longwall panels on either side. A total of 4 trunk roadways are planned in each seam to cater to coal conveyance, haulage and return air roadways. The dimensions of trunk roadways are 3.0m height x 4.5m width which are proposed to cater to ventilation requirements and to provide proper clearances for accommodating 1200mm trunk belt conveyor.

9.3 Gate Roadways

A pair of Gate roadways will be driven with Roadheader machines. Double roadway is proposed for better ventilation due to longer length of Panels.

9.4 Support System

The Trunk roadways and Gate roadways are proposed to be supported by roof bolts. Wherever the height of roadway is more than 3.0m, the roof shall be supported with roof bolts, "W" straps in conjunction with wire mesh. The Bolting machine mounted on the Road Headers is provided for faster Gate roadway development.

At geologically disturbed area and junctions, supports will be reinforced with steel girders or arches etc. as per the requirement.

10.0 PRODUCTION CAPACITY AND SCHEDULE

The following equipment is envisaged in the Kakatiya Longwall Project:

- i) Road headers : 3 Nos.
- ii) Side Dump Loaders : 3 Nos.
- iii) Longwall set : 1 No.

The annual rated output of the project is taken as 2.747 Mt. with the above equipments.

With the commissioning of Longwall equipment in 3rd year, all the production equipment proposed in the project will be put into operation. The year-wise build up of production is as shown below.

Year	1	2	3	4
Production (mt)	0.16	0.33	1.32	2.72

11.0 LIFE OF THE MINE

With the envisaged production, the life of the project is 32 years including the construction period.

12.0 COAL EVACUATION, MEN & MATERIAL TRANSPORT

12.1 Coal Evacuation

For centralized coal transport, a Central Coal Drift is envisaged to connect the Belt Incline of III seam. This drift, inclined at 1 in 5, passes through all the seams. A belt conveyor of adequate capacity is envisaged in this drift. This Central Coal Drift forms the main connection to the trunk roadways of all the seams. Trunk belt conveyors are envisaged in the belt road ways of all the seams. The inter seam parting between II seam and III seam is utilised for establishing strata bunker of 2000 Tonnes capacity. Coal from the strata bunker will be discharged on to the trunk belt conveyor of III seam which leads to the surface.

Coal from the Road headers and Side Dump Loader deployed in development of gate road ways will be conveyed to trunk belts. It is proposed to develop two Gate roadways simultaneously by two Roadheaders and inter connections between Gate roadways by SDL at 100m apart. One of the Gate roadways will be utilised for coal conveyance. The coal from other Gate roadway will be conveyed, through a cross belt conveyor.

12.2 Material Transport

Material including like powered roof supports will be lowered from surface by a direct hauler through III seam haulage incline up to the Central Haulage Drift (CHD). An endless hauler is provided in Central Haulage Drift from III seam to other seams. High capacity Direct Haulers are envisaged in haulage dips of individual seams for further transport of material into the panels.

Two Gate roads are planned to be driven simultaneously with two Roadheaders with inter connections by SDLs. An endless haulage will be erected in one of the Gate roadways for material transport. The same endless haulage will be utilized for material transport into other roadway also.

For material transportation during installation and working of Longwall panel, an endless hauler in each roadway shall be provided. Monorails system shall also be provided to reduce the installation time in Longwall.

Provision for special heavy-duty low slump trolleys with safety features to control over speed, derailment etc., for transportation of heavy material like powered roof supports shall be made. In addition to these trolleys, one “Free Steer Vehicle” is envisaged for heavy material transport.

13.0 MINE VENTILATION

Numbers of options have been simulated on computer, based on the mine layout, production phasing and ventilation circuits at different stages for Optimization of Ventilation System.

Fresh air requirement of the Project is estimated at 173 m³/Sec. The operating pressure of the main mechanical ventilator will be 70 to 90 mm of water gauge.

13.1 Ventilation System for Drivage of Gate Roadways & Trunk Roadways

It is planned to develop gate roadways in the form of chain pillar method. Two adjacent gate roadways are to be driven simultaneously by two Roadheaders and the barrier in between is connected at every 100m interval. Intake is to be established through one of the roadway and return is taken through the other roadway. Interconnection is considered as LVC (Last Ventilation Connection) for both the drivages. Auxiliary ventilation shall be established from the LVC by installing independent Auxiliary Fans.

Similar system of ventilation is envisaged during drivage of Trunk Road ways, Central Coal Drift and Central Haulage Drift.

13.2 Longwall Face Ventilation

The intake air would reach the Longwall face through Main gate where belt conveyor is installed and the return air would be through Tail gate.

As the depth of workings is expected to reach over 600m, air cooling plant is also envisaged.

14.0 PUMPING AND DRAINAGE

Make of water in the Kakatiya Longwall Project has been considered at 160 litres per second for the purpose of designing mine sump and pump capacity assessment. The main sump of 15 Lakh Gallons capacity is envisaged in II seam in the middle of the property. One auxiliary sump in II seam and two auxiliary sumps in III seam of each 8 Lakh Gallons capacity are envisaged. Water from IA seam and I seam will be conveyed to auxiliary sump/ main sump of II seam through boreholes.

15.0 POWER SUPPLY AND DISTRIBUTION

Bhoopalpalli Coal field is receiving power from 132/33 KV APTRANSCO Sub-Station. The 132/33 KV sub-station of APTRANSCO is located at a distance of 5.5 km. from Kakatiya Longwall Project. The overall maximum demand for the project works out to 11.45 MVA for a targeted production of 2.747 Mt.

16.0 MINING LEASE

Out of total Mine-take area of 970.90 Ha, Mining Lease is available for 594.80 Ha, which is covered under two mining leases, namely - Peddapur Mining lease, valid upto 21.09.2029 and Peddapur Extension Block-I Mining lease, valid up to 25.05.2029. Mining lease will to be obtained for the remaining area of 376.10 Ha. The details are presented below:

Sl. No.	Description	Total (Ha.)
1	Mining Lease available	
	a) Peddapur	309.60
	b) Peddapur Extn.	285.20
	Sub Total	594.80
2	Mining Lease recently obtained	376.10
	Grand total	970.90

17.0 ENVIRONMENTAL CLEARANCE

Subsequent to the public hearing held on 14.3.2007, SCCL has submitted final EIA/ EMP to MoEF on 10.4.2007. Expert Committee discussed the proposal in its meeting held on 13.6.2007. MoEF issued Environmental Clearance vide letter No. J-11015/ 357/2006-IA.II(M) dated 6.8.2007.

18.0 PRODUCTION PLANNING

The KTK Longwall Project is planned with a production capacity of 2.747 Million tonnes per annum. The present ramp up plan, considering the provision of required infrastructure is as follows:

(Million Tonnes)			
Year	Development	Longwall	Total
1 st year	0.25	0	0.25

2 nd year	0.25	1.00	1.25
3 rd year	0.25	2.50	2.75
4 th year	0.25	2.50	2.75
5 th year	0.25	2.50	2.75
6 th year	0.25	2.50	2.75
7 th year	0.25	2.50	2.75
8 th year	0.25	2.50	2.75
9 th year	0.25	2.50	2.75
10 th year	0.25	2.50	2.75
11 th year	0.25	2.50	2.75
12 th year	0	1.25	1.25
Total	2.75	24.75	27.5
