

**The Singareni Collieries Company Limited**

Filing of Capital Cost/ Tariff of 1200 MW (2 X 600 MW) Singareni  
Thermal Power Project in Jaipur, Adilabad District

To

Telangana State Electricity Regulatory Commission (TSERC)

| <b>INDEX</b>   |  |              |
|----------------|--|--------------|
| <b>Sl. No.</b> | <b>Content</b>   | <b>Pages</b> |
| 1              | Affidavit  | 2 - 4        |
| 2              | Main Application   | 5 - 13       |
| 3              | Filing of Capital Cost/ Tariff Writeup   | 14 - 16      |
| 4              | 1. Background  | 17 - 20      |
| 5              | 2. Power Purchase Agreement with the TSDISCOMs                                   | 21 - 22      |
| 6              | 3. Capital Cost of 2x600 MW Singareni Thermal Power Project                      | 23 - 32      |
| 7              | 4. Source of Funds for the project   | 33           |
| 8              | 5. Prayers to the Hon'ble Commission   | 34           |
| 9              | 6. Annexure - Summary of Capital Cost  | 35 - 37      |
| 10             | 7. Annexure - Estimated additional Capital Cost expenditure after COD of Unit-II | 38           |
| 11             | 8. Annexure - Explanation of Price Variation Clause                              | 39 - 41      |
| 12             | 9. Submission of Forms as per APERC Regulation 1 of 2008                         | 42 - 71      |

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION**

**AT IT'S OFFICE AT 5<sup>TH</sup> FLOOR, SINGARENI BHAVAN, HYDERABAD**

**O.P.No - /2016**

**IN THE MATTER OF:**

Filing for 'Determination of Capital Cost/Tariff for supply of electricity by a Generating Company and purchase of electricity by Distribution Licensees for the financial year FY 16-17 to FY 18-19 for its generation and sale of electricity under Section 61, 62, 64 and 86 (1)(b) of Electricity Act, 2003 read with the relevant TSERC Guidelines and Regulations till date, by the M/S The Singareni Collieries Company Limited.

**IN THE MATTER OF:**

M/S The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Khammam Dist, Telangana State PIN: 507101

Applicant

AND

Southern Power Distribution Company of Telangana Limited (TSSPDCL): Corporate Office: # 6-1-50, Mint Compound, Hyderabad, Telangana-500 063.

&

Northern Power Distribution Company of Telangana Limited (TSNPDCL): H.No: 2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalgutta, Hanamkonda, Warangal, Telangana-506001

Respondents/Purchaser of Power

AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION ACCOMPANYING CAPITAL COST FILING/TARIFF FILING REQUIREMENTS

I, Sri. J. Pavitran Kumar, S/O Ashanna, Age 32 Years, Occupation Public Servant, R/O Hyderabad do hereby solemnly affirm and state on oath as follows:

1. I am the Director (Finance) & CFO, the Petitioner in the above matter and I am duly authorized by the said Petition to make this affidavit on its behalf.
2. I have read and understood the contents of the accompanying filings of the proposals for 'Determination of Capital Cost/Tariff of the coal fired 1200 MW Singareni Thermal Power Project in Jaipur to and purchase of Electricity by Distribution Licensees', filed by Petitioner before this Hon'ble Commission. The statements made in paragraphs of the accompanying affidavit now shown to me are true to my knowledge and are derived from official records made available to me and are based on information and advice received which I believe to be true and true.

Deponent

#### VERIFICATION

I, the above name deponent solemnly affirm at Hyderabad on this 03 day of February, 2016 that the contents of the above affidavit are true to my knowledge and no part of it is false and nothing material has been concealed there from.

Deponent

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION**

**AT IT'S OFFICE AT 5<sup>TH</sup> FLOOR, SINGARENI BHAVAN, HYDERABAD**

**O.P.No - /2016**

**IN THE MATTER OF:**

Filing for 'Determination of Capital Cost/Tariff for supply of electricity by a Generating Company and purchase of electricity by Distribution Licensees for the financial year FY 16-17 to FY 18-19 for its generation and sale of electricity under Section 61, 62, 64 and 86 (1)(b) of Electricity Act, 2003 read with the relevant TSERC Guidelines and Regulations till date, by the M/S The Singareni Collieries Company Limited.

**IN THE MATTER OF:**

M/S The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Khammam Dist, Telangana State PIN: 507101

Applicant

The Applicant respectfully submits as under:

- I. Name and Address of Applicant: **The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Khammam Dist, Telangana State PIN: 507101**
- II. Primary Business of the Applicant : **Coal Mining**
- III. Details of Distribution Licensee purchasing power:
  - a. **Southern Power Distribution Company of Telangana Limited (TSSPDCL): Corporate Office: # 6-1-50, Mint Compound, Hyderabad, Telangana- 500063.**
  - b. **Northern Power Distribution Company of Telangana Limited (TSNPDCL): H.No: 2-5-31/2, Corporate Office, Vidyut Bhavan, Nakalgutta, Hanamkonda, Warangal, Telangana- 506001**
- IV. Details of Generating Company: **The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Khammam Dist, Telangana State PIN: 507101**
- V. Name and Location of the Generating station for which Capital Cost/tariff is to be determined, indicating the following details:
  - a. Name/Location of Generating Station: **Singareni Thermal Power Project (STPP), Pegadapalli (V), Jaipur Mandal, Adilabad District, Telangana**
  - b. Total existing unit wise installed capacity and proposed unit wise capacity in MW: **Proposed Unit-I: 600 MW, Proposed Unit-II: 600 MW**
  - c. Nature of Generation plant: **Thermal**
  - d. Type of primary and secondary fuel:
    - i. **Primary Fuel: Coal**
    - ii. **Secondary Fuel: Light Diesel Oil/Heavy Fuel Oil**
  - e. Expected date of commercial operation of proposed unit
    - i. **Unit-I: End of March 2016**
    - ii. **Unit-II: End of April 2016**
  - f. Proposed capital cost of the new units: **As per Annexure, Table 9 on Abstract of Capital Cost Estimates and Schedule of commissioning for the New projects**
  - g. Details of project loans for proposed units: **As per Annexure, Table 13 on Details of Project Specific Loans**

**h. Year-wise Interest during Construction: As per Annexure, Table 14 on Calculation of IDC & Financing Charges**

VI. Details of fee paid to the Commission:

**a. Amount: Rs. 1,00,00,000 (One Crore Only)**

**b. Cheque No: 522205**

**c. Dated: 01.02.2016**

1. This filing for 'Determination of Capital cost/Tariff for supply of Electricity by a Generating company to and purchase of Electricity by Distribution Licensees is in accordance with the provisions of the Reform Act, the Electricity Act 2003 and the Guidelines and Regulations issued by the Hon'ble Commission till date.
2. The Singareni Collieries Company Limited has filed herein the proposals for 'Determination of Capital Cost/Tariff for supply of electricity by the Generating Company to and purchase of Electricity by Distribution Licensees for FY 16-17 to FY 18-19.
3. While filing the present Capital cost/tariff proposals, The Singareni Collieries Company Limited has endeavored to comply with the various applicable legal and regulatory directions and stipulations including the directions of the Hon'ble Commission in the Business Rules of the Commission, the Guidelines and the recent Regulations on Terms and Conditions for 'Determination of Tariff for supply of Electricity by the Generating Company to and purchase of Electricity by Distribution Licensees (Regulation 1 of 2008)
4. Based on the information available, the applicant has made bonafide efforts to comply with the directions of the Hon'ble Commission and discharge its obligations to the best of its abilities. However, should any further material become available in the near future, the Applicant reserves the right to file such additional information and consequently amend/revise the application.
5. Sri. J. Pavitran Kumar has been authorized by SCCL to execute and file the said Petition on behalf of The Singareni Collieries Company Limited. Accordingly, the current petition is signed and verified by, and backed by the affidavit of Sri J. Pavitran Kumar, Director (Finance) & CFO.
6. In the aforesaid facts and circumstances, the Applicant requests the Hon'ble Commission to
  - a. Take the accompanying Petition of The Singareni Collieries Company Limited on record;

- b. Grant suitable opportunity to The Singareni Collieries Company Limited within a reasonable time frame to file additional material if any;
- c. Grant the waivers prayed with respect to such filing requirements, as The Singareni Collieries Company Limited is unable to comply with at this stage, as more specifically detailed and for the reasons set out in the present capital cost/tariff proposals filings;
- d. Treat the filing as complete in view of substantial compliance as also the specific requests for waivers with justification placed on record;
- e. Allow the Applicant to submit detailed tariff filings later to the Hon'ble Commission;
- f. Consider and approve The Singareni Collieries Company Limited Capital cost/Tariff proposals, included all requested regulatory treatments in the filing;
- g. Pass such order, as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

The Singareni Collieries Company Limited

Applicant

Through

Sri. J. Pavitran Kumar

Designation: Director (Finance) & CFO

Place: Hyderabad

Dated: February 03, 2016



The Singareni Collieries Company Limited (SCCL) is a coal mining company jointly owned by the Government of Telangana and Govt. of India. SCCL was incorporated in 1920 under the Hyderabad Companies Act, and later in 1956, the controlling stake was transferred to the Government of Andhra Pradesh. In 1960 the Government of India started infusing equity into the company. As of now Government of Telangana, Government of India and private shareholders own 51.096%, 48.902% and 0.002% equity stake in the company respectively.

SCCL is setting up a 2x600 MW thermal power plant at Jaipur in Adilabad district. The expected Commercial Operation Date (COD) of Singareni Thermal Power Project (STPP) for Unit I and Unit II by end of March, 2016 and by end of April, 2016 respectively.

SCCL had entered into a Power Purchase Agreement (PPA) with erstwhile APDISCOMS dated 29<sup>th</sup> September 2010 and submitted to the erstwhile APERC which was pending for approval. During the course of time, due to the effect of reorganization of the State, the said PPA was amended and the amended and restated PPA is entered between SCCL (Seller) and TSDISCOMS (Buyer) on a long term basis for 25 years on 18<sup>th</sup> January, 2016 for sale of power from 2 x 600 MW STPP.

The PPA signed between SCCL and TSDISCOMS stipulate that tariff determination would be done by Telangana State Electricity Regulatory Commission (TSERC). The tariff determination would be done as per APERC Regulation 1 of 2008.

APERC Regulation 1 of 2008 laid down the terms and conditions for determination of tariff for supply of electricity by a generating company to a distribution licensee in the erstwhile state of Andhra Pradesh. TSERC Regulation 1 of 2014 states all regulations, decisions, directions or orders of APERC as in existence on the date of constitution of TSERC shall be valid. Hence, the capital cost and tariff determination of the SCCL power plant shall be as per the terms and conditions of APERC Regulation 1 of 2008.

The tariff would consists of the following:

- Annual fixed costs
- Energy charges
- Norms of operation

The Fixed cost shall be determined based on the following

- Capital cost of the project
- Capital structure (Debt-Equity)

- Depreciation
- Operation & Maintenance Expenses
- Working capital
- Income Tax as actuals

An important parameter for determining the Fixed Cost of the project is the Capital Cost. Hence, the Applicant has made a detailed report on the Capital Cost of the 2X600 MW Singareni Thermal Power Project.

A Detailed Project Report (DPR) was prepared by DESEIN in 2010 for the proposed power project and the estimated total cost of the project was Rs. 5,685 Crores.

A revised DPR was prepared by DESEIN and the same was submitted in June 2013. As per the revised DPR in June, 2013, the total project cost projected was Rs. 7,574 Crores.

As of FY 2016-17, the estimated capital cost of the project is Rs. 8,250 Crores and the increase in the cost can be mainly attributed to the following factors:

|   |                |
|---|----------------|
| Increase in the price of the BTG package due to increase in WPI and subsequent implementation of Price variation Clause | Rs. 706 Crores |
| Increase in the excise duty and service tax rate to 12.36% from 10.3%   | Rs. 100 Crores |
| Increase in the cost of external water supply due to increase in length of water pipeline                               | Rs. 246 Crores |
| Increase in IDC (Interest During Construction)  | Rs. 407 Crores |

Other reasons for increase in capital cost are due to the cost incurred in the construction of facilities like coal transport roads, reservoir, etc. and other expenditures like startup fuel, establishment, etc.

SCCL being a coal mining company is eligible for a grant towards 70% of cost for the construction of the railway siding from the Ministry of Coal. The total estimated cost for construction of railway siding is around Rs. 280 Crores. Presently, around 30% of this cost, i.e., Rs. 80 Crores for the construction of the railway siding is included in the estimated total capital cost. If SCCL does not receive the grant, around 70% of the expenditure incurred, i.e., Rs. 196 Crores shall be added on to the capital cost of the project.

The breakup of the Total Estimated Capital Cost as of FY 2016-17 is given in the table below.

| <b>Capital Cost of the Project</b> |                                   |  |
|------------------------------------|-----------------------------------|--|
| <b>Sl. No.</b>                     | <b>Particulars</b>                | <b>Estimated Capital Cost (Rs. Crores)</b> |
| A                                  | BTG Package                       | 4,878                                      |
| B                                  | BOP Package                       | 1,038                                      |
| C                                  | Other works undertaken by SCCL    | 988  |
| D                                  | IDC, Financing Charges and others | 1,346                                      |
| <b>E=A+B+C+D</b>                   | <b>Total Project Cost</b>         | <b>8,250</b>                               |

Since the COD of Unit-I and Unit-II is different, i.e., by end of March, 2016 and by end of April, 2016 respectively, the total capital cost of the STPP is allocated to the 2 units as follows. This is required as depreciation and other expenses related to Capital cost during tariff determination would have to be computed as per the different CODs.

- a. The expenditure on the BTG package of Unit-I and the expenditure on common facilities under BOP & other works undertaken by SCCL is expected to be capitalized by end of March, 2016, i.e., till the COD of Unit-I and hence is allocated to Unit-I.
- b. The expenditure on the BTG package of Unit-II till the end of April 2016, i.e. the COD of Unit-II and the expenditure on the common facilities under BOP & other works undertaken by SCCL is expected to be capitalized by end of April 2016 and hence is allocated to Unit-II.
- c. The remaining expenditure on activities like external water supply systems, railway line & plant marshalling yard, etc. that are expended after COD of Unit-II are allocated to both the units on a common basis.

The table shows the unit wise breakup of the Capital Cost:

| <b>Unit wise breakup of Capital Cost</b> |
|--|
|--|

| <b>Particulars</b>   | <b>Capital Cost (Rs. Crores)</b> |
|--|----------------------------------|
| Unit-I Capital Cost till COD (by end of March, 2016)                           | 4,341                            |
| Unit-II Capital Cost till COD (by end of April, 2016)                          | 2,734                            |
| Capital Cost common to both units after COD of Unit-II (by end of April, 2016) | 1,175                            |
| <b>Estimated Total Capital Cost</b>  | <b>8,250</b>                     |

The EPC contract for Boiler, Turbine & Generator (BTG) package has been awarded to M/s BHEL and EPC contract for Balance of Plant (BoP) package has been awarded to M/s McNally Bharat Engineering Company Limited, Kolkata. Total engineering, supply, erection, testing and commissioning of the power plant are in the scope of the EPC Contracts. SCCL has employed NTPC (Consultancy Wing)/ Noida as technical consultant for the above EPC contracts.

Ministry of Coal allocated Naini coal block in Odisha State for the STPP. It is expected to take 3-4 years for the coal linkage to materialise. SCCL has requested Ministry of Coal for allocation of tapering coal linkage for the power plant.

The Applicant has submitted the details of Capital Cost in this filing. The schedule of incurring the Capital cost is given in the below table:

| <b>Estimated Capital Cost Expenditure</b>                               |                      |
|---|----------------------|
| <b>Expenditure</b>  | <b>In Rs. Crores</b> |
| Capital cost expenditure up to December, 2015                           | 5,990                |
| Estimated capital cost expenditure from January, 2016 to COD of Unit-II | 585                  |
| Estimated capital cost expenditure from COD of Unit-I to COD of Unit-II | 500                  |
| Estimated additional capital cost expenditure after COD of Unit-II      | 1,175                |
| <b>Estimated Total Capital Cost</b>                                     | <b>8,250</b>         |

The Applicant intends to meet the Capital cost requirement through a mix of Debt and Equity. The Equity infusion would be equal to 30% of the total Capital Cost while Debt would contribute

to 70% of the Capital Cost funded from financial institutions like Power Finance Company (PFC) and Rural Electrification Corporation (REC).

Out of the total loan requirement of **Rs. 5,775 Crores**, a loan of **Rs. 3,980 Crores** has been taken from PFC, the repayment of which would be done at an interest rate of **11.40%** and a loan of **Rs. 1,320 Crores** is been approved by PFC-REC Consortium at an interest rate of **9.49%**. The balance loan amount of **Rs. 475 Crores** to be utilized after April 2016 would be tied up with the interest rate expected to be same as **9.49%**.

## **The Singareni Collieries Company Limited**

Detailed Writeup of Capital Cost of 1200 MW (2 X 600 MW)  
Singareni Thermal Power Project in Jaipur, Adilabad District

## Contents

|  |    |
|--|----|
| List of Tables .....   | 16 |
| 1. Background.....   | 17 |
| 2. Power Purchase Agreement (PPA) with the TSDISCOMS and terms and conditions for tariff determination ..... | 21 |
| 3. Capital Cost of 2 x 600 MW Singareni Thermal Power Project.....   | 23 |
| 4. Source of Funds for the Project.....  | 33 |
| 5. Prayers to the Hon'ble Commission: .....  | 34 |
| ANNEXURES .....  | 35 |
| 6. Summary of Capital Cost .....   | 35 |
| 7. Estimated Additional Capital Cost expenditure after COD of Unit-II.....                                   | 38 |
| 8. Explanation of Price Variation Clause .....   | 39 |
| 9. Submission of Forms as per APERC Regulation 1 of 2008.....  | 42 |

## List of Tables

|  |    |
|--|----|
| Table 1: Change in Capital Cost of the Project.....  | 24 |
| Table 2: Unit wise breakup of Capital Cost.....  | 25 |
| Table 3: Expenditure of Singareni Thermal Power Project .....  | 25 |
| Table 4: Capital Cost Estimates .....  | 35 |
| Table 5: Capital Cost additions .....  | 37 |
| Table 6: Estimated Additional Capital Cost expenditure after COD of Unit-II .....                    | 38 |
| Table 7: Title of Capital Cost/ Tariff Filing Forms.....   | 42 |
| Table 8: Plant Characteristics .....   | 44 |
| Table 9: Abstract of Capital Cost Estimates and Schedule of commissioning for the New projects ..... | 46 |
| Table 10: Break up of Capital Cost for Coal/ Lignite based projects.....                             | 48 |
| Table 11: Breakup of Major Construction / Supply/ Service packages.....                              | 51 |
| Table 12: Financial package up to COD.....   | 65 |
| Table 13: Details of Project Specific Loans .....  | 66 |
| Table 14: Calculation of IDC & Financing Charges .....   | 68 |



## 1. Background

The Singareni Collieries Company Limited (SCCL) is a coal mining company jointly owned by the Government of Telangana and Government of India. SCCL was incorporated in 1920 under the Hyderabad Companies Act, and later in 1956, the controlling stake was transferred to the Government of Andhra Pradesh. In 1960 the Government of India started infusing equity into the company. As of now Government of Telangana, Government of India and private shareholders own 51.096 %, 48.902 % and 0.002% equity stake in the company respectively.

The Singareni coal reserves stretch across 350 km of the Pranahita- Godavari Valley of Telangana with proven geological reserve aggregating to 8,790 million tonnes. SCCL is currently operating about 16 open cast mines and 31 underground mines with manpower of 58,837.

SCCL which has been solely into coal mining till date is now diversifying by setting up a 2x600 MW coal based power plant at Pegadapalli (V), Jaipur Mandal, Adilabad District, of Telangana State. The State Government has accorded approval on 03.09.2010 for setting up the plant. The Power Purchase Agreement (PPA) has been signed between SCCL (Seller) and Power Distribution Companies of Telangana (TSDISCOMS) (Buyer) on 18.01.2016 on a long term basis for 25 years.

The coal based power plant is sub critical in nature with drum type controlled circulation and two pass type gas path arrangements with single reheat. Closed circuit cooling is employed with induced draft cooling tower.

The nearest railway station from Singareni Thermal Power Project (STPP), Mancheri Railway station on Nagpur–Kazipet main railway line of South Central railway is 14.6 kms away and the nearest airport is Shamshabad Airport, Hyderabad, 250 kms away. The site elevation is 143 m above MSL. The topographical layout of the project is attached below:



The other information on the project are as follows:

i. **Finance**

- The capital structure of the project is built up of 30% of equity capital and 70% of debt.
- 30% of equity capital will be met by internal resources of SCCL and 70% loan capital will be funded by financial institutions.

ii. **Project Construction and Execution**

- The Project is being implemented on Engineering, Procurement and Construction (EPC) concept in two packages of
  - Boiler, Turbine Generator (BTG) with associated civil works (detailed in section 3) and,
  - Balance of Plant (BoP)
- In addition, SCCL has undertaken the following works:
  - Water supply schemes

- Railway siding
- Construction power & water arrangement
- Construction of Township, Transit house etc.

iii. **Status of Statutory Clearances & Land acquisition**

- Required land is under possession of SCCL
- Airport Authority of India (AAI) issued no objection certificate on 26.06.2008 for construction of the chimney of height 275 metres
- Consent for Establishment (CFE) of 2x600MW STPP is issued by Andhra Pradesh Pollution Control Board on 16.06.2011
- Ministry of Environment and Forests (MoEF) accorded Environmental clearance for the Project vide letter dated 27.12.2010

iv. **Water allocation**

- State Government allocated 2 TMC<sup>1</sup>/annum water from Pranahita river near Devulwada, Adilabad District. State Government has accorded permission to draw 18 MGD<sup>2</sup> (1 TMC) of water from Godavari river near Shetpally.

v. **Power Evacuation**

- The power evacuation would be done through 400 KV Quad Moose Double Circuit Line from Singareni Power Project to Gajwel 400 KV Sub-station (162.459 KMs). The works have been undertaken by TSTRANSCO and have been completed.

vi. **Start-up Power**

- The laying of 132 kV line of 28.85 KM from Mandamarri sub-station to the Project site has been taken up by TSTRANSCO and is completed.

vii. **Railway siding**

- Detailed Project Report (DPR) was approved in-principle by South Central Railways for Straight length of the track-line of 17.10 KMs & total length of 32.50 KMs.
- RITES have been appointed as the Project Management Consultants (PMC) for tendering & execution of the siding works.

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<sup>1</sup> TMC – Thousand Million Cubic Feet

<sup>2</sup> MGD – Million Gallons per Day

- The total cost considered for construction of the railway siding is Rs.276 Crores. Out of this, SCCL applied to Coal Controller, Ministry of Coal for CCDAC (Coal Conservation Development Advisory Committee) towards 70% of cost of the railway line. Ministry of Coal collects Rs.10 per tonne of coal as a stowing excise duty from all the coal companies and the fund will be utilised for roads and railway lines, protective works, sand stowing operations etc being developed in the mining areas for evacuation of coal. Normally 70% of these works shall be paid to Coal Companies as a grant/ assistance.
- SCCL is to submit quarterly returns to the Coal Controller showing the particulars of expenditures and copies of the bills. Assistance is received after the acceptance of the same. However, the Coal Controller can disallow some of the expenditures on one or the other grounds. Therefore, SCCL may not receive the entire amount towards 70% of the cost of the railway line. Hence, the differential amount will be claimed in the revised petitions or after actual cost filing with TSERC after COD of the plant as per the Regulation 1 of 2008.

viii. **Coal Linkage**

- Ministry of Coal allocated Naini coal block in Odisha State for 2x600 MW Singareni Thermal Power Project. It is expected to take 3-4 years for the coal linkage to materialise. SCCL has requested Ministry of Coal for allocation of tapering coal linkage for 2x600 MW power project of SCCL on an interim basis.

The first 600 MW unit of the power plant is expected to be commissioned by **end of March, 2016** while the second 600 MW unit of the power plant is expected to be commissioned by **end of April, 2016**.

The EPC contract for Boiler, Turbine & Generator (BTG) package has been awarded on M/s Bharat Heavy Electricals Limited (BHEL) and EPC contract for Balance of Plant (BoP) package has been awarded on M/s McNally Bharat Engineering Company Limited, Kolkata. The total engineering, supply, erection, testing and commissioning of the power plant are in the scope of the EPC contracts. SCCL has employed National Thermal Power Corporation Limited (NTPC), Noida as a technical consultant for the above EPC contracts.

## **2. Power Purchase Agreement (PPA) with the TSDISCOMS and terms and conditions for tariff determination**

A Power Purchase Agreement (PPA) has been signed on 18.01.2016 between SCCL and TSDISCOMs for sale of 1200 MW power to TSDISCOMs for a period of 25 years. The provisions of PPA state that TSDISCOMs would pay SCCL for the power sold as per the tariff determined by Telangana State Electricity Regulatory Commission (TSERC).

The rate at which power will be sold to the TSDISCOMS will be as determined by TSERC by the powers vested in it by Section 62 and Section 86 (1) (b) of the Electricity Act, 2003.

Sections 62 and Section 86 (1) (b) of the Electricity Act, 2003, require the Commission to determine the tariff for supply of electricity by a generating company to a distribution licensee and to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured, from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.

APERC Regulation 1 of 2008 lays down the terms and conditions for determination of tariff for supply of electricity by a generating company to a distribution licensee in the erstwhile state of Andhra Pradesh.

TSERC Regulation 1 of 2014 states all regulations, decisions, directions or orders of APERC as in existence on the date of constitution of TSERC shall be valid. Hence, the capital cost and tariff determination of the SCCL power plant shall be as per the terms and conditions of APERC Regulation 1 of 2008 and its amendments.

APERC Regulation 1 of 2008 states that the tariff for sale of electricity shall comprise of two parts

- Fixed cost
- Variable cost

The Fixed cost shall be determined based on the following:

- Capital cost of the project
- Capital structure (Debt-Equity)
- Depreciation
- Operation & Maintenance Expenses
- Working capital
- Income Tax as actuals

And the Variable Cost shall be determined based on the following:

- Landed cost of Coal (including secondary fuel oil)
- Royalty on coal and water cess, etc.

Clause 10.8 of APERC Regulation 1 of 2008 on Capital Cost states that *“Subject to prudence check by the Commission on information filed by the generating company, licensee, evidence from other Commissions, generating companies, licensees and international experience etc. the Commission shall determine the Capital Cost of the project..... “*

The Applicant in the later sections, explains in detail the different components of Capital cost and the cost contribution of each component to the Capital cost. This information is submitted to the Hon'ble Commission for prudence check and approval of the Capital Cost.

### **3. Capital Cost of 2 x 600 MW Singareni Thermal Power Project**

SCCL had engaged DESEIN Consulting Engineers for preparation of the initial DPR in 2009. DESEIN divided the scope of work in the thermal power plant into three sections, BTG (Boiler, Turbine and Generator), BOP (Balance of Plant) and Civil works including the railway siding. DESEIN estimated the costs of these components in July 2010.

A Detailed Project Report (DPR) was prepared by DESEIN for the proposed power plant at an estimated total cost of **Rs. 5,685 Crores**. The break-up of the estimated cost is shown in Table 1.

Based on the original DPR, SCCL placed an order to BHEL for BTG package with associated civil works in November 2011. The BTG Package ordering value was higher as compared to the original DPR as costs had escalated during this intervening period of 2 years.

Due to the increase in the cost of the BTG package, a revised DPR had been prepared to factor any additional costs due to interest rate variation, change in scope etc. The preparation of revised DPR for the proposed power plant (2x 600 MW STPP) was submitted by DESEIN in June 2013. BHEL was awarded the contract for construction of the BTG package while the process of awarding the contract for the BOP works was under progress at that point in time. The revised DPR was prepared considering the above factors and as per the revised DPR the total project cost projected was **Rs. 7,574 Crores**.

Further, the Capital cost of the Project as per revised estimate as on FY 2016-17 has increased to **Rs. 8,250 Crore** due to additions in the scope (second source of water) and price variation clause in BTG orders.

The breakup of the cost and the comparison with the earlier estimates is attached in the Annexure.

| <b>Table 1: Change in Capital Cost of the Project</b> |                                   |   |  |   |
|---|-----------------------------------|---|--|---|
| <b>Sl. No.</b>  | <b>Particulars</b>                | <b>Original DPR - 2010 (Rs. Crores)</b> | <b>Revised DPR - 2013 (Rs. Crores)</b> | <b>Estimated Capital Cost - 2016 (Rs. Crores)</b> |
| A   | BTG Package                       | 3,056                                   | 4,072                                  | 4,878   |
| B   | BOP Package                       | 1,144                                   | 1,457                                  | 1,038   |
| C   | Other works undertaken by SCCL    | 518                                     | 710                                    | 988   |
| D   | IDC, Financing Charges and others | 967                                     | 1334                                   | 1346  |
| <b>E=A+B+C+D</b>                                      | <b>Total Project Cost</b>         | <b>5,685</b>                            | <b>7,574</b>                           | <b>8,250</b>                                      |

Since the COD of Unit-I and Unit-II is different, i.e., by end of March, 2016 and by end of April, 2016 respectively, the total capital cost of the STPP is allocated to the 2 units as follows. This is required as depreciation and other expenses related to Capital cost during tariff determination would have to be computed as per the different CODs.

- a. The expenditure on the BTG package of Unit-I and the expenditure on common facilities under BOP & Other works undertaken by SCCL is expected to be capitalized by end of March, 2016, i.e., till the COD of Unit-I and hence is allocated to Unit-I.
- b. The expenditure on the BTG package of Unit-II till the end of April 2016, i.e. the COD of Unit-II and the expenditure on the common facilities under BOP & Other works undertaken by SCCL is expected to be capitalized by end of April 2016 and hence is allocated to Unit-II.
- c. The remaining expenditure on activities like external water supply systems, railway line & plant marshalling yard, etc. that are expended after COD of Unit-II are allocated to both the units on a common basis.

The table shows the unit wise breakup of the Capital Cost:



| <b>Table 2: Unit wise breakup of Capital Cost</b>      |   |                                  |
|--|---|----------------------------------|
| <b>Particulars</b>                                     |   | <b>Capital Cost (Rs. Crores)</b> |
| Capital Cost of Unit I                                 | BTG for Unit-I  | 2,319                            |
|  | BOP works till COD of Unit-I  | 798                              |
|  | Other works undertaken by SCCL till COD of Unit-I                   | 1,224                            |
|  | <b>Subtotal</b>   | <b>4,341</b>                     |
| Capital Cost of Unit II                                | BTG for Unit-II   | 2,169                            |
|  | BOP works from COD of Unit-I to COD of Unit-II                      | 69                               |
|  | Other works undertaken by SCCL from COD of Unit-I to COD of Unit-II | 496                              |
|  | <b>Subtotal</b>   | <b>2,734</b>                     |
| Capital Cost common to both units after COD of Unit-II |   | <b>1,175</b>                     |
| <b>Estimated Total Capital Cost of the STPP</b>        |   | <b>8,250</b>                     |

However, the details of the incurred expenditure till December, 2015 and the planned expenditures are as follows:

| <b>Table 3: Expenditure of Singareni Thermal Power Project</b>          |                           |
|---|---------------------------|
| <b>Expenditure</b>  | <b>Value (Rs. Crores)</b> |
| Expenditure incurred up to December, 2015                               | 5,990                     |
| Estimated capital cost expenditure from January, 2016 to COD of Unit-II | 585                       |
| Estimated capital cost expenditure from COD of Unit-I to COD of Unit-II | 500                       |
| Estimated additional capital cost expenditure after COD of Unit-II      | 1,175                     |
| <b>Estimated Total Capital Cost</b>                                     | <b>8,250</b>              |

The values are rounded up to the nearest whole number.

# The additional estimated expenditure of Rs. 1,175 Crores is detailed out in the Table 6 of Annexure.

### **Analysis of BTG Package:**

SCCL has opted for BHEL for supply of Equipment/Services for BTG package considering their track record in the manufacturing of power generating equipment & services. A majority of power plants set up by NTPC, a leading power utility in India have BHEL equipment, the performance of which has been excellent.

An enquiry was floated on 13.08.2010 inviting BHEL offer for BTG package including associated civil works. BHEL submitted their offer in September, 2010. The BTG package offered by BHEL was for Rs. 4,994 Crores. After evaluation of the offer and subsequent rounds of negotiation, the price was revised to **Rs. 4,072 Crores** (18.46% reduction) excluding price adjustment as detailed below:

1. Supply of material - Rs. 2,998 Crores with a Price Variation Clause (PVC) with a cap @20%
2. Civil works - Rs. 610 Crores with PVC with a cap @ 20% of order value.
3. Erection - Rs. 388 Crores with PVC clause with no limit.
4. Freight – Rs. 75 Crores

Schedules for the above orders were given considering the sequence of works to be carried out.

| <b>BTG package</b>      | <b>Schedule From date</b> | <b>To date</b> |
|-------------------------|---------------------------|----------------|
| For Supply              | 11.11.2011                | 09.02.2015     |
| For BTG connected works | 09.03.2012                | 09.02.2015     |
| For erection            | 18.08.2012                | 09.02.2015     |

As per price variation clause of the orders, price adjustment is payable considering the schedule of supply/execution of each item. For this, actual date of supply/execution or date as per schedule whichever is less is considered for arriving price adjustment.

The price adjustment is paid based on the formulas as given in Annexure 8 'Explanation of Price Variation Clause'. The total impact on cost on account of price adjustment of the BTG package is **Rs. 706 Crores**.

**Increase in Taxes:**

Orders for BTG were placed on BHEL considering Excise Duty as 10.3% and Service tax as 10.3%. Subsequently Excise Duty and Service Tax were increased to 12.36% with effect from 1.4.2012. Due to increase in tax rates, the cost increased by **Rs.69.44 Crores**.

Further, works contract tax on civil works of BTG was not quantified in the order, which works out to **Rs 30.78 Crores**. Thus the impact of increase in taxes is Rs. **100.22 Crores**.

|  |                          |                  |
|--|--------------------------|------------------|
| 1. Initial Excise Duty & Service Tax rate                          | 10.3% to 12.36%          | Rs 69.44 Crores  |
| 2. Taxes for civil works included (which was not included earlier) | 5% of civil works        | Rs. 30.78 Crores |
| Impact of increase in taxes  | <b>Rs. 100.22 Crores</b> |                  |

The BTG Scope for SCCL 2x600 MW STPP differed from the conventional BTG package as it also included civil works like Main Plant Building, Unit control room, Mill Bay structures, Switchyard including structures, power transformers, etc. for smooth completion of works.

Some additional specifications were also included in the BHEL package as given below.

**Additional specification requirements for BTG package are listed below:**

- Higher wall thickness of 0.6 mm of Boiler special parts namely Super heater, Reheater and Water Wall Tubes were added as per NTPC recommendations. The use of higher water wall thickness of 0.6 mm higher and above results in better reliability and durability against expected erosion.
- Reheat steam temperature of 568 °C at Boiler outlet was considered instead of the standard 540 °C. The increase in reheat steam temperature required IP turbine rotor journal to be over laid by chrome plating of thickness 15 mm to cope with increase in temperature.
- Boiler Design of furnace with Bottom hopper full of ash was implemented to safeguard the possible collapse of hopper/structure, condition full of ash. Additional steel was used for this purpose.
- 3 Nos. special instruments were installed

- i. **Rotor flux monitoring:** This instrument is used to detect inter turn faults on generator motor winding and helps in avoiding major failures.
  - ii. **Acromat thermocouples (TC):** These are meant to monitor Superheater/ Reheater coil metal temperature to be installed in flue gas path which helps in monitoring of the spikes in temperature of the coil and helps in avoiding tube failures.
  - iii. **Acoustic pyrometer:** This is used to measure average flue gas temperature which helps in better tuning of the boiler thereby avoiding spikes in temperature in boiler tubes and minimizing tube failures.
- Instead of the standard 1 EOT crane, 2 EOT cranes were installed which helps in reducing time for erection of Turbine Generator and also reduces time of overhauling of the plant.
  - BHEL offer included an amount of Rs. 148 Crores towards mandatory spares. Mandatory spares are generally long lead and critical spares of critical auxiliaries. Availability of these spares will help in bringing the critical equipment back in operation in case of failure thereby ensuring enhanced availability of units.
  - **Type testing** is a way of checking quality of the design of the equipment. Conductance of type test will reveal any inherent defects in design for taking corrective actions at design stage. Rectification of possible defects of design during manufacturing shall enhance availability of the equipment and the units. The type charges are Rs 23.98 Crores.
  - Additional Painting Criteria for Steam Generator Area Systems and Equipment enhances the life of the equipment in the long run.

The other reasons apart from BTG Package attributing to the increase in Capital Cost are listed below:

#### 1) **Water Supply:**

An Amount of **Rs.160 Crores** has been allocated for Water Supply in the DPR prepared during 2010. The total cost of providing water to STPP is around **Rs. 406 Crores**.

The reasons for increase in the cost for water supply are listed below:

- a) Originally it was envisaged to draw 1.00 TMC water from River Godavari which is about 8.75 km from STPP and 1.00 TMC water from Sripadasagar Yellampalli Irrigation project at Mancherla which is about 25 km from STPP.
- b) Based on the feasibility study, tenders for supply of 1.00 TMC water from River Godavari were called and awarded at a cost of Rs. 67.50 Crores. The total cost of the work was Rs. 86 Crores including VAT, Service Tax and PVC.
- c) Subsequently, Government has given permission to draw 2.00 TMC water from River Pranahita near Devulawada which is about 43.50 km from STPP in lieu of 1.00 TMC water allocated from Yellampalli project.
- d) The 1.00 TMC water supply scheme from River Godavari near Shetpally was designed to supply water for a period of 270 days only. During the balance 95 days of lean season, an alternative source with full rated assured discharge is essential. Hence, it was approved to draw the total 2.00 TMC water from River Pranahita near Devulawada i.e. to the full extent of permission given by the Government for 365 days period.
- e) The tenders for supply of 2.00 TMC water were called on EPC turnkey contract. The work was awarded for a total cost of Rs. 259.50 Crores on 18-08-2014 duly considering the change in SRs from 2010-11 to 2013-14. The total cost of the work is Rs. 320 Crores including taxes, escalation, electrical etc.
- f) The main reason for increase of cost under this head is due to drawl of water from River Pranahita which is about 43.50 km from the Plant (As against a distance of 23 kms as envisaged in the DPR).

## 2) Coal transport roads:

It has been planned to transport the coal by railway line. However the execution of railway line is dependent on a lot of factors like land acquisition which is prone to delays. In view of this alternative arrangements have been made to transport the coal by road from source of the coal to plant by strengthening and widening of NH63 and other connected roads. This arrangement would ensure that there is no delay in transportation of the coal in case of railway congestion, thus reducing any idle time of the plant. Therefore, the cost of **Rs. 56.48 Crores** has been incurred.

### 3) Reservoir:

The initial contract awarded for execution of reservoir was cancelled due to failure of the agency. Substantially reservoir work was divided in to two parts. One for 4 Day capacity and other for 11 days capacity and awarded to two separate agencies. Due to delay in this process cost has been escalated to **Rs. 67 Crores**.

### 4) Start up power:

After considering cost of laying of 132 KV line for a distance of 23 Kms from Mandamarri to project site and monthly power bills thereof, the cost has been revised to **Rs. 42 Crores**.

### 5) Construction power:

The revised provision was made considering the cost of monthly power bills required for construction activities. Therefore, the cost has been revised to **Rs. 25 Crores**.

### 6) Consultancy:

- a) SCCL which is in the business of coal mining has ventured into the business of power generation for the first time. Hence, it has utilized the services of NTPC as its technical consultant. NTPC is India's largest power generation company with total installed capacity of over 32,000 MW. This Power Sector behemoth has recently been conferred Maharatna Status by the Government of India and has embarked on plans to become 75,000 MW company by 2017.
- b) NTPC is executing all their power projects on their own and has sufficient experience and expertise in Review Engineering, Quality Assurance, Construction, Erection, Inspection, Commissioning and O&M Services. Recently NTPC has received the prestigious PSU Excellence Award – 2010, from the Department of Public Enterprises and Indian Chamber of Commerce.
- c) As BHEL is the main equipment supplier for most of NTPC's power plants, NTPC is very much conversant with the equipment supplied by BHEL and other related working modalities.
- d) As such, the services of M/s NTPC have been utilized for pre & post award works with the following scope of work on consultancy basis:

- **Pre-award Consultancy services:**

- i. Preparation of tender specifications for 2X600 MW power plant on single EPC package consisting of BTG and BoP including common facilities for II stage.
- ii. Techno-commercial evaluation of the EPC bid to be received from BHEL and preparation of recommendations.
- iii. Conducting pre-award discussions with BHEL.
- iv. Preparation of draft Letter of Award.

- **Post-award Consultancy Services:**

- i. Review Engineering including Quality Assurance Services & Assistance in Tariff Fixation.
- ii. Supervision of Construction, Erection and Commissioning activities.
- iii. Inspection Services and witnessing PG test.
- iv. Review of BoP Contractors O&M manuals, testing and commissioning documents. The following shall be included in the scope:
  - Cooling Water Pump House.
  - Raw Water Pump House.
  - Fuel Oil Pump House.
  - Compressors.
  - Mill Reject Handling System, if applicable.

e) The consultancy services of NTPC was around **Rs. 127 Crores.**

## **7) Establishment:**

As envisaged in the original DPR, Rs. 17.69 Crores of development expenses and Rs. 11.80 Crores of establishment costs were planned. However, in the revised DPR, the establishment costs has increased to Rs. 70 Crores including the provision shown under development expenses. The reasons for increase in the establishment costs are as follows:

- a) About 100 employees in which 60 are executives are working at STPP to attend the construction activities for the last 4 years.
- b) Vehicles for conveyance have been deployed to the requirement.
- c) Engagement of contract labour.
- d) Other revenue nature of works.

The total establishment costs comes around to **Rs. 70 Crores**.

#### 8) Start-up fuel:

The cost of start-up fuel was revised to **Rs. 40 Crores** considering the actual consumption of Light Diesel Oil/Heavy Fuel Oil.

#### 9) Township:

Provision has been made for 2 bedroom quarters in place of single bedroom quarters as proposed in the original DPR. Also, escalation of rates over a period of 3 years has impacted the capital cost.

#### 10) Interest during construction (IDC)

The Interest during construction (including financing charges) has increased to **Rs. 1060 Crores** due to increase in the capital cost of the project and change in the debt draw down schedule.

The detailed computation of IDC is given in Table 14 in Annexure.

| Year  | FY 11-12    | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 (till Dec 2015) | January, 2016 to COD of Unit-II | Total        |
|---|-------------|----------|----------|----------|--------------------------|---------------------------------|--------------|
|   | <b>Paid</b> |          |          |          |                          | <b>Estimated</b>                |              |
| <b>IDC including Financing Charges (Rs. Crores)</b> | 16.86       | 56.19    | 154.45   | 331.07   | 335.93                   | 165.5                           | <b>1,060</b> |



#### **4. Source of Funds for the Project**

The capital structure of the project is built up of equity capital 30% and 70% debt.

Equity capital 30% has been met by SCCL internal resources and loan from financial institutions Power Finance Corporation (PFC) and Rural Electrification Corporation (REC).

Out of the total loan requirement of **Rs. 5,775 Crores**, a loan of **Rs. 3,980 Crores** has been taken from PFC, the repayment of which would be done at an interest rate of 11.40% and a loan of **Rs. 1,320 Crores** has been approved by PFC-REC Consortium at an interest rate of **9.49%**. The balance loan amount of **Rs. 475 Crores** to be utilized after April 2016 is proposed to be tied up with the same interest rate of **9.49%**.

## **5. Prayers to the Hon'ble Commission:**

SCCL prays to the Hon'ble Commission that it may be pleased to

- a.** Consider the submissions made by SCCL on 1<sup>st</sup> February, 2016 for approval of the capital cost and for determination of tariff in subsequent submissions;
- b.** Allow SCCL to provide any additional information / clarifications pertaining to capital cost of the project;
- c.** Condone any inadvertent omissions/ errors/ shortcomings and permit SCCL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date;
- d.** Allow any other relied, Order or direction, which the Hon'ble Commission deems fit to be issued; and
- e.** Pass such further Orders, as the Hon'ble Commission may deem fit and appropriate, keeping in view the facts and circumstances of the Case.

## ANNEXURES

### 6. Summary of Capital Cost

The Revised Cost estimates are tabulated below:

| <b>Table 4: Capital Cost Estimates</b>   |                        |                       |                           |
|--|------------------------|-----------------------|---------------------------|
| Item                                     | Original DPR –<br>2010 | Revised DPR –<br>2013 | Estimated<br>Capital Cost |
|  | Value in Rs. Crores    |                       |                           |
| <b>1. BTG package</b>                    |                        |                       |                           |
| BTG Supply                               |                        | 2998                  | 2998                      |
| BTG Erection                             |                        | 388                   | 388                       |
| BTG Freight                              |                        | 76                    | 76                        |
| BTG Civil                                |                        | 610                   | 610                       |
| <b>Subtotal</b>                          |                        | <b>4,072</b>          | <b>4,072</b>              |
| PVC                                      |                        | -                     | 706                       |
| Increase in taxes and duties             |                        | -                     | 100                       |
| <b>BTG Grand Total</b>                   | <b>3,056</b>           | <b>4,072</b>          | <b>4,878</b>              |
| <b>2. BOP package</b>                    |                        |                       |                           |
| BOP Mechanical & Electrical (supply)     |                        | 745                   | 490                       |
| BOP Civil                                |                        | 572                   | 340                       |
| BOP Erection                             |                        | 140                   | 140                       |
| BOP Freight                              |                        | -                     | 3                         |
| <b>Subtotal</b>                          |                        | <b>1,457</b>          | <b>973</b>                |
| Estimated PVC                            |                        | -                     | 65                        |
| <b>BOP Total</b>                         | <b>1,144</b>           | <b>1,457</b>          | <b>1,038</b>              |
| <b>3. Other works undertaken by SCCL</b> |                        |                       |                           |
| Land                                     | 50                     | 59                    | 59                        |
| Survey & soil investigation              | 15                     | 1                     | 1                         |
| Site Dev, Enabling, temp Sheds etc.      | -                      | 29                    | 25                        |
| Roads & Culverts                         | 25                     | 21                    | 20                        |
| Coal Transport Roads out of BOP savings  | -                      | -                     | 56                        |
| Boundary Walls                           | 13.50                  | 19                    | 17                        |
| Reservoir                                | 57.86                  | 58                    | 67                        |
| Water supply                             | 160                    | 220                   | 406                       |
| Gate Complex, Security, etc.             | -                      | 5                     | 5                         |
| Rly Siding                               | 90                     | 80                    | 80                        |
| Township & GH                            | 80                     | 145                   | 145                       |

| <b>Table 4: Capital Cost Estimates</b>           |                            |                           |                               |
|--|----------------------------|---------------------------|-------------------------------|
| <b>Item</b>                                      | <b>Original DPR – 2010</b> | <b>Revised DPR – 2013</b> | <b>Estimated Capital Cost</b> |
|  | <b>Value in Rs. Crores</b> |                           |                               |
| Environment                                      | 3                          | 5                         | 5                             |
| CSR  | 20                         | 22                        | 22                            |
| Weigh Bridges, Fire Tender                       | 1.50                       | 2                         | 2                             |
| Start up Power & common Equipment                | 2.50                       | 23                        | 42                            |
| Construction Power                               | -                          | 11                        | 25                            |
| Furniture & office automation                    | -                          | 5                         | 5                             |
| Miscellaneous Expenditure                        | -                          | 5                         | 5                             |
| CISF   | -                          | -                         | -                             |
| <b>Other works undertaken by SCCL Total</b>      | <b>518.36</b>              | <b>710</b>                | <b>988</b>                    |
| <b>4. IDC &amp; Financing Charges and Others</b> |                            |                           |                               |
| Contingencies                                    | 141.55                     | 156                       | 48                            |
| Establishment Costs                              | 11.80                      | 16                        | 70                            |
| Consultancy & Engineering                        | 11.80                      | 110                       | 127                           |
| Start up Fuel                                    | 12                         | 12                        | 40                            |
| Operator Training                                | 1.50                       | 2                         | 2                             |
| Development Expenses                             | 17.69                      | -                         | -                             |
| Margin Money                                     | 108.06                     | 139                       | -                             |
| Financing Expenses                               | 11.75                      | 16                        | 2                             |
| IDC  | 650.76                     | 885                       | 1,058                         |
| <b>Others Total</b>                              | <b>966.91</b>              | <b>1,334</b>              | <b>1,346</b>                  |
| <b>Grand Total</b>                               | <b>5,685.30</b>            | <b>7,574</b>              | <b>8,250</b>                  |

The capital cost additions and capitalization till March 2018 is given below:

| <b>Table 5: Capital Cost additions</b>  |                            |
|---|----------------------------|
| <b>Admitted Capital Expenditure (Including Land Cost)</b>   | <b>Value in Rs. Crores</b> |
| Estimated Capital Cost of Unit – I (including common facilities & IDC & FC) as on COD of Unit-I     | 4,341                      |
| Estimated Capital Cost of Unit I & Unit – II as on COD of Unit-II                                   | 7,075                      |
| Estimated additional Capital Cost for the period post COD of Unit-II to 31 March, 2017 <sup>#</sup> | 1,095                      |
| Estimated Capital cost as on 31 <sup>st</sup> March, 2017   | 8,170                      |
| Estimated additional Capital Cost for the period 1 April, 2017 till 31 March, 2018 <sup>##</sup>    | 80                         |
| <b>Total Estimated Capital cost as on 31 March, 2018</b>  | <b>8,250</b>               |

The values are rounded up to the nearest whole number.

<sup>#</sup>Capital cost of remaining works of BTG, BOP, Water supply package etc.

<sup>##</sup>Capital cost of railway siding

## 7. Estimated Additional Capital Cost expenditure after COD of Unit-II

| <b>Table 6: Estimated Additional Capital Cost expenditure after COD of Unit-II</b> |              |
|--|--------------|
| BTG  | 391          |
| BOP Electrical & Mechanical  | 171          |
| Land for plant colony, ash dyke & corridors  | 16           |
| Plant Roads & culverts   | 7            |
| COAL TRANSPORT ROADS   | 13           |
| Gate complex, security office, watch towers,<br>Horticulture & Misc. Works         | 3            |
| Plant & colony, boundary walls.  | 3            |
| Rolling Stock & Locomotives  | 80           |
| External Water Supply  | 345          |
| Township Colony  | 110          |
| Design & Engineering   | 16           |
| Contingency  | 2            |
| CSR & Environment  | 17           |
| Furniture & office automation  | 1            |
| <b>Total</b>   | <b>1,175</b> |

The values are rounded up to the nearest whole number.

## 8. Explanation of Price Variation Clause

As per price variation clause of the orders, price adjustment is payable considering the schedule of supply/execution of each item. For this computation, the actual date of supply/execution or the date as per schedule, whichever is less, is considered for arriving at the price adjustment.

Price adjustment is paid basing on the following formulas.

### 1. For Supply

$$EC = EC_1 - EC_0$$

$$EC_1 = EC_0 \{F + a * (A_1/A_0) + b * (B_1/B_0) + c * (C_1/C_0) + L_b * (L_1/L_0)\}$$

Where,

EC = Adjustment towards Ex-works price component expressed in the currency of the contract payable to the contractor for each shipment/ dispatch.

EC<sub>1</sub> = Adjusted amount of Ex-works price component expressed in the currency of the contract payable to the contractor for each shipment/dispatch.

EC<sub>0</sub> = Ex-works price for the equipment/materials shipment/ dispatch wise.

The fixed portion of the Ex-works component of the contract price (F) shall be 0.15.

a, b, c etc. shall be coefficients of major materials/items involved in the Ex-works component of the contract price. The sum of these coefficients shall be within 0.50 to 0.60.

A, B, C etc. shall be published price indices of corresponding major materials/items. Such indices shall necessary be of the country of origin of goods.

L<sub>b</sub> shall be co-efficient for labour component in the Ex-works component of contract price which shall be within 0.25 to 0.35.

L shall be labour index.

Sum of all material coefficient and the labour coefficient shall be 0.85.

Subscript 0 refers to indices as on September, 2010.

Subscript 1 refers to indices as of:

- a) Three months prior to the date of shipment/ dispatch for labour, and
- b) At the expiry of two third (2/3) period from the date of Notification of Award to the date of shipment/ dispatch, for material.

## **2. For Installation price component of the contract:**

$$ER = ER_1 - ER_0$$

ER<sub>1</sub> will be computed as follows:

$$ER_1 = ER_0 (0.15 + 0.85*(f_1/f_0))$$

Where:

ER = Adjustment to erection portion of Installation services component of contract price in Rs. payable to contractor for each billing.

ER<sub>1</sub> = Adjusted amount of erection portion of installation services component of contract price in Rs. payable to contractor

ER<sub>0</sub> = value of the erection work done in the billing period.

## **3. Civil works**

$$CV = CV_1 - CV_0$$

CV<sub>1</sub> will be computed as follows:

$$CV_1 = CV_0 * (F + m*(M_1/M_0) + d*(D_1/D_0) + S*(S_1/S_0) + L_b*(L_1/L_0) + C*(C_1/C_0))$$

Where,



CV = Adjustment to civil works component expressed in the currency of the contract payable to the contractor for each billing period.

CV<sub>1</sub>= Adjusted contract price

CV<sub>0</sub>= Base contract price, subject to price adjustment

F = fixed portion of the contract price which will not be subjected to any price adjustment under this formula or otherwise which will be 0.20

m = coefficient of material (excluding cement and steel), which will be 0.15

d = coefficient of HSD oil, which will be 0.05

s = coefficient of steel content which will be 0.25

c = coefficient of cement content which will be 0.10

L<sub>b</sub> = coefficient of labour which will be 0.25

M = material index for 'all commodities'

D = price of HSD

S = index for Iron & Steel

L = Labour index

C = index for cement.

Subscript '0' refers to the values of above mentioned components as on September, 2010 and '1' refers to the values of above mentioned components as applicable for the month prior to the month in which the work is executed.

PVC is paid for the increase of indices for various elements over the base indexes of September, 2010.

Considering the above price adjustment, the total impact on cost is Rs. 706 Crores.

## 9. Submission of Forms as per APERC Regulation 1 of 2008

### a. Checklist of Forms and other information/ documents for Capital Cost/ Tariff Filing for Thermal Stations

| Form No  | Table 7: Title of Capital Cost/ Tariff Filing Forms                                       | Tick |
|----------|---|------|
| FORM-1   | Summary Sheet   | NA   |
| FORM-2   | Plant Characteristics   | √    |
| FORM-3   | Normative Parameters considered for tariff computations                                   | NA   |
| FORM-4   | Details of foreign Loans  | NA   |
| FORM-5   | Abstract of Admitted Capital Cost for the existing Projects                               | NA   |
| FORM-5A  | Abstract of Capital Cost Estimates and Schedule of Commissioning for the new Projects     | √    |
| FORM-5B  | Break-up of Capital Cost for Coal/ Lignite based projects                                 | √    |
| FORM-5C  | Break-up of Capital Cost for Gas/ Liquid Fuel based projects                              | NA   |
| FORM-5D  | Break-up of Construction/ Supply / Service Packages                                       | √    |
| FORM-6   | Financial Package up to COD   | √    |
| FORM-7   | Details of Project Specific Loans   | √    |
| FORM-8   | Details of Allocation of corporate loans to various projects                              | NA   |
| FORM-11  | Statement of Depreciation   | NA   |
| FORM-12  | Calculation of Depreciation rate  | NA   |
| FORM-13  | Calculation of Weighted Average Rate of Interest on Actual Loans                          | NA   |
| FORM-13A | Calculation of Return on Capital Employed   | NA   |
| FORM-14  | Working Capital   | NA   |
| FORM-15  | Draw Down Schedule for Calculation of IDC & Financing Charges                             | √    |
| FORM-16  | Calculation of Operation & Maintenance Expenses   | NA   |
| FORM-17  | Details of Operation & Maintenance Expenses   | NA   |
| FORM-18  | Details/ Information to be submitted in respect of Fuel for computation of Energy Charges | NA   |

| <b>Other information/ Documents</b> |   |             |
|-------------------------------------|---|-------------|
| <b>Sl. No.</b>                      | <b>Information/ Document</b>  | <b>Tick</b> |
| 1                                   | Certificate of Incorporation, Certificate for commencement of Business, Memorandum of Association, & Articles of Association (For New Station setup by a company making tariff application for the first time to TSERC) | NA          |
| 2                                   | Station wise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the schedules and annexures on COD of the Station for the new station and for the relevant years                                   | √           |
| 3                                   | Copies of relevant loan agreements  | √           |
| 4                                   | Copies of the approval of Competent Authority for the Capital Cost and Financial package  | NA          |
| 5                                   | Copies of the Equity Participation Agreements and necessary approval for the foreign equity   | NA          |
| 6                                   | Copies of the BPSA/ PPA with the beneficiaries, if any  | √           |
| 7                                   | Detailed note giving reasons of time and cost overrun, if applicable  | √           |
| 8                                   | Any other relevant information  | NA          |

b. Part-I Form 2, APERC Regulation 1 of 2008

| Table 8: Plant Characteristics                                 |  |                                   |   |
|--|--|-----------------------------------|---|
| <b>Name of the Company</b>                                     | The Singareni Collieries Company Limited   |                                   |   |
| <b>Name of the Power Station</b>                               | Singareni Thermal Power Project  |                                   |   |
| <b>Basic Characteristics of the Plant<sup>1</sup></b>          | Sub-critical - Drum type controlled circulation with two pass type gas path arrangements with single reheat. |                                   |   |
| <b>Special features of the Plant</b>                           | NA   |                                   |   |
| <b>Site Specific Features<sup>2</sup></b>                      | Balancing Reservoir  |                                   |   |
| <b>Special technological Features<sup>3</sup></b>              | NA   |                                   |   |
| <b>Environmental Regulation related features<sup>4</sup></b>   | ESP,AHP and Ash Water Re-circulation System  |                                   |   |
| <b>Any other special features</b>                              | NA   |                                   |   |
| <b>Fuel Details<sup>5</sup></b>                                | <b>Primary Fuel</b>  | <b>Secondary Fuel</b>             | <b>Alternate Fuels</b>  |
|  | Coal (G10)   | Heavy Fuel Oil / Light Diesel Oil | NA  |
| <b>Details</b>   | <b>Unit-I</b>  |                                   | <b>Unit-II</b>  |
| Installed Capacity (IC)  | 600 MW   |                                   | 600 MW  |
| Date of Commercial Operation (COD)                             | End of March, 2016   |                                   | End of April, 2016  |
| Is it a Pit Head or Non-pit head station?                      | Non-pit head station   |                                   | Non-pit head station  |
| Type of Cooling System <sup>6</sup>                            | Stator (Water cooled), Rotor (Hydrogen cooled)-Closed circuit cooling  |                                   | Stator (Water cooled), Rotor (Hydrogen cooled)-Closed circuit cooling |
| Type of Boiler Feed Pump (Steam driven or Electrically driven) | 2 TDBFP, 1 MDBFP(STANDBY)  |                                   | 2 TDBFP, 1 MDBFP(STANDBY)   |

<sup>1</sup> Describe the basic characteristics of the plant e.g. in the case of a coal based plant whether it is a conventional steam generator or circulating fluidized bed combustion generator or sub-critical once through steam generator etc.

<sup>2</sup> Any site specific feature such as Merry-Go-Round, Vicinity to sea, intake/ makeup water systems etc., scrubbers etc. Specify all such features.

<sup>3</sup> Any special technological feature like Advanced class FA technology in Gas Turbines, etc.

<sup>4</sup> Environmental Regulation related features like FGD, ESP, etc.

<sup>5</sup> Coal (type of coal included) or natural gas or naphtha or lignite etc.

<sup>6</sup> Closed circuit cooling with type of cooling tower (natural draft or mechanical draft (forced or induced)), once through cooling, sea cooling, dry cooling etc.

<sup>7</sup> Design Heat Rate of a generating unit means the unit heat rate guaranteed by the supplier at conditions of 100% MCR, zero percent make up, design coal and design cooling water temperature/back pressure

c. Part-I Form 5A, APERC Regulation 1 of 2008

| <b>Table 9: Abstract of Capital Cost Estimates and Schedule of commissioning for the New projects</b> |   |  |
|---|---|--|
| <b>Name of the Company</b>  | The Singareni Collieries Company Limited                            |  |
| <b>Name of the Power Station</b>  | Singareni Thermal Power Project                                     |  |
| <b>New Projects Capital Cost Estimates</b>  |   |  |
| Board of Director / Agency approving the Capital cost estimates                                       | Board of SCCL granted in-principle approval                         |  |
| Date of Approval of the Capital Cost estimates  | 16-10-2015 Mint.no 532:5:26   |  |
| <b>Price level of approved estimates</b>  | <b>Present Day Costs</b>  | <b>Completed Costs</b>   |
|   | <b>As of End of Q3 Of the year FY 2015-2016</b>                     | <b>Estimated as on COD of Unit-II</b>  |
| Foreign Exchange rate considered for Capital cost estimates   | NA  | NA   |
| <b>Capital Cost excluding IDC and FC</b>  |   |  |
| Foreign component, if any (in Millions US \$ or the relevant currency )                               | 0   | 0  |
| Domestic Component (Rs. Crores)   | 5,095   | 6,015  |
| <b>Capital cost excluding IDC &amp; FC (Rs. Crores)</b>   | 5,095   | 6,015  |
| <b>IDC &amp; FC</b>   |   |  |
| Foreign component if any (in million US \$ or the relevant currency)                                  | 0   | 0  |
| Domestic Component (Rs. Crores)   | 896   | 1,060  |
| <b>Total IDC &amp; FC (Rs. Crores)</b>  |   |  |
| Rate of taxes & duties considered   | Excise Duty: 12.36%<br>Service Tax: 12.36%<br>CST 2%<br>VAT 5/14.5% | Excise Duty: 12.5%<br>Service Tax: 14.0%<br>SBC: 0.5%<br>CST 2%<br>VAT 5/14.5% |
| <b>Capital Cost Including IDC &amp; FC</b>  |   |  |
| Foreign Currency component , if any ( in Million US \$ or the relevant Currency)                      | 0   | 0  |
| Domestic Component (in Rs. Crores)  | 5,990   | 7,075  |
| <b>Capital cost including IDC &amp; FC (Rs. Crores)</b>   | <b>5,990</b>  | <b>7,075</b>   |

|  |                      |
|--|----------------------|
| <b>Schedule of Commissioning</b>   |                      |
| COD of Unit-I  | By end of March 2016 |
| COD of Unit-II   | By end of April 2016 |
| <p>Note</p> <ol style="list-style-type: none"> <li>1. Copy of Approved letter should be enclosed</li> <li>2. Details of Capital Cost are to be furnished as per form 5B or 5C as applicable</li> <li>3. Details of IDC and Financing charges are to be furnished as per form 16</li> </ol> |                      |
| <p>PETITIONER</p>  |                      |

d. Part-I Form 5B, APERC Regulation 1 of 2008

| Table 10: Break up of Capital Cost for Coal/ Lignite based projects |                                       |  |                          |                        |  |                            |   |
|---|---------------------------------------|--|--------------------------|------------------------|--|----------------------------|---|
| Name of the Company:  |                                       | The Singareni Collieries Company Limited |                          |                        |  |                            |   |
| Name of the Power Station:  |                                       | Singareni Thermal Power Project          |                          |                        |  |                            |   |
| Sl. No.   | Breakdown                             | Cost in Rs. Crores                       |                          | Variation (Rs. Crores) | Reasons for variation  | Admitted Cost (Rs. Crores) | Actual Cost incurred till December, 2015 (Rs. Crores) |
|   |                                       | As per original estimate                 | As per Revised Estimates |                        |  |                            |   |
| (1)   | (2)                                   | (3)                                      | (4)                      | (5)                    | (6)  | (7)                        | (8)   |
| <b>1.0</b>  | <b>BTG package</b>                    |  |                          |                        |  |                            |   |
| 1.1   | BTG Supply                            |  | 2,998                    |                        | Increase in service tax and excise duty, additional scope of work, higher technical specifications |                            |   |
| 1.2   | BTG Erection                          |  | 388                      |                        |  |                            |   |
| 1.3   | BTG Freight                           |  | 76                       |                        |  |                            |   |
| 1.4   | BTG Civil                             |  | 610                      |                        |  |                            |   |
| 1.5   | Subtotal                              |  | 4,072                    |                        |  |                            |   |
| 1.6   | PVC                                   |  | 706                      |                        |  |                            |   |
| 1.7   | Increase in taxes and duties          |  | 100                      |                        |  |                            |   |
| <b>1.8</b>  | <b>BTG Grand Total</b>                | <b>3,056</b>                             | <b>4,878</b>             | <b>1,822</b>           |  |                            | <b>3,990</b>  |
| <b>2.0</b>  | <b>BOP package</b>                    |  |                          |                        |  |                            |   |
| 2.1   | BOP Mechanical & Electrical (supply)  |  | 490                      |                        | Reduction in capital cost for BOP Mechanical & Electrical Package                                  |                            |   |
| 2.2   | BOP Civil                             |  | 340                      |                        |  |                            |   |
| 2.3   | BOP Erection                          |  | 140                      |                        |  |                            |   |
| 2.4   | BOP Freight                           |  | 3                        |                        |  |                            |   |
| 2.5   | Subtotal                              |  | 973                      |                        |  |                            |   |
| 2.6   | Estimated PVC                         |  | 65                       |                        |  |                            |   |
| <b>2.7</b>  | <b>BOP Total</b>                      | <b>1,144</b>                             | <b>1,038</b>             | <b>-106</b>            |  |                            |   |
| <b>3.0</b>  | <b>Other works undertaken by SCCL</b> |  |                          |                        |  |                            |   |
| 3.1   | Land                                  | 50                                       | 59                       |                        | Increase in capital cost for the <b>Other works</b>  |                            | 39  |
| 3.2   | Survey & soil investigation           | 15                                       | 1                        |                        |  |                            | 0.44  |
| 3.3   | Site Dev,                             | -  | 25                       |                        |  |                            | 22  |



|             |   |            |            |            |  |    |              |
|-------------|---|------------|------------|------------|--|----|--------------|
|             | Enabling, temp Sheds etc.                   |            |            |            | <b>undertaken by SCCL</b> is due to the following reasons:<br>1. Source of Water supply from Pranahita River has been added resulting into additional cost of Rs. 320 Crores<br>2. Coal Transport Roads have been constructed<br>3. Start up power line has been laid<br>4. Delayed construction of reservoir<br>5. increase in the requirement of construction power<br>6. Construction of 2 bedroom quarters instead of 1. |    |              |
| 3.4         | Roads & Culverts                            | 25         | 20         |            |  |    | 10           |
| 3.5         | Coal Transport Roads out of BOP savings     | -          | 56         |            |  |    | 36           |
| 3.6         | Boundary Walls                              | 13.5       | 17         |            |  |    | 10           |
| 3.7         | Reservoir                                   | 57.86      | 67         |            |  |    | 27           |
| 3.8         | Water supply-1 TMC                          | 160        | 86         |            |  |    | 80           |
| 3.9         | Water supply-2 TMC                          | -          | 320        |            |  |    | 0            |
| 3.10        | Gate Complex, Security, etc.                | -          | 5          |            |  |    | 0            |
| 3.11        | Railway Siding                              | 90         | 80         |            |  |    | 0            |
| 3.12        | Township & Gate House & other amenities     | 80         | 145        |            |  |    | 24           |
| 3.13        | Environment                                 | 3          | 5          |            |  |    | 0.62         |
| 3.14        | CSR   | 20         | 22         |            |  |    | 6            |
| 3.15        | Weigh Bridges, Fire Tender                  | 1.5        | 2          |            |  |    | 0.19         |
| 3.16        | Start up Power & common Equipment           | 2.5        | 42         |            |  |    | 29           |
| 3.17        | Construction Power                          | -          | 25         |            |  |    | 19           |
| 3.18        | Furniture & office automation               | -          | 5          |            |  |    | 2            |
| 3.19        | Misc. Expenditure                           | -          | 5          |            |  |    | 1            |
| 3.20        | CISF  | -          | -          |            |  |    | 0            |
| <b>3.21</b> | <b>Other works undertaken by SCCL Total</b> | <b>518</b> | <b>988</b> | <b>470</b> |  |    | <b>306.3</b> |
| <b>4.0</b>  | <b>Others</b>                               |            |            |            |  |    |              |
| 4.1         | Contingencies                               | 141.55     | 48         |            | Increase in capital cost is due to<br>1. Increase in establishment costs<br>2. Consultancy   | 33 |              |
| 4.2         | Establishment Costs                         | 11.8       | 70         |            |  | 59 |              |
| 4.3         | Consultancy & Engineering                   | 11.8       | 127        |            |  | 91 |              |
| 4.4         | Start up Fuel                               | 12         | 40         |            |  | 4  |              |
| 4.5         | Operator Training                           | 1.5        | 2          |            |  | 0  |              |

|             |   |                |              |                |  |  |                 |
|-------------|---|----------------|--------------|----------------|--|--|-----------------|
| 4.6         | Development Expenses  | 17.69          |              |                | fee to NTPC<br>3. Increase in IDC due to increased loan amount and change in debt draw down schedule |  | 0               |
| 4.7         | Margin Money  | 108.06         |              |                |  |  | 0               |
| 4.8         | Financing Expenses  | 11.75          | 2            |                |  |  | 0               |
| 4.9         | IDC   | 650.76         | 1058         |                |  |  | 894.5           |
| <b>4.10</b> | <b>Others Total</b>   | <b>966.91</b>  | <b>1,346</b> | <b>379</b>     |  |  | <b>1,080.71</b> |
|             |   |                |              |                |  |  |                 |
| <b>5.0</b>  | <b>Capital Cost including IDC &amp; FC</b>  | <b>5,685.3</b> | <b>8,250</b> | <b>2,564.7</b> |  |  | <b>5,990</b>    |
|             |   |                |              |                |  |  |                 |
|             | Note:   |                |              |                |  |  |                 |
|             | <p>1. In case of time and cost overrun, a detailed note giving reasons of such time and cost overrun should be submitted clearly bringing out the agency responsible and whether such time &amp; cost overrun was beyond the control of the generating company</p> <p>2. The values are rounded up to the nearest whole number.</p> |                |              |                |  |  |                 |
|             | PETITIONER  |                |              |                |  |  |                 |

e. As per Part-I, Form-5D of APERC Regulation 1 of 2008

**Table 11: Breakup of Major Construction / Supply/ Service packages**

| Name of the Company       |  |                    | The Singareni Collieries Company Limited                                     |  |                      |               |                       |                            |   |                                   |   |
|---------------------------|--|--------------------|--|--|----------------------|---------------|-----------------------|----------------------------|---|-----------------------------------|---|
| Name of the Power Station |  |                    | Singareni Thermal Power Project  |  |                      |               |                       |                            |   |                                   |   |
| Sl. No.                   | Name/ No. of Construction/ Supply/ Service Package | Name of the Vendor | Scope of Work <sup>1</sup> (in line with head of Cost break-ups as possible) | Whether awarded through ICB/ DCB/ Departmentally/ Deposit Work | No. of Bids received | Date of Award | Date of Start of Work | Date of Completion of work | Value of the Award <sup>2</sup> (in Rs. Crores) | Firm or with escalation in prices | Actual expenditure till the completion or up to COD whichever is earlier (Rs. Crores) |
| 1                         | BTG  | M/s BHEL           | Supply of Main Equipment (Ex-works Price)                                    | Nomination   | NA                   | 11.11.2011    | 26.09.2012            |                            | 2998  | 485                               | 3255  |
| 2                         | BTG  | M/s BHEL           | Erection & Commissioning   | Nomination   | NA                   | 11.11.2011    | 26.09.2012            |                            | 464   | 99                                | 560   |
| 3                         | BTG  | M/s BHEL           | Associated Civil Works   | Nomination   | NA                   | 11.11.2011    | 26.09.2012            |                            | 610   | 122                               | 673   |
| 4                         | BOP  | M/s MBECL          | Ex Manufacturing works for Main Equipment                                    | ICB  | 13                   | 28.09.2013    | 26.11.2013            |                            | 490   | 33                                | 867   |
| 5                         | BOP  | M/s MBECL          | Installation Services - Structural Works                                     | ICB  | 13                   | 28.09.2013    | 26.11.2013            |                            | 483   | 32                                |   |
| 6                         | Railway siding consultancy                         | M/s RITES Limited. | Project Management Cons Rites For Railway Siding                             | Limited Tender   | 1                    | 27.04.2010    |                       |                            | 23  |                                   | 23  |

|   |   |                                    |   |  |   |            |            |            |     |  |     |
|---|---|------------------------------------|---|--|---|------------|------------|------------|-----|--|-----|
| 7 | Engineering, Procurement &Construction of Water Supply Scheme in two Stages (Stage I Pump House near Devulwada Village, Kotapalli Mandal and Stage II Pump House near Chennur) for supplying 2.00 TMC of water to 2 X 600 MW Singareni Thermal Power Plant near Pegadapalli Village, Jaipur Mandal from River Pranahita near Devulwada Village on Turnkey Contract Basis. | M/s PCCPL (JV)                     | Engineering, Procurement &Construction of Water Supply Scheme in two Stages | e procurement                                      | 3 | 8/18/2014  | 9/16/2014  | 9/15/2016  | 260 |  | 200 |
| 8 | Water Supply Scheme for supplying 1.00 TMC of water from River Godavari near Shetpalli Village  | M/s Pochampad Constructions        | 1.00 TMC of water   | EPC Turnkey open tender – sale of tender documents | 3 | 12/5/2011  | 11/24/2012 | 12/31/2015 | 70  |  | 73  |
| 9 | Construction of 490 Nos M.C. type of quarters (35 blocks, each block of 14 units) storied buildings (G+1 type) at 2x600 MW STPP, Jaipur Mandal,   | M/s. Sunil Hi Tech Engineers Ltd., | construction of quarters  | EPC Turnkey on e procurement                       | 4 | 11/17/2014 | 1/21/2015  | 7/20/2016  | 57  |  | 6   |

|    |   |                                     |  |               |    |           |           |           |    |  |    |
|----|---|-------------------------------------|--|---------------|----|-----------|-----------|-----------|----|--|----|
|    | Adilabad District, Telangana State  |                                     |  |               |    |           |           |           |    |  |    |
| 10 | Earthwork in bank & cutting and construction of minor Bridges / Culverts for formation between chainages 8.5 KMs and 21.175 KMs including bulb line for laying Railway line for evacuation of coal from SRP & RKP group of mines to STPP, Jaipur (V&M), Adilabad District, Telangana State. | M/s GVV Constructions Pvt Ltd.      | Earthwork in bank & cutting and construction of minor Bridges / Culverts for formation   | e procurement | 10 | 1/1/2016  |           |           | 50 |  | 11 |
| 11 | Formation of Earthen embankment in bank & cutting including construction of minor Bridges / Culverts between chainages 0 to 8.50 KMs for laying Railway line for evacuation of coal from SRP &  | M/s. P. Venkata Ramanaiah & Company | Formation of Earthen embankment in bank & cutting including construction of minor Bridges / Culverts between chainages 0 to 8.50 KMs | e procurement | 13 | 3/31/2015 | 4/29/2015 | 4/28/2016 | 50 |  | 50 |

|    |  |                                    |                          |               |   |            |          |          |    |  |    |
|----|--|------------------------------------|--------------------------|---------------|---|------------|----------|----------|----|--|----|
|    | RKP group of mines to STPP<br>M/s. P. Venkata Ramanaiah & Company  |                                    |                          |               |   |            |          |          |    |  |    |
| 12 | Construction of 1 No. GM Bungalow, 10 Nos. MA type of quarters and 192 Nos. MB type of quarters (16 blocks, each block of 12 units) storied buildings (G+1 type) at 2 x 600 MW STPP, Jaipur Mandal, Adilabad District, Telangana State     | M/s. Sunil Hi Tech Engineers Ltd., | construction of quarters | e procurement | 2 | 11/17/2014 | 3/7/2015 | 9/6/2016 | 35 |  | 2  |
| 13 | Construction Of Earthen Embankment, Raw Water Storage Reservoir With Cc Lining And Its Allied Works, To Meet Immediate Water Requirement Of Stpp (Phase-I) Balance Works Of Engineering Procurement And Construction Of Earthen Embankment | M/S C I P L (JV)                   | water supply             | e procurement | 4 | 1/6/2015   | 2/2/2015 | 8/1/2015 | 35 |  | 35 |

|    |   |                            |  |               |   |            |          |           |    |  |    |
|----|---|----------------------------|--|---------------|---|------------|----------|-----------|----|--|----|
|    | Raw Water Storage Reservoir Of 2.5 Million Cubic Meter Capacity And Its Allied Works Etc.) At 2 X 600 Mw Singareni Thermal Power Project Site Near Pegadapalli Village, Jaipur Mandal, Adilabad District, Telangana State |                            |  |               |   |            |          |           |    |  |    |
| 14 | Construction of 9 Nos. RUBs (Road Under Bridges) for laying Railway line for evacuation of coal from SRP & RKP group of mines to STPP, Jaipur (V&M), Adilabad District, Telangana State                                   | M/s TKRANS PROJECTS        | Construction of 9 Nos. RUBs (Road Under Bridges) | e procurement | 4 |            |          |           | 28 |  | 1  |
| 15 | Ground levelling by earth works excavation, transportation, spreading, levelling and construction at 2x600MW STPP Jaipur  | M/s. AMR Construction Ltd. | Ground levelling by earth works excavation       | e procurement | 2 | 10/31/2011 | 1/1/2012 | 6/30/2012 | 25 |  | 17 |

|    |  |                           |  |               |    |           |           |           |    |  |   |
|----|--|---------------------------|--|---------------|----|-----------|-----------|-----------|----|--|---|
| 16 | Engineering Procurement And Construction Of Earthen Embankment Raw Water Storage Reservoir Of 2.5 Million Cubic Metre Capacity And Its Allied Works Including Survey, Investigation, Design, Drawing, Execution, Etc., Complete On Turnkey Lump Sum Contract Basis At 2x600mw Singareni Thermal Power Project Site Near Pegadapalli Village, Jaipur, Mandal, Adilabad District, A.P. | Sri Plr Projects Pvt. Ltd | Engineering Procurement And Construction Of Earthen Embankment Raw Water Storage Reservoir Of 2.5 Million Cubic Metre Capacity A | e procurement | 2  | 4/27/2014 | 7/1/2013  | 9/30/2014 | 23 |  | 2 |
| 17 | Project Management Consultancy work for laying of Railway siding for evacuation of coal from Srirampur and Ramakrishnapur Group of Mines (Kazipet-Ballarsha  | M/s RITES Limited.        | Project Management Consultancy work  | Nomination    | NA | 3/24/2014 | 3/24/2014 | 6/23/2016 | 23 |  | 2 |



|    |  |                               |  |               |   |           |          |           |    |  |    |
|----|--|-------------------------------|--|---------------|---|-----------|----------|-----------|----|--|----|
|    | section of SCR on Chennai - New Delhi trunk route) up to STPP, Jaipur, Adilabad District, TS.  |                               |  |               |   |           |          |           |    |  |    |
| 18 | Laying asphalt approach road connecting NH-63 with track-hopper including CD works, CC approach roads to weigh bridges and construction of CC Platform for transportation of coal to STPP. Agency: M/s AMR India Limited   | M/s AMR India Limited         | road connecting NH-63 with track-hopper including CD works   | e procurement | 4 | 1/22/2015 | 2/9/2015 | 11/8/2015 | 15 |  | 15 |
| 19 | Supplying and stacking of 50mm gauge machine crushed, clean, hard, angular and durable Stone Ballast at specified locations on SCCL's land including providing barbed wire fencing for safe custody of ballast stacks for the proposed Railway line for evacuation of coal from SRP & RKP group of | M/s Srinivasa Edifice Pvt Ltd | Supplying and stacking of 50mm gauge machine crushed, clean, hard, angular and durable Stone Ballast | e procurement | 3 | 1/1/2016  |          |           | 15 |  | 6  |

|    |   |                            |              |               |   |            |            |           |   |  |   |
|----|---|----------------------------|--------------|---------------|---|------------|------------|-----------|---|--|---|
|    | mines to STPP, Jaipur (V&M), Adilabad District, Telangana State.  |                            |              |               |   |            |            |           |   |  |   |
| 20 | Construction of earthen embankment, raw water storage reservoir with CC lining and its allied works, to meet immediate water requirement of STPP (Phase-I balance works of Engineering Procurement and Construction of earthen embankment raw water storage reservoir of 2.5 million cubic meter capacity and its allied works etc.) at 2 x 600 MW Singareni Thermal Power Project site near Pegadapalli village, Jaipur Mandal, Adilabad District, Telangana State | M/s. AMR-RVR Joint Venture | water supply | e procurement | 5 | 10/28/2014 | 12/17/2014 | 4/16/2015 | 9 |  | 9 |

|    |   |                                    |  |               |   |            |            |            |   |  |   |
|----|---|------------------------------------|--|---------------|---|------------|------------|------------|---|--|---|
| 21 | Construction of Railway Bridge (8 spans of 18.3 m each) across Rasulpalli vagu for laying railway line for evacuation of coal from SRP & RKP group of mines up to STPP<br>M/s KRANS Projects Private limited  | M/s KRANS Projects Private limited | Construction of Railway Bridge (8 spans of 18.3 m each) across Rasulpalli vagu | e procurement | 3 | 4/21/2015  | 7/27/2015  | 7/26/2016  | 9 |  | 9 |
| 22 | Providing Cement Concrete Road On Existing Wbm Approach Road Along Compound Wall At 2x600mw, Stpp, Jaipur, Adilabad District, Telangana State   | M/S. Sri Vigneswara Constructions  | roads  | e procurement | 3 | 10/22/2014 | 11/11/2014 | 11/10/2015 | 9 |  | 9 |
| 23 | Design and construction of (A) Barracks (G+1) for CISF constables & Head constables and (B) Bachelor Hostel (G+1) for CISF Sub-Inspectors with pre-engineered structures in light gauge steel at 2 x 600 MW STPP, Jaipur (V&M), Adilabad Dist., Telangana | M/s Elixir Met Form Pvt Ltd.       | construction of (A) Barracks & (B) Bachelor Hostel (G+1)                       | e procurement | 2 | 7/29/2015  | 9/4/2015   | 3/3/2016   | 6 |  | 6 |

|    |   |                            |   |                      |   |           |          |           |   |  |   |
|----|---|----------------------------|---|----------------------|---|-----------|----------|-----------|---|--|---|
|    | State.  |                            |   |                      |   |           |          |           |   |  |   |
| 24 | Laying of approach road including Black topping via township to Power plant including construction of cross drainage works at 2x600M STPP, Jaipur, Adilabad District, A.P.  | M/s. Sujana Constructions. | Laying of approach road including Black topping via township to Power plant | E-procurement tender | 7 | 3/24/2011 | 6/3/2011 | 3/2/2012  | 5 |  | 4 |
| 25 | Widening and Strengthening of existing coal road from RK-6 incline junction to RK-7 incline weigh bridge junction and laying new road from RK-7 incline weigh bridge junction to NH-63 including CD works for transportation of coal to STPP. Agency: M/s AMR India Limited | M/s AMR India Limited      | Coal Road   | e procurement        | 3 | 1/1/2015  | 2/9/2015 | 11/8/2015 | 4 |  | 4 |

|    |   |                             |   |                      |   |           |           |           |   |  |   |
|----|---|-----------------------------|---|----------------------|---|-----------|-----------|-----------|---|--|---|
| 26 | Laying Asphalt internal roads including construction of cross drainage works within Township (Phase-II) at STPP, Jaipur (V&M), Adilabad District, Telangana State.”                                 |                             | Asphalt internal roads including construction of cross drainage works within Township | e procurement        | 5 |           |           |           | 4 |  | 1 |
| 27 | Laying of asphalt roads within the Township (Phase-I) including CD works at STPP, Jaipur.<br>Agency:  | P Srinivas Reddy & Co.      | asphalt roads within the Township   | e procurement        | 4 | 2/25/2015 | 6/19/2015 | 3/18/2016 | 4 |  | 1 |
| 28 | Laying of WBM approach road including construction of cross drainage works to power plant area, STPP, Jaipur  | M/s. AMR constructions Ltd. | Laying of WBM approach road   | E-procurement tender | 6 | 3/11/2011 | 5/13/2011 | 5/12/2012 | 4 |  | 3 |
| 29 | Providing developmental works like supplying and laying of water supply pipe lines, sanitary pipe lines and construction of drains etc., to the quarters (Phase-II) at STPP, Jaipur (V&M), Adilabad | M/s Thirumala Constructions | developmental works (Phase-II)  | e procurement        | 1 |           |           |           | 4 |  | 1 |

|    |   |                    |                          |               |   |            |  |  |   |  |   |
|----|---|--------------------|--------------------------|---------------|---|------------|--|--|---|--|---|
|    | District, Telangana State.  |                    |                          |               |   |            |  |  |   |  |   |
| 30 | Laying of CC road (over GSB and WMM) connecting Bungalows Area- Gas Godown road with coal road (R&B road) including construction of CD works and laying CC road (including WBM) connecting RUB at Telangana Colony with Krishna Colony road under re-organization of road infrastructure at Srirampur Area to facilitate laying of Railway line for evacuation of coal from SRP and RKP group of mines to STPP, Adilabad district, Telangana State. | M/s CRR-CIPPL (JV) | CC road for railway line | e procurement | 5 | 11/18/2015 |  |  | 3 |  | 1 |

|    |   |                                |   |                      |    |            |            |            |   |  |   |
|----|---|--------------------------------|---|----------------------|----|------------|------------|------------|---|--|---|
| 31 | Construction of compound wall on north side for plant area (Phase-I) at STPP, Jaipur (V&M), Adilabad District, Telangana State. | M/s Srico Projects Pvt Ltd.    | compound wall on north side for plant area      | e procurement        | 1  | 8/20/2015  | 10/15/2015 | 4/14/2016  | 2 |  | 2 |
| 32 | Construction of Bachelor Trainees' Hostel Agency: M/s Elixir Met Form Pvt. Ltd.,  | M/s Elixir Met Form Pvt. Ltd., | Bachelor Trainees' Hostel                       | e procurement        | 4  | 12/15/2014 | 1/1/2015   | 12/31/2015 | 2 |  | 2 |
| 33 | Construction of Guest house for the proposed 2x600MW Thermal Power Project at Jaipur, Adilabad Dist. A.P.                       | M/S. Elixir Metform Pvt. Ltd.  | Construction of Guest house                     | E-procurement tender | 8  | 3/9/2010   | 4/9/2010   | 4/8/2011   | 1 |  | 2 |
| 34 | Construction of Gate complex & Time office at Plant entry point of 2x600MW STPP, Jaipur, Adilabad District, Telangana State.    | M/s Srico Pvt Ltd.             | Gate complex & Time office at Plant entry point | e procurement        | 4  | 10/29/2015 |            |            | 1 |  | 1 |
| 35 | Construction of compound wall around proposed 2x600MW STPP at Jaipur Adilabad Dist. Package-III                                 | M/s. Thirumala Constructions   | Construction of compound wall                   | E-procurement tender | 16 | 3/25/2010  | 4/26/2010  | 4/25/2011  | 1 |  | 1 |

|    |  |                              |                               |                      |    |            |           |           |   |  |   |
|----|--|------------------------------|-------------------------------|----------------------|----|------------|-----------|-----------|---|--|---|
| 36 | Construction of compound wall around proposed 2x600MW STPP at Jaipur Adilabad Dist. Package-IV   | M/s. Thirumala Constructions | Construction of compound wall | E-procurement tender | 15 | 3/25/2010  | 5/25/2010 | 5/24/2011 | 1 |  | 1 |
| 37 | Transportation of rough stone waste removed from Coal at SRP-CHP to form firm surface under crushed coal stock pile of stacker re-claimer area at STPP, Jaipur (V&M), Adilabad District, Telangana State | M/s Lakhy Constructions      | Transportation of Shale       | e procurement        | 2  | 12/12/2015 |           |           | 1 |  | 1 |
| 38 | <b>Total –Rs. 5,547 Crores</b>   |                              |                               |                      |    |            |           |           |   |  |   |

<sup>1</sup> the scope of work in any package should be indicated in conformity of capital cost break-up for the coal/lignite based plants in the FORM-5B to the extent possible.

<sup>2</sup> If there is any package, which needs to be shown in Indian Rupee and Foreign Currency(is), the same should be shown separately along with the currency, the exchange rate and date e.g.Rs.80 Cr + US\$50m=Rs.280 Cr. At US\$=40 as on say 4.1.1999

PETITIONER

The values rounded up to the nearest whole number



f. Part-I Form 6, APERC Regulation 1 of 2008

| Table 12: Financial package up to COD                    |   |       |  |                 |   |                 |                   |
|--|---|-------|--|-----------------|---|-----------------|-------------------|
| Name of the Company                                      | The Singareni Collieries Company Limited                          |       |  |                 |   |                 |                   |
| Name of the Power Station                                | 2X600 MW STPP   |       |  |                 |   |                 |                   |
| Project Cost as on COD <sup>1</sup>                      | Rs. 8,250 Cr  |       |  |                 |   |                 |                   |
| Date of Commercial operation of the Station <sup>2</sup> | Unit-I – By end of March, 2016<br>Unit-II – By end of April, 2016 |       |  |                 |   |                 |                   |
| (Amount in Rs. Crores)                                   |   |       |  |                 |   |                 |                   |
| 1  | Financial package as approved currency and amount <sup>3</sup>    |       | Financial package as on COD currency and amount <sup>3</sup> |                 | As admitted on COD Currency and Amount <sup>3</sup> |                 | Interest rate (%) |
|  | 2   | 3     | 4  | 5               | 6   | 7               |                   |
| Loan-I   | Rs. Crores  | 3,980 | Rs. Crores   | 3,980           | Rs. Crores  | 3,980           | 11.40%            |
| Loan-II  | Rs. Crores  | 1,320 | Rs. Crores   | 1,320           | Rs. Crores  | 1,320           | 9.49%             |
| Loan-III (yet to be drawn)                               |   |       | Rs. Crores   | 75 <sup>4</sup> | Rs. Crores  | 75 <sup>4</sup> | 9.49%             |
| Effective rate of interest                               | <b>10.81%</b>   |       |  |                 |   |                 |                   |
| Equity   |   |       |  |                 |   |                 |                   |
| Foreign  |   |       |  |                 |   |                 |                   |
| Domestic   |   |       |  |                 |   |                 |                   |
| Total Equity   | Rs. Crores  | 2,271 | Rs. Crores   | 2,475           | Rs. Crores  | 2,475           |                   |
| Debt-Equity Ratio  |   | 70-30 | 70-30  |                 | 70-30   |                 |                   |

<sup>1</sup>Say US \$ 200 m + Rs. 400 Cr or Rs. 1200 Cr including US \$ 200 m at an exchange rate of 1 US \$ = Rs. 40/-  
<sup>2</sup>Date of Commercial Operation means Commercial Operation of the last unit  
<sup>3</sup>For example: US \$, 200 M etc. etc.-

**g. Part-I Form 7, APERC Regulation 1 of 2008**

| <b>Table 13: Details of Project Specific Loans</b>                       |  |                                      |
|--|--|--------------------------------------|
| Name of the Company :  | The Singareni Collieries Company Limited |                                      |
| Name of the power Station :  | Singareni Thermal Power Project          |                                      |
| ( Amount in Rs. Crores)  |  |                                      |
| <b>Particulars</b>   | <b>Package1</b>                          | <b>Package2</b>                      |
| 1  | 2  | 3                                    |
| Source of Loan <sup>1</sup>  | PFC                                      | PFC+REC Consortium                   |
| Currency <sup>2</sup>  | Rs.                                      | Rs.                                  |
| Amount of loan sanctioned  | 3,980                                    | 1,320                                |
| Amount of Gross Loan drawn up to COD of Unit - II <sup>3,4,5,13,15</sup> | 3,980                                    | 900                                  |
| Interest Type <sup>6</sup>   | Fixed                                    | Fixed                                |
| Fixed Interest Rate , if applicable                                      | 11.40%                                   | 9.49%                                |
| Base Rate, if Floating Interest <sup>7</sup>                             | NA                                       | NA                                   |
| Margin, if Floating Interest <sup>8</sup>                                | NA                                       | NA                                   |
| Are there any Caps/Floor <sup>9</sup>                                    | NA                                       | NA                                   |
| If above is yes, specify Caps/Floor                                      | NA                                       | NA                                   |
| Moratorium Period <sup>10</sup>  | 6 months                                 | 6 months                             |
| Moratorium effective from  | 6 months from COD of Unit-II             | 6 months from COD of Unit-II         |
| Repayment Period <sup>11</sup>   | 12 years                                 | 12 years                             |
| Repayment effective from   | November, 2016                           | November, 2016                       |
| Repayment frequency <sup>12</sup>  | Quarterly (48 quarterly instalments)     | Quarterly (48 quarterly instalments) |
| Repayment Installment <sup>13,14</sup>                                   | 120 Cr + INTEREST                        |                                      |
| Base Exchange Rate <sup>16</sup>   |  |                                      |

<sup>1</sup>Source of loan means the agency from whom the loan has been taken such as WB,ADB,WMB,PNB,SBI,ICICI,IFC,PFC etc.

<sup>2</sup>Currency refers to currency of loan such as US\$ , DM , Yen, Indian Rupee etc.

<sup>3</sup>Details are to be submitted as on 31.03.2004 for existing assets and as on COD for the remaining assets.

<sup>4</sup>where the loan has been refinanced, details in the Form is to be given for the loan refinanced. However, the details of the original loan is to be given separately in the same form.

<sup>5</sup>If the Tariff in the petition is claimed separately for various units, details in the Form is to be given separately for all the units in the same form.

<sup>6</sup>Interest type means whether the interest is fixed or floating.

<sup>7</sup>Base rate means the base as PLR, LIBOR etc. over which the margin is to be added. Applicable base rate on different dates from the date of drawn may also be closed.

<sup>8</sup>Margin means the points over and above the floating rate.

<sup>9</sup>At times caps/floor are put at which the floating rates are frozen .If such a condition exists, specify the limits.

<sup>10</sup>Moratorium period refers to the period during which loan servicing liability is not required.

<sup>11</sup>Repayment period means the repayment of loan such as 7years ,10years , 25years etc.

<sup>12</sup>Repayment frequency means the interval at which the debt servicing is to be done such as monthly , quarterly , half yearly , annual , etc.

<sup>13</sup>Where there is more than one drawal/repayment for a loan, the date & amount of each drawal/repayment may also be given separately.

<sup>14</sup>If the repayment instalment amount and repayment date cannot be worked out from the date furnished above, the repayment schedule to be furnished separately.

<sup>15</sup>In case of Foreign loan, date of each drawal & repayment along with exchange rate at that date may be given.

<sup>16</sup>Base exchange rate means the exchange rate prevailing as on 31.03.2006 for existing assets and as on COD for the remaining assets.

**PETITIONER**

## h. Part-I Form 15, APERC Regulation 1 of 2008

**Table 14: Calculation of IDC & Financing Charges**

| Name of the Company  |                           | The Singareni Collieries Company Limited |             |             |             |             |             |             |             |             |             |                      |             |             |             |             |             |             |                           |  |
|--|---------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|--|
| Name of the Power Station  |                           | 2X600 MW Singareni Thermal Power Project |             |             |             |             |             |             |             |             |             |                      |             |             |             |             |             |             |                           |  |
| <u>Draw down schedule for calculation of IDC &amp; Financing Charges</u> |                           |  |             |             |             |             |             |             |             |             |             |                      |             |             |             |             |             |             | Till<br>COD of<br>Unit-II |  |
| Sl. No   | Particulars               | FY 11-12 Q3                              | FY 11-12 Q4 | FY 12-13 Q1 | FY 12-13 Q2 | FY 12-13 Q3 | FY 12-13 Q4 | FY 13-14 Q1 | FY 13-14 Q2 | FY 13-14 Q3 | FY 13-14 Q4 | FY 14-15 Q1          | FY 14-15 Q2 | FY 14-15 Q3 | FY 14-15 Q4 | FY 15-16 Q1 | FY 15-16 Q2 | FY 15-16 Q3 |                           |  |
| 1  |                           | Foreign Loans                            |             |             |             |             |             |             |             |             |             | NA                   |             |             |             |             |             |             |                           |  |
| 2  |                           | Indian Loans                             |             |             |             |             |             |             |             |             |             | Amount in Rs. Crores |             |             |             |             |             |             |                           |  |
| 2.1  | Indian Loan in Rs. Crores |  |             |             |             |             |             |             |             |             |             |                      |             |             |             |             |             |             |                           |  |
| 2.2  | Drawn Down Amount         | 345.15                                   | 6.13        | 0           | 22.74       | 195.39      | 260.07      | 146.63      | 237.18      | 203.29      | 755.52      | 205.47               | 342.23      | 344.32      | 415.13      | 175.75      | 144.44      | 155.32      | 926                       |  |
| 2.3  | Principal                 | 345.15                                   | 351.28      | 351.28      | 374.02      | 569.41      | 829.48      | 976.11      | 1213.2      | 1416.5      | 2172.1      | 2377.5               | 2719.8      | 3064.1      | 3479.2      | 3655        | 3799.4      | 3954.7      | 4880.7                    |  |
| 2.4  | IDC                       | 6.13                                     | 10.73       | 10.73       | 10.86       | 14.72       | 19.88       | 26.61       | 33.74       | 41.01       | 53.09       | 67.79                | 77.53       | 89.15       | 96.6        | 105.95      | 112.53      | 117.45      | 163.21                    |  |
| 2.5  | Financing Charges         | 0.00                                     | 0.00        | 0.00        | 0.03        | 0.04        | 0.05        | 0.09        | 0.00        | 0.01        | 0.02        | 0.00                 | 0.02        | 0.00        | 0.01        | 0.00        | 0.00        | 0.00        | 1.73                      |  |
| 2.6  | Interest Paid             | N  | Y           | Y           | Y           | Y           | Y           | Y           | Y           | Y           | Y           | Y                    | Y           | Y           | Y           | Y           | Y           | Y           | N                         |  |

Note: Drawal of debt and equity shall be on paripassu basis to meet the commissioning schedule. Drawal of higher equity in the beginning is permissible



**The Singareni Collieries Company Limited**

Additional Filing of Capital Cost/Multi Year Tariff (MYT) for  
1200 (2X600 MW) Singareni Thermal Power Project, Jaipur-  
Adilabad

to

Telangana State Electricity Regulatory Commission

| <b>INDEX</b>   |   |              |
|----------------|---|--------------|
| <b>Sl. No.</b> | <b>Content</b>  | <b>Pages</b> |
| 1              | Affidavit   | 3 – 4        |
| 2              | Main Application  | 5 – 9        |
| 3              | Detailed Write-up of Multi-Year Tariff                                | 10– 37       |
| 4              | 1. Terms and Conditions for tariff determination                      | 13-14        |
| 5              | 2. Determination of MYT – Fixed Charges                               | 15-21        |
| 6              | 3. Determination of MYT – Fixed Charges                               | 22 – 24      |
| 7              | 4. Prayer   | 25           |
| 8              | 5. Submission of Forms as per APERC Regulation 1 of 2008              | 26-36        |
| 10             | 6. SBI Prime Lending Rate effective from 5 <sup>th</sup> October 2015 | 37           |

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY  
COMMISSION**

**AT IT'S OFFICE AT 5<sup>TH</sup> FLOOR, SINGARENI BHAVAN, HYDERABAD**

**O.P.No - /2016**

**IN THE MATTER OF:**

Additional Filing for 'Determination of Capital Cost/Tariff for supply of electricity by a Generating Company and purchase of electricity by Distribution Licensees for the financial year FY 16-17 to FY 18-19 for its generation and sale of electricity under Section 61, 62, 64 and 86 (1) (b) of Electricity Act, 2003 read with the relevant TSERC Guidelines and Regulations till date, by the M/S The Singareni Collieries Company Limited.

**IN THE MATTER OF:**

M/sThe Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Khammam Dist, Telangana State PIN: 507101

Applicant

AND

Southern Power Distribution Company of Telangana Limited (TSSPDCL): Corporate Office: # 6-1-50, Mint Compound, Hyderabad, Telangana-500 063.

&

Northern Power Distribution Company of Telangana Limited (TSNPDCL): H.No: 2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalgutta, Hanamkonda, Warangal, Telangana-506001

Respondents/Purchaser of Power



AFFIDAVIT OF APPLICANT VERIFYING THE ADDITIONAL FILING OF CAPITAL COST FILING/TARIFF FILING REQUIREMENTS

I, J. Pavitrans Kumar, S/O Ashanna, Age 32 Years, Occupation Public Servant, R/O Kothagudem do hereby solemnly affirm and state on oath as follows:

1. I am the Director (Finance) & CFO, the Petitioner in the above matter and I am duly authorized by the said Petitioner to make this affidavit on its behalf.
2. I have read and understood the contents of the accompanying additional filings of the proposals for 'Determination of Capital Cost/Tariff of the coal fired 1200 MW Singareni Thermal Power Project in Jaipur to and purchase of Electricity by Distribution Licensees', filed by Petitioner before this Hon'ble Commission. The statements made in paragraphs of the accompanying affidavit now shown to me are true to my knowledge and are derived from official records made available to me and are based on information and advice received which I believe to be true and true.

Deponent

VERIFICATION

I, the above name deponent solemnly affirm at Hyderabad on this 06 day of February, 2016 that the contents of the above affidavit are true to my knowledge and no part of it is false and nothing material has been concealed there from.

Deponent

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY  
COMMISSION**

**AT IT'S OFFICE AT 5<sup>TH</sup> FLOOR, SINGARENI BHAVAN, HYDERABAD**

**O.P.No - /2016**

**IN THE MATTER OF:**

Additional Filing for 'Determination of Capital Cost/Tariff for supply of electricity by a Generating Company and purchase of electricity by Distribution Licensees for the financial year FY 16-17 to FY 18-19 for its generation and sale of electricity under Section 61, 62, 64 and 86 (1) (b) of Electricity Act, 2003 read with the relevant TSERC Guidelines and Regulations till date, by the M/S The Singareni Collieries Company Limited.

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Respondents/Purchaser of Power

**Additional filings of Capital Cost/Tariff determination for supply of electricity for the financial year FY 16-17 to FY 18-19**

The Applicant submits additional information/ additional data for tariff determination of the Power plant.

The Applicant has projected the Aggregate Revenue Requirement (ARR) for the period FY 2016-17 to FY 2018-19 in accordance with APERC Regulation 1 of 2008 and considering the different CODs of both units of the power project. The Applicant has considered the following norms and values for computation of Annual Fixed Charges

The norms prescribed irrespective of capacity have been adopted as it is while for norms prescribed based on capacity of power plant, norms for 500 MW and above plants have been considered as both 500 MW and SCCL power project are of the same design from civil foundations to erection of the boilers.

| <b>Norms and values for computation of Annual Fixed charges</b>                      |             |   |
|--|-------------|---|
| <b>Parameter</b>   | <b>Unit</b> | <b>Value</b>                                      |
| Operation & Maintenance Expenses for 500 MW sets (FY 06-07)                          | Rs. Lakh/MW | 10.12   |
| O&M Annual escalation  | %           | 4%  |
| Operation & Maintenance Expenses (FY 16-17)  | Rs. Lakh/MW | 14.98   |
| Loan Tenure  | Years       | 12  |
| Depreciation   | %           | As per Ministry of Power rates (till loan tenure) |
| Salvage Value  | %           | 10%   |
| Interest Rate on Long term debt (FY 16-17)   | %           | 10.95%  |
| Interest Rate on Long term debt (FY 17-18, FY 18-19)                                 | %           | 10.81%  |
| Working Capital Interest rate (SBI Prime Lending Rate effective from 5 October 2015) | %           | 14.05%  |
| Return on Equity   | %           | 16%   |
| Debt: Equity Ratio   | Ratio       | 70:30   |
| Working Capital  |             |   |
| -Cost of coal for  | Months      | 2   |
| -Cost of secondary fuel for  | Months      | 2   |
| -Operation & Maintenance expenses for  | Months      | 1   |

|  |        |    |
|--|--------|----|
| -Maintenance spares % of historical cost | %      | 1% |
| -Receivables for                         | Months | 2  |
| -Minus payables for fuel for             | Months | 1  |
| -Minus payables for secondary fuel for   | Months | 1  |

The Applicant has considered the following norms of operation for the power plant

| <b>Norms of operation of power plant</b>  |             |              |
|---|-------------|--------------|
| <b>Parameter</b>  | <b>Unit</b> | <b>Value</b> |
| Target availability   | %           | 80%          |
| Auxiliary Energy Consumption (for 500 MW plant with Stream driven boiler feed pumps and with cooling tower) | %           | 7.5%         |
| Gross Station Heat Rate (for 500 MW capacity plants)  | kCal/kwh    | 2,450        |
| Secondary fuel oil consumption  | ml/kWh      | 2            |
| Transit losses  | %           | 0.8%         |
| Incentive for scheduled generation in excess of Target PLF  | Rs./kWh     | 0.25         |

In addition to the norms mentioned above, the following values have been considered while computing the Working capital and energy charges

| <b>Values for computation of working capital and energy charges</b> |             |              |
|---|-------------|--------------|
| <b>Parameter</b>  | <b>Unit</b> | <b>Value</b> |
| Gross Calorific value of Coal                                       | kCal/kg     | 4,575.60     |
| Gross calorific value of Secondary fuel oil                         | kCal/litre  | 10,000       |
| Landed cost of Coal (FY 16-17)                                      | Rs./Tonne   | 2,871.73     |
| Annual Escalation of Landed cost of Coal                            | %           | 4%           |
| Landed cost of Secondary fuel oil (FY 16-17)                        | Rs./kl      | 35,000       |
| Annual Escalation of Landed cost of Secondary fuel oil              | %           | 4%           |

The total Annual Fixed charges computed is provided in the table below

| <b>Annual Fixed Charges (Rs. Crores)</b> |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| <b>Particulars</b>                       | <b>FY 2016-17</b> | <b>FY 2017-18</b> | <b>FY 2018-19</b> |
| O&M Expenses                             | 172.39            | 186.95            | 194.43            |

|                                   |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|-----------------|
| Return on Capital Employed (RoCE) | 1,053.34        | 1,055.65        | 985.96          |
| Depreciation                      | 568.85          | 610.20          | 612.68          |
| <b>Annual Fixed Costs</b>         | <b>1,794.59</b> | <b>1,852.80</b> | <b>1,793.07</b> |

The indicative Annual Energy charges computed is provided in the table below

| <b>Indicative Annual Energy Charges</b>           |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Particulars</b>                                | <b>Unit</b>       | <b>FY 2016-17</b> | <b>FY 2017-18</b> | <b>FY 2018-19</b> |
| SHR   | kCal/kWh          | 2,450             | 2,450             | 2,450             |
| GCV   | kCal/kg           | 4,575.60          | 4,575.60          | 4,575.60          |
| Gross generation                                  | MU                | 8,064.94          | 8,409.60          | 8,409.60          |
| Heat contributed by secondary fuel oil            | kCal/kWh          | 20                | 20                | 20                |
| Primary Fuel Requirement (including transit loss) | Tonnes            | 4,317,655         | 4,502,170         | 4,502,170         |
| Primary Fuel Cost                                 | Rs./Tonne         | 2,871.73          | 2,986.60          | 3,106.06          |
| <b>Primary Fuel Cost</b>                          | <b>Rs. Crores</b> | <b>1,239.91</b>   | <b>1,344.62</b>   | <b>1,398.40</b>   |
| Secondary Fuel Requirement                        | kl                | 16,130            | 16,819            | 16,819            |
| Secondary Fuel Cost                               | Rs./kl            | 35,000            | 36,400            | 37,856            |
| <b>Secondary Fuel Cost</b>                        | <b>Rs. Crores</b> | <b>56.45</b>      | <b>61.22</b>      | <b>63.67</b>      |
| <b>Total Fuel Cost</b>                            | <b>Rs. Crores</b> | <b>1,296.37</b>   | <b>1,405.84</b>   | <b>1,462.07</b>   |
| Net Generation                                    | MU                | 7,460.07          | 7,778.88          | 7,778.88          |
| <b>Energy Charges</b>                             | <b>Rs./kWh</b>    | <b>1.74</b>       | <b>1.81</b>       | <b>1.88</b>       |

The above computed Energy charges are indicative in nature while the actual energy charges to be paid by the Distribution licensees would be as per the formula given in Clause 13.1 of APERC Regulation 1 of 2008 as mentioned below

$$REC = \frac{100 \{ P_p \times (Q_p)_n + P_s \times (Q_s)_n \}}{(100 - AUX_n)} \quad * \text{ Ex bus energy sent out corresponding to the scheduled generation}$$

Where,

$P_p$  = Landed cost of primary fuel namely coal or lignite or gas or liquid fuel in Rs./kg or Rs./m<sup>3</sup> or Rs./litre, as the case may be

$(Q_p)_n$  = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in kg or litre or m<sup>3</sup>, as the case may be, and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based generating stations) and Gross Calorific Value of coal/lignite or gas or liquid fuel as fired.

$P_s$  = Landed cost of secondary fuel in Rs/ml

$(Q_s)_n$  = Normative quantity of secondary fuel oil in ml/kWh as per Clause 11.1.4, as the case may be, and

$AUX_n$  = Normative Auxiliary Energy Consumption as percentage of gross generation as per Clause 11.1.2, as the case may be.”

**The Singareni Collieries Company Limited**

Detailed Write-up of Multi Year Tariff (MYT) for  
1200 (2X600 MW) Singareni Thermal Power Project, Jaipur-  
Adilabad

to

Telangana State Electricity Regulatory Commission

## Contents

|   |    |
|---|----|
| List of Tables .....  | 12 |
| 1. Terms and Conditions for tariff determination.....                       | 13 |
| 2. Determination of MYT – Fixed Charges .....                               | 15 |
| 3. Determination of MYT – Energy Charges.....                               | 22 |
| 4. Prayer .....   | 25 |
| 5. Submission of Forms as per APERC Regulation 1 of 2008.....               | 26 |
| 6. SBI Prime Lending Rate effective from 5 <sup>th</sup> October 2015 ..... | 37 |



## List of Tables

|   |    |
|---|----|
| Table 1: O&M Expenses .....   | 15 |
| Table 2: Depreciation Expense (Rs. Crores) .....  | 16 |
| Table 3: Working Capital Requirement (Rs. Crores).....  | 18 |
| Table 4: Computation of Cost of Debt ( $r_d$ )% .....   | 19 |
| Table 5: Return on Capital Employed (RoCE) (Rs. Crores).....                                  | 20 |
| Table 6: Annual Fixed Charges (Rs. Crores).....   | 21 |
| Table 7: Ex bus sent out energy (MU).....   | 22 |
| Table 8: Variable Cost norms .....  | 22 |
| Table 9: Indicative Annual Energy Charges .....   | 23 |
| Table 10: Title of Tariff Filing Forms .....  | 26 |
| Table 11: Summary Sheet.....  | 27 |
| Table 12: Normative parameters considered for tariff computations.....                        | 28 |
| Table 13: Financial package upto COD .....  | 29 |
| Table 14: Statement of Depreciation .....   | 30 |
| Table 15: Calculation of Depreciation Rate .....  | 31 |
| Table 16: Calculation of Weighted Average Rate of Interest on Actual Loans <sup>1</sup> ..... | 33 |
| Table 17: Calculation of Return on Capital Employed.....                                      | 35 |
| Table 18: Working Capital .....   | 36 |

## 1. Terms and Conditions for tariff determination

APERC Regulation 1 of 2008 states that the tariff for sale of electricity shall comprise of two parts

- Fixed cost
- Variable cost

The Fixed cost shall be determined based on the following

- Capital cost of the project
- Capital structure (Debt-Equity)
- Depreciation
- Operation & Maintenance Expenses
- Working capital
- Income Tax at actuals

Clause 10.5 and 10.6 of APERC Regulation 1 of 2008 states “*The annual fixed charges of a thermal generating station or of a hydro power generating station, as the case may be, shall consist of recovery of the following:*

- (a) Return on Capital Employed (ROCE)*
- (b) Depreciation*
- (c) O&M Expenses*
- (d) Income tax as per actuals*

*The energy charges, in case of thermal generating stations, shall cover fuel cost and computed in accordance with clause 13.1”.*

Clause 13.1 (a) states that,

*“Energy Charge shall cover fuel costs and shall be worked out on the basis of ex-bus energy sent out corresponding to scheduled generation as per the following formula:*

*Energy Charges (Rs.) = Rate of Energy Charges in Rs/kWh x Ex-bus sent out corresponding to scheduled generation for the month in kWh*

*Where,*

*Rate of Energy Charges (REC) shall be the sum of the cost of normative quantities of primary and secondary fuel for one kWh of ex-bus energy sent out corresponding to scheduled generation and shall be computed as under:*

$$REC = \frac{100 \{ P_p \times (Q_p)_n + P_s \times (Q_s)_n \}}{(100 - AUX_n)} \quad \text{Rs/kWh}$$

*Where,*

*P<sub>p</sub> = Landed cost of primary fuel namely coal or lignite or gas or liquid fuel in Rs./kg or Rs./m<sup>3</sup> or Rs./litre, as the case may be*

*(Q<sub>p</sub>)<sub>n</sub> = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in kg or litre or m<sup>3</sup>, as the case may be, and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based generating stations) and Gross Calorific Value of coal/lignite or gas or liquid fuel as fired.*

*P<sub>s</sub> = Landed cost of secondary fuel in Rs/ml*

*(Q<sub>s</sub>)<sub>n</sub> = Normative quantity of secondary fuel oil in ml/kWh as per Clause 11.1.4, as the case may be, and*

*AUX<sub>n</sub> = Normative Auxiliary Energy Consumption as percentage of gross generation as per Clause 11.1.2, as the case may be.”*

## 2. Determination of MYT – Fixed Charges

- 4.1. SCCL in accordance with the Clause 10 of the APERC Regulation 1 of 2008 is submitting its information for determination of Multi Year Tariff for its project, i.e., coal fired 1200 MW (2 x 600 MW) Thermal power Plant at Adilabad District, proposed to supply the entire power to the TSDISCOMs for the period FY 2016-17 to FY 2018-19.
- 4.2. The Multi-Year tariff has been projected considering the anticipated COD of Unit 1 – End of March 2016 and COD of Unit 2- End of April 2016, in accordance with the APERC Regulation 1 of 2008. For the first year of operation, i.e., FY 2016-17, the ARR has been projected on proportionate basis to the COD of the units.
- 4.3. This tariff application is guided by APERC Regulation 1 of 2008 norms for coal fired power plants. The norms prescribed irrespective of capacity have been adopted as it is while for norms prescribed based on capacity of power plant, norms for 500 MW and above plants have been considered as both 500 MW and SCCL power project are of the same design from civil foundations to erection of the boilers.

### Operation & Maintenance Expenses

- 4.4. Clause 12.3.2 of APERC Regulation 1 of 2008 allows for new generating stations, O&M expenses of Rs. 10.12 Lakh/MW for 500 MW sets for the year FY 2006-07 with a 4% annual escalation. The Applicant has escalated the O&M expenses of FY 2006-07 at an annual rate of 4% to arrive at the O&M expenses of FY 2016-17 and further escalated by 4% every year to arrive at the O&M expenses for FY 2017-18 and FY 2018-19 as given in the below table. The O&M expenses for FY 16-17 has been proportionately taken considering the COD Of Unit-II is end of April 2016.

| <b>Table 1: O&amp;M Expenses</b>       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
| <b>Particulars</b>                     | <b>FY<br/>2016-17</b> | <b>FY<br/>2017-18</b> | <b>FY<br/>2018-19</b> |
| O&M Expenses (in Rs. Lakh/MW)          | 14.98                 | 15.58                 | 16.20                 |
| <b>O&amp;M Expenses (in Rs. Crore)</b> | <b>172.39</b>         | <b>186.95</b>         | <b>194.43</b>         |

## **Depreciation**

4.5. Clause 12.2 (b) of APERC Regulation 1 of 2008 lays down the norms for depreciation. The clause mentions “ Depreciation shall be calculated annually, based on straight line method over *the useful life of the asset and at the rates prescribed in Ministry of Power notification dated 21-03-1994, as amended till date.*

*The residual life of the asset shall be considered as 10%...*

*.... Land is not a depreciable asset .....*

*.....On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset’*

4.6. The Applicant submits that depreciation has been calculated annually, based on straight line method over the useful life of the asset and the rates prescribed in Ministry of Power (MoP) notification dated 21<sup>st</sup> March, 1994 till the loan repayment period of **12 years**. The balance depreciation after the loan repayment till 90% of the asset value has been spread over the remaining useful life of the power plant which is another 13 years.

There would an addition in Capital cost to the tune of Rs. 1,095 Crs, in FY 16-17 and Rs. 80 Crs. in FY 17-18. The Applicant has computed depreciation on these Capital Cost additions by multiplying the Depreciation rate with 50% of the Capital Cost additions during that year.

The projected Depreciation expenses for the control period from FY 2016-17 to FY 2018-19 in accordance with the Clause 12.2 (b) of APERC Regulation 1 of 2008 is provided in the table below. The detailed Depreciation schedule is included in Table 15.

| <b>Table 2: Depreciation Expense (Rs. Crores)</b> |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|
| <b>Particulars</b>                                | <b>FY<br/>2016-17</b> | <b>FY<br/>2017-18</b> | <b>FY<br/>2018-19</b> |
| Depreciation<br>Expense                           | <b>568.85</b>         | <b>610.20</b>         | <b>612.68</b>         |

## **Return on Capital Employed (RoCE)**

4.7. Clause 12.1 a) of APERC Regulation 1 of 2008 provides for computation methodology of RoCE considering the original Capital Cost, accumulated depreciation, working capital

and weighted average cost of capital (WACC). ROCE is computed as per the following formula

$$\text{RoCE} = \text{WACC} * [\text{Original Capital Cost} - \text{Accumulated Depreciation} + \text{Working Capital}]$$

Where WACC is the Weighted Average Cost of Capital and computed as given below

$$\text{WACC} = [D/E * (1 + D/E)]r_d + [1 / (1 + D/E)] * r_e$$

Where D/E is the Debt: Equity Ratio,  $r_d$  is the cost of debt and  $r_e$  is the Return on Equity.

These components have been arrived at in the following paragraphs for computation of RoCE.

- i. The Original Capital Cost for FY 2016-17 has been considered as the sum of the Capital Cost as on COD of Unit-II which is Rs. 7,075 Crs. and 50% of the Capital Cost additions for FY 2016-17 which is Rs. 547.51 Crs. (50% of Rs. 1,095 Crs.). The Original Capital Cost for FY 2016-17 comes to Rs. 7,622 Crs.
- ii. The Original Capital Cost for FY 2017-18 has been considered as the sum of the Capital Cost as on starting of FY 2017-18 which is Rs. 8,170 Crs. and 50% of the Capital Cost additions for FY 2017-18 which is Rs. 40 Crs. (50% of Rs. 80 Crs.). The Original Capital Cost for FY 2016-17 comes to Rs. 8,210 Crs.
- iii. The Original Capital Cost from FY 2018-19 has been considered as Rs. 8,250 Crs.
- iv. Accumulated depreciation is considered by arriving at the cumulative depreciation till the last financial year in Table 2 above.
- v. Working capital requirement is computed as per the Table 3 given below.

4.8. The working capital requirement is computed in accordance with the Clause 12.4 of APERC Regulation 1 of 2008 which includes the following:

- a. Cost of coal for **two months** for non-pit head generating stations, corresponding to target availability
- b. Cost of secondary fuel oil for **two months** corresponding to target availability
- c. Operation & Maintenance expenses for **one month**
- d. Maintenance spares **@1% of the historical cost** as per indexation of O&M norms
- e. Receivables for sale of electricity equivalent to **two months of the sum of annual fixed charges and energy charges** calculated on target availability

Minus

Payables for fuel (including secondary fuel oil) to the extent of **one month** of the cost of fuel calculated on target availability

The projected working capital expenses for the control period from FY 2016-17 to FY 2018-19 in accordance with the Clause 12.4 of APERC Regulation 1 of 2008 is provided in the table below:

| <b>Table 3: Working Capital Requirement (Rs. Crores)</b> |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
| <b>Particulars</b>                                       | <b>FY<br/>2016-17</b> | <b>FY<br/>2017-18</b> | <b>FY<br/>2018-19</b> |
| Cost of coal for two months                              | 206.65                | 224.10                | 233.07                |
| Cost of secondary fuel oil for two months                | 9.41                  | 10.20                 | 10.61                 |
| O&M Expenses for one month                               | 14.37                 | 15.58                 | 16.20                 |
| Maintenance Spares @1% historical cost of the asset      | 68.51                 | 81.70                 | 82.50                 |
| Receivables for two months                               | 515.16                | 543.11                | 542.52                |
| Less Payables for coal for one month                     | -103.33               | -112.05               | -116.53               |
| Less Payables for secondary fuel for one month           | -4.70                 | -5.10                 | -5.31                 |
| <b>Total Working Capital Requirement</b>                 | <b>706.06</b>         | <b>757.54</b>         | <b>763.07</b>         |

- 4.9. Based on the original capital cost, accumulated depreciation and the working capital requirement for each of the financial years, the Regulated Rate Base (RRB) has been computed as given in Table 4.
- 4.10. As per Clause 12.1 (a) of APERC Regulation 1 of 2008, the normative debt/ equity composition of the project as on commissioning date of the power plant is considered to be 70:30. It also specifies cost of debt  $r_d$  shall be determined at the beginning of the control period after considering Generating Company's proposal, present cost of debt, market conditions and other relevant factors. The Applicant submits that the weighted average interest rate of its long term loan for FY 16-17 is **10.95%** and from FY 17-18 onwards is **10.81%**.
- 4.11. Clause 12.4 (e) states that "*Interest on Working Capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on the date*

on which application for determination of tariff is made". The Applicant submits that the SBI Prime Lending Rate effective from 5<sup>th</sup> October 2015 stands at **14.05%**.

4.12. Return on Capital Employed provided Return on Working Capital also apart from the net asset value. Hence, the Cost of debt to be considered while computing Return on Capital Employed should reflect the long term interest rate and also the Working Capital interest rate.

4.13. The Applicant has computed  $r_d$ , the cost of debt by considering the **weighted average of long-term interest rate and working capital loan in proportion of the contribution of Net Capital cost and Working Capital to Regulated Rate Base (RRB) each year** as per the formula given below and illustrated in the table below.

$$r_d = [(Net\ Capital\ Cost / RRB) * (Long\ Term\ Interest\ Rate)] + [Working\ Capital / RRB * (Working\ Capital\ Loan\ Interest\ Rate)]$$

| Table 4: Computation of Cost of Debt ( $r_d$ )% |                   |                 |                 |                 |
|---|-------------------|-----------------|-----------------|-----------------|
| Particulars (in Rs. Crores)                     | Unit              | FY 2016-17      | FY 2017-18      | FY 2018-19      |
| Original Capital Cost                           | Rs. Crores        | 7,622.49        | 8,210.00        | 8,250.00        |
| Accumulated Depreciation                        | Rs. Crores        | -               | 568.85          | 1,179.05        |
| <b>Net Capital cost</b>                         | <b>Rs. Crores</b> | <b>7,622.49</b> | <b>7,641.14</b> | <b>7,070.94</b> |
| <b>Working Capital</b>                          | <b>Rs. Crores</b> | <b>706.06</b>   | <b>757.54</b>   | <b>763.07</b>   |
| <b>Regulated Rate Base (RRB)</b>                | <b>Rs. Crores</b> | <b>8,328.55</b> | <b>8,398.68</b> | <b>7,834.00</b> |
| Contribution of Net Capital cost to RRB         | %                 | 92%             | 91%             | 90%             |
| Contribution of Working Capital to RRB          | %                 | 8%              | 9%              | 10%             |
| <b>Long Term Interest Rate</b>                  | <b>%</b>          | <b>10.95%</b>   | <b>10.81%</b>   | <b>10.81%</b>   |
| <b>Interest on Working Capital</b>              |                   | <b>14.05%</b>   | <b>14.05%</b>   | <b>14.05%</b>   |
| <b>Cost of Debt</b>                             | <b>%</b>          | <b>11.21%</b>   | <b>11.10%</b>   | <b>11.12%</b>   |

4.14. The Applicant has considered Return on Equity as per CERC norms, i.e. **15.5% + additional 0.5% = 16%** towards timely completion of the project because of the following reasons

- a. While the project was conceptualized in 2010, the actual grounding of the project happened in September 2012



- b. There was a delay in securing coal linkage for the project. Hence, SCCL requested Ministry of coal for allocation of tapering coal linkage for the power project
- c. The water supply scheme was changed from the original 1.00 TMC water to 2.00 TMC water

While these reasons contributed to the commissioning of the project by end of March 2016, it can be observed that the Applicant was well within the timelines of 44 months for 600 MW green field projects as per CERC norms. Hence, the Applicant has considered Return on Equity of **15.5% + additional 0.5% = 16%** while computing the Fixed Charges.

- 4.15. The debt equity ratio for computation of WACC for the control period is considered to be **70:30** as prescribed in the APERC Regulation 1 of 2008.
- 4.16. The Return on Capital Employed (RoCE) for the control period is computed as provided in the table below:

| <b>Table 5: Return on Capital Employed (RoCE) (Rs. Crores)</b> |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
| <b>Particulars</b>   | <b>FY<br/>2016-17</b> | <b>FY<br/>2017-18</b> | <b>FY<br/>2018-19</b> |
| Regulated Rate base  | <b>8,328.55</b>       | <b>8,398.68</b>       | <b>7,834.00</b>       |
| Cost of Debt   | 11.21%                | 11.10%                | 11.12%                |
| Return on Equity   | 16%                   | 16%                   | 16%                   |
| WACC   | 12.65%                | 12.57%                | 12.59%                |
| <b>Total RoCE</b>  | <b>1,053.34</b>       | <b>1,055.65</b>       | <b>985.96</b>         |

#### **Other expenditure**

- 4.17. The Applicant doesn't envisage any other expenditure as per the Clause 12.6 of APERC Regulation 1 of 2008 at the moment and hence not projected the same for the MYT control period. However, the company wishes to submit that it may be incurring any expenditure which cannot be forecasted and estimated at present. As and when such expenditures are incurred in the course of and required for efficient generation of power by the plant, Applicant would approach the Hon'ble Commission for approval of the same.
- 4.18. Clause 12.5 of APERC Regulation 1 of 2008 provides for consideration of Taxes on income actually paid limited to Tax on Return on the equity component of the RoCE.

The Applicant submits that it shall bill the above mentioned amount as per the provision to the Distribution Licensee and provide details of the same to the Hon'ble Commission on a quarter to quarter basis.

### **Annual Fixed Charges**

4.19. Based on the computation of each of the components, the Annual Fixed Charges arrived is provided in the table below:

| <b>Table 6: Annual Fixed Charges (Rs. Crores)</b> |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|
| <b>Particulars</b>                                | <b>FY<br/>2016-17</b> | <b>FY<br/>2017-18</b> | <b>FY<br/>2018-19</b> |
| O&M Expenses                                      | 172.39                | 186.95                | 194.43                |
| Return on Capital Employed (RoCE)                 | <b>1,053.34</b>       | <b>1,055.65</b>       | <b>985.96</b>         |
| Depreciation                                      | 568.85                | 610.20                | 612.68                |
| <b>Annual Fixed Costs</b>                         | <b>1,794.59</b>       | <b>1,852.80</b>       | <b>1,793.07</b>       |

The components of Fixed Cost are required to be revised as and when the norms for tariff determination as per APERC Regulation 1 of 2008 are amended from time to time.

### 3. Determination of MYT – Energy Charges

- 5.1. As per APERC Regulation 1 of 2008, the auxiliary energy consumption for coal based generating stations of capacity 500 MW using Steam Driven Boiler Feed Pumps and Cooling Tower is considered to be **7.50%**.
- 5.2. The ex-bus sent out energy is computed based on target availability of 80% corresponding to Clause 11.1.1 (a) of APERC Regulation 1 of 2008, target **plant load factor (PLF) of 80%** corresponding to Clause 15.1 (a) of APERC Regulation 1 of 2008 and auxiliary consumption of **7.50%** corresponding to Clause 11.1.2 (a) of APERC Regulation 1 of 2008.
- 5.3. An incentive of **Rs. 0.25/kWh** has been considered as per Clause 15.1 of APERC Regulation 1 of 2008.
- 5.4. The Gross Station Heat Rate of **2,450 kCal/kWh** has been considered as per clause 11.1.3 of APERC Regulation 1 of 2008
- 5.5. The Secondary fuel oil consumption of **2.0 ml/kWh** has been considered as per Clause 11.1.4 of APERC Regulation 1 of 2008
- 5.6. Transit losses of **0.8%** for non-pit head generating stations has been considered as per Clause 11.1.5 of APERC Regulation 1 of 2008
- 5.7. The ex-bus sent out energy corresponding to 1200 MW capacity with completion of COD of the two units by end of April 2016 is provided in the table below:

| <b>Table 7: Ex bus sent out energy (MU)</b> |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| <b>Particulars</b>                          | <b>FY 2016-17</b> | <b>FY 2017-18</b> | <b>FY 2018-19</b> |
| Gross generation                            | 8,064.94          | 8,409.60          | 8,409.60          |
| Auxiliary consumption                       | 604.87            | 630.72            | 630.72            |
| <b>Net generation</b>                       | <b>7,460.07</b>   | <b>7,778.88</b>   | <b>7,778.88</b>   |

- 5.8. Apart from the normative values considered above, the following values have been adopted for computation of Variable cost of generation:

| <b>Table 8: Variable Cost norms</b> |             |              |
|-------------------------------------|-------------|--------------|
| <b>Particulars</b>                  | <b>Unit</b> | <b>Value</b> |

|  |            |          |
|--|------------|----------|
| Gross Calorific Value of Coal                          | kCal/kg    | 4,575.60 |
| Gross calorific value of Secondary fuel oil            | kCal/litre | 10,000   |
| Landed cost of Coal (FY 16-17)                         | Rs./Tonne  | 2,871.73 |
| Annual Escalation of Landed cost of Coal               | %          | 4%       |
| Landed cost of Secondary fuel oil (FY 16-17)           | Rs./kl     | 35,000   |
| Annual Escalation of Landed cost of Secondary fuel oil | %          | 4%       |

- 5.9. The tapering linkage coal would be G10 coal obtained from SCCL mines which has an average GCV of **4575.60 kCal/kg**.
- 5.10. The break-up of fuel cost of **Rs. 2,871.73** is provided.
- 5.11. The cost of secondary fuel oil has been considered as per the actual procurement of secondary fuel oil in the past which is **Rs. 35,000/kl**.
- 5.12. The Applicant has considered a nominal annual escalation of **4%** in the fuel cost.
- 5.13. The quantity of fuel required is computed on the basis of Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal based generating stations) as per Clause 13.1 of APERC Regulation 1 of 2008.
- 5.14. The Energy charges are computed on the basis of Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal based generating stations) as per formula given in Clause 13.1 of APERC Regulation 1 of 2008

$$\text{'Rate of Energy Charges (in Rs.)} = \frac{100 \{ P_p \times (Q_p)_n + P_s \times (Q_s)_n \}}{(100 - AUX_n)} \quad * \text{ Ex bus energy sent out corresponding to the scheduled generations}$$

- 5.15. The Indicative Energy Charges are provided in the table below

| Table 9: Indicative Annual Energy Charges         |          |            |            |            |
|---|----------|------------|------------|------------|
| Particulars                                       | Unit     | FY 2016-17 | FY 2017-18 | FY 2018-19 |
| SHR   | kCal/kWh | 2,450      | 2,450      | 2,450      |
| GCV   | kCal/kg  | 4,575.60   | 4,575.60   | 4,575.60   |
| Gross generation                                  | MU       | 8,064.94   | 8,409.60   | 8,409.60   |
| Heat contributed by secondary fuel oil            | kCal/kWh | 20         | 20         | 20         |
| Primary Fuel Requirement (including transit loss) | Tonnes   | 4,317,655  | 4,502,170  | 4,502,170  |

|                            |                   |                 |                 |                 |
|----------------------------|-------------------|-----------------|-----------------|-----------------|
| Primary Fuel Cost          | Rs./Tonne         | 2,871.73        | 2,986.60        | 3,106.06        |
| <b>Primary Fuel Cost</b>   | <b>Rs. Crores</b> | <b>1,239.91</b> | <b>1,344.62</b> | <b>1,398.40</b> |
| Secondary Fuel Requirement | Kl                | 16,130          | 16,819          | 16,819          |
| Secondary Fuel Cost        | Rs./kl            | 35,000          | 36,400          | 37,856          |
| <b>Secondary Fuel Cost</b> | <b>Rs. Crores</b> | <b>56.45</b>    | <b>61.22</b>    | <b>63.67</b>    |
| <b>Total Fuel Cost</b>     | <b>Rs. Crores</b> | 1296.37         | 1405.84         | 1462.07         |
| Net Generation             | MU                | 7,460.07        | 7,778.88        | 7,778.88        |
| <b>Energy Charges</b>      | <b>Rs./kWh</b>    | <b>1.74</b>     | <b>1.81</b>     | <b>1.88</b>     |

The components of Energy Charges are required to be revised as and when the norms for tariff determination as per APERC Regulation 1 of 2008 are amended from time to time

5.9. Clause 15.1 of APERC Regulation 1 of 2008 provides an incentive of Rs. 0.25/kWh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to target Plant Load Factor. The Applicant submits that it shall bill the above mentioned amount as per the provision to the Distribution Licensee and provide details of the same to the Hon'ble Commission on a quarter to quarter basis.

#### **4. Prayer**

SCCL prays that the Hon'ble Commission may be pleased to

- a.** Consider these submissions as additional information/ additional material along with the submission made by SCCL on 3<sup>rd</sup>February 2016 for determination and approval of the multi-year tariff for the control period for the purpose of tariff approval in the present submissions;
- b.** Allow SCCL to provide any additional information / clarifications pertaining to tariff determination of the project;
- c.** Condone any inadvertent omissions/ errors/ shortcomings and permit SCCL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date;
- d.** Allow any other relied, Order or direction, which the Hon'ble Commission deems fit to be issued;
- e.** Allow an interim tariff/adhoc tariff to SCCL till the time the final tariff is determined by the Hon'ble Commission; and
- f.** Pass such further Orders, as the Hon'ble Commission may deem fit and appropriate, keeping in view the facts and circumstances of the Case.

Applicant

J. Pavitran Kumar  
Director (Finance) & CFO

## 5. Submission of Forms as per APERC Regulation 1 of 2008

### a. Checklist of Forms and other information/ documents for Capital Cost/ Tariff Filing for Thermal Stations

| Form No  | Table 10: Title of Tariff Filing Forms  | Tick |
|----------|---|------|
| FORM-1   | Summary Sheet   | √    |
| FORM-2   | Plant Characteristics   | NA   |
| FORM-3   | Normative Parameters considered for tariff computations                                   | √    |
| FORM-4   | Details of foreign Loans  | NA   |
| FORM-5   | Abstract of Admitted Capital Cost for the existing Projects                               | NA   |
| FORM-5A  | Abstract of Capital Cost Estimates and Schedule of Commissioning for the new Projects     | NA   |
| FORM-5B  | Break-up of Capital Cost for Coal/ Lignite based projects                                 | NA   |
| FORM-5C  | Break-up of Capital Cost for Gas/ Liquid Fuel based projects                              | NA   |
| FORM-5D  | Break-up of Construction/ Supply / Service Packages                                       | NA   |
| FORM-6   | Financial Package up to COD   | √    |
| FORM-7   | Details of Project Specific Loans   | NA   |
| FORM-8   | Details of Allocation of corporate loans to various projects                              | NA   |
| FORM-11  | Statement of Depreciation   | √    |
| FORM-12  | Calculation of Depreciation rate  | √    |
| FORM-13  | Calculation of Weighted Average Rate of Interest on Actual Loans                          | √    |
| FORM-13A | Calculation of Return on Capital Employed   | √    |
| FORM-14  | Working Capital   | √    |
| FORM-15  | Draw Down Schedule for Calculation of IDC & Financing Charges                             | NA   |
| FORM-16  | Calculation of Operation & Maintenance Expenses   | NA   |
| FORM-17  | Details of Operation & Maintenance Expenses   | NA   |
| FORM-18  | Details/ Information to be submitted in respect of Fuel for computation of Energy Charges | NA   |

a. Part-I Form I, APERC Regulation 1 of 2008

| Table 11: Summary Sheet   |  |  |                 |                 |                 |
|---------------------------|--|--|-----------------|-----------------|-----------------|
| Name of the Company       |  | The Singareni Collieries Company Limited |                 |                 |                 |
| Name of the Power Station |  | Singareni Thermal Power Project          |                 |                 |                 |
| (Amount in Rs. Crores)    |  |  |                 |                 |                 |
| Sl. No.                   | Particular   |  | FY 2016-17      | FY 2017-18      | FY 2018-19      |
| 1                         |  |  |                 |                 |                 |
| 1.1                       | Depreciation   | Form 11                                  | 568.85          | 610.20          | 612.68          |
| 1.2                       | Interest on loan   |  |                 |                 |                 |
| 1.3                       | Return on Capital Employed (RoCE)                                      | Form 13A                                 | 1,053.34        | 1,055.65        | 985.96          |
| 1.4                       | Advance against Depreciation   |  |                 |                 |                 |
| 1.5                       | Interest on Working Capital  |  |                 |                 |                 |
| 1.6                       | O&M Expense  |  | 172.39          | 186.95          | 194.43          |
|                           | <b>Total</b>   |  | <b>1,794.59</b> | <b>1,852.80</b> | <b>1,793.07</b> |
| 2                         |  |  |                 |                 |                 |
| 2.1                       | Rate of Energy Charge from Primary Fuel (REC) <sub>p</sub> (Rs./kWh)   |  | 1.66            | 1.73            | 1.80            |
| 2.2                       | Rate of Energy Charge from Secondary Fuel (REC) <sub>s</sub> (Rs./kWh) |  | 0.0757          | 0.0787          | 0.0819          |
| 2.3                       | <b>Rate of Energy Charge ex-bus (REC) (Rs./kWh)</b>                    |  | <b>1.74</b>     | <b>1.81</b>     | <b>1.88</b>     |



**b. Part-I Form 3, APERC Regulation 1 of 2008**

| <b>Table 12: Normative parameters considered for tariff computations</b> |  |  |                   |                   |                   |
|--|--|--|-------------------|-------------------|-------------------|
| <b>Name of the Company</b>   |  | The Singareni Collieries Company Limited |                   |                   |                   |
| <b>Name of the Power Station</b>   |  | Singareni Thermal Power Project          |                   |                   |                   |
| <b>Sl. No.</b>   | <b>Particulars</b>                             | <b>Unit</b>                              | <b>FY 2016-17</b> | <b>FY 2017-18</b> | <b>FY 2018-19</b> |
| 1  | Rate of Return on Capital Employed             | %  | 12.65%            | 12.57%            | 12.59%            |
| 2  | Target availability                            | %  | 80%               | 80%               | 80%               |
| 3  | Target PLF                                     | %  | 80%               | 80%               | 80%               |
| 4  | Auxiliary Energy Consumption                   | %  | 7.50%             | 7.50%             | 7.50%             |
| 5  | Gross Station Heat Rate                        | kcal/ kWh                                | 2450              | 2450              | 2450              |
| 6  | Specific Fuel Oil Consumption                  | ml/kWh                                   | 2                 | 2                 | 2                 |
| 7  | O&M Cost                                       | Rs lakh/ MW                              | 14.98             | 15.58             | 16.20             |
| 8  | Cost of coal for Working Capital               | in Months                                | 2                 | 2                 | 2                 |
| 9  | Cost of secondary fuel oil for Working Capital | in Months                                | 2                 | 2                 | 2                 |
| 12   | O&M Expenses for Working Capital               | in Months                                | 1                 | 1                 | 1                 |
| 13   | Maintenance Spares for Working Capital         | %  | 1.00%             | 1.00%             | 1.00%             |
| 14   | Receivables for Working Capital                | in Months                                | 2                 | 2                 | 2                 |
| 15   | Prime Lending rate of SBI as on December,2015  | %  | 14.05%            | 14.05%            | 14.05%            |
| 16   | Incentive rate                                 | Paise/kWh                                | 25                | 25                | 25                |

c. Part I Form 6 APERC regulation 1 of 2008

| Table 13: Financial package upto COD                           |  |       |  |       |   |       |                   |
|--|--|-------|--|-------|---|-------|-------------------|
| <b>Name of the Company</b>                                     | The Singareni Collieries Company Limited                       |       |  |       |   |       |                   |
| <b>Name of the Power Station</b>                               | 2X600 MW STPP  |       |  |       |   |       |                   |
| <b>Project Cost</b>  | Rs. 8,250 Crores   |       |  |       |   |       |                   |
| <b>Date of Commercial operation of the Station<sup>2</sup></b> | End of April 2016  |       |  |       |   |       |                   |
| (Amount in Rs. Crores)   |  |       |  |       |   |       |                   |
| 1  | Financial package as approved currency and amount <sup>3</sup> |       | Financial package as on COD currency and amount <sup>3</sup> |       | As admitted on COD Currency and Amount <sup>3</sup> |       | Interest rate (%) |
|  | 2  | 3     | 4  | 5     | 6   | 7     |                   |
| Loan-I   | Rs. Crores   | 3,980 | Rs. Crores   | 3,980 | Rs. Crores  | 3,980 | 11.40%            |
| Loan-II  | Rs. Crores   | 1,320 | Rs. Crores   | 1,320 | Rs. Crores  | 1,320 | 9.49%             |
| Loan-III (yet to be drawn)                                     |  |       | Rs. Crores   | 475   | Rs. Crores  | 475   | 9.49%             |
| Effective rate of interest                                     |  |       |  |       |   |       |                   |
| Equity   |  |       |  |       |   |       |                   |
| Foreign  |  |       |  |       |   |       |                   |
| Domestic   |  |       |  |       |   |       |                   |
| Total Equity   | Rs. Crores   | 2,271 | Rs. Crores   | 2,475 | Rs. Crores  | 2,475 |                   |
| Debt-Equity Ratio  |  | 70-30 | 70-30  |       | 70-30   |       |                   |
|  |  |       |  |       |   |       |                   |

<sup>1</sup>Say US \$ 200 m + Rs. 400 Cr or Rs. 1200 Cr including US \$ 200 m at an exchange rate of 1 US \$ = Rs. 40/-  
<sup>2</sup>Date of Commercial Operation means Commercial Operation of the last unit  
<sup>3</sup>For example: US \$, 200 M etc. etc.-

d. Part-I Form 11, APERC Regulation 1 of 2008

| <b>Table 14:Statement of Depreciation</b>   |  |                   |                   |                   |
|---|--|-------------------|-------------------|-------------------|
| <b>Name of the Company</b>  | The Singareni Collieries Company Limited |                   |                   |                   |
| <b>Name of the Power Station</b>  | Singareni Thermal Power Project          |                   |                   |                   |
| <b>Particulars</b>  | <b>Unit</b>                              | <b>FY 2016-17</b> | <b>FY 2017-18</b> | <b>FY 2018-19</b> |
| Depreciation on Capital cost  | Rs. Crores                               | <b>568.85</b>     | <b>610.20</b>     | <b>612.68</b>     |
| Depreciation recovered during the year  | Rs. Crores                               | <b>568.85</b>     | <b>610.20</b>     | <b>612.68</b>     |
| Depreciation and advance against depreciation recovered during the year                   | Rs. Crores                               |                   |                   |                   |
| <b>Cumulative Depreciation and advance against depreciation recovered during the year</b> | <b>Rs. Crores</b>                        | -                 | <b>568.85</b>     | <b>1179.05</b>    |

a. Part-I Form 12, APERC Regulation 1 of 2008

| Table 15: Calculation of Depreciation Rate                               |   |                                 |                                   |   |                             |                             |                             |
|--|---|---------------------------------|-----------------------------------|---|-----------------------------|-----------------------------|-----------------------------|
| Name of the Company  | The Singareni Collieries Company Limited        |                                 |                                   |   |                             |                             |                             |
| Name of the Power Station  | Singareni Thermal Power Project                 |                                 |                                   |   |                             |                             |                             |
|  | (in Rs. Crores)                                 |                                 |                                   |   |                             |                             |                             |
| Name of the Assets   | Depreciation Rates as per MoP Depreciation rate | Gross Block for Unit I at COD-I | Gross Block for Unit II at COD-II | Additions for Unit-I & II after COD till 31st Mar, 2018 | Depreciation for FY 2016-17 | Depreciation for FY 2017-18 | Depreciation for FY 2018-19 |
| BTG  | 7.84%   | 2,113.46                        | 2,169.37                          | 390.50  | 351.08                      | 366.39                      | 366.39                      |
| BOP Electrical & Mechanical  | 7.84%   | 774.42                          | 69.04                             | 171.04  | 72.83                       | 79.54                       | 79.54                       |
| Cable  | 5.27%   | 51.06                           | -                                 | -   | 2.69                        | 2.69                        | 2.69                        |
| Transformers   | 7.81%   | 126.83                          | -                                 | -   | 9.91                        | 9.91                        | 9.91                        |
| Static Acs   | 12.77%  | 42.00                           | -                                 | -   | 5.36                        | 5.36                        | 5.36                        |
| batteries  | 33.40%  | 6.42                            | -                                 | -   | 2.14                        | 2.14                        | 1.49                        |
| Street Lighting  | 12.77%  | 2.36                            | -                                 | -   | 0.30                        | 0.30                        | 0.30                        |
| IDC & FC   | 7.84%   | 650.20                          | 409.51                            | -   | 83.08                       | 83.08                       | 83.08                       |
| Land for plant colony, ash dyke & corridors                              | 0%  | 41.91                           | 1.00                              | 16.09   | 0.00                        | 0.00                        | 0.00                        |
| Survey, soil investigation   | 3.02%   | 1.00                            | -                                 | -   | 0.03                        | 0.03                        | 0.03                        |
| Site development, Enabling works incl. temporary offices, security sheds | 3.02%   | 22.55                           | 2.45                              | -   | 0.76                        | 0.76                        | 0.76                        |
| Plant Roads & culverts   | 3.02%   | 12.00                           | 1.50                              | 6.50  | 0.51                        | 0.60                        | 0.60                        |
| COAL TRANSPORT ROADS   | 3.02%   | 41.35                           | 2.07                              | 12.65   | 1.50                        | 1.69                        | 1.69                        |
| Gate complex, security office, watch towers, Horticulture & Misc. Works  | 3.02%   | -                               | 2.70                              | 2.70  | 0.12                        | 0.16                        | 0.16                        |
| Plant & colony, boundary walls.  | 3.02%   | 12.69                           | 1.00                              | 3.31  | 0.46                        | 0.51                        | 0.51                        |
| Rolling Stock & Locomotives  | 7.84%   | -                               | -                                 | 80.00   | 0.00                        | 3.14                        | 6.27                        |

|   |        |        |       |        |                 |       |       |
|---|--------|--------|-------|--------|-----------------|-------|-------|
| External Water Supply                     | 7.84%  | 118.00 | 9.67  | 345.33 | 23.55           | 37.08 | 37.08 |
| Fire Fighting                             | 7.84%  | 2.00   | -     | -      | 0.16            | 0.16  | 0.16  |
| Township Colony                           | 3.02%  | 29.67  | 5.00  | 110.33 | 2.71            | 4.38  | 4.38  |
| Operator's Training                       | 3.02%  | -      | 1.50  | -      | 0.05            | 0.05  | 0.05  |
| Start up Fuel                             | 3.02%  | 19.96  | 20.04 | -      | 1.21            | 1.21  | 1.21  |
| Establishment                             | 3.02%  | 64.86  | 5.14  | -      | 2.11            | 2.11  | 2.11  |
| Design & Engineering                      | 3.02%  | 94.55  | 16.23 | 16.23  | 3.59            | 3.84  | 3.84  |
| Contingency                               | 3.02%  | 42.84  | 2.66  | 2.23   | 1.41            | 1.44  | 1.44  |
| CSR & Environment                         | 3.02%  | 8.82   | 1.50  | 16.78  | 0.57            | 0.82  | 0.82  |
| Startup power and communication equipment | 3.02%  | 35.73  | 6.27  | -      | 1.27            | 1.27  | 1.27  |
| Construction power                        | 3.02%  | 22.24  | 2.76  | -      | 0.76            | 0.76  | 0.76  |
| Furniture & office automation             | 12.77% | 2.35   | 1.33  | 1.33   | 0.55            | 0.64  | 0.64  |
| Development Expenses                      | 3.02%  | -      | -     | -      | 0.00            | 0.00  | 0.00  |
| Miscellaneous Expenses                    | 3.02%  | 1.70   | 3.30  | -      | 0.15            | 0.15  | 0.15  |
|   |        |        |       |        |                 |       |       |
| <b>Total (Rs. Crores)</b>                 |        |        |       |        | <b>1791.736</b> |       |       |
| Weighted Average Depreciation Rate (%)    |        |        |       |        | <b>7.81%</b>    |       |       |

**b. Part-I Form 13, APERC Regulation 1 of 2008**

| <b>Table 16: Calculation of Weighted Average Rate of Interest on Actual Loans<sup>1</sup></b> |  |               |               |               |               |
|---|--|---------------|---------------|---------------|---------------|
| Name of the Company : The Singareni Collieries Company Limited                                |  |               |               |               |               |
| Name of the Power Station : Singareni Thermal Power Project                                   |  |               |               |               |               |
| ( Amount in Rs. Crores )  |  |               |               |               |               |
| Sl. No  | Particulars  | FY 15-16      | FY 16-17      | FY 17-18      | FY 18-19      |
| 1   | 2  | 5             | 6             | 7             | 8             |
|   | <b>Loan-1</b>                                      |               |               |               |               |
|   | <b>Gross Loan - Opening</b>                        | 3,478.66      | 3,980.00      | 3,980.00      | 3,980.00      |
|   | Cumulative repayments of Loans up to previous year | -             | -             | 165.83        | 497.50        |
|   | Net Loan - Opening                                 | 3,478.66      | 3,980.00      | 3,814.17      | 3,482.50      |
|   | Add: Drawal(s) during the year                     | 501.34        |               |               |               |
|   | Less: Repayment (s) of Loans during the year       | -             | 165.83        | 331.67        | 331.67        |
|   | Net Loan - Closing                                 | 3,980.00      | 3,814.17      | 3,482.50      | 3,150.83      |
|   | Average Net Loan                                   | 3,729.33      | 3,897.08      | 3,648.33      | 3,316.67      |
|   | <b>Rate of Interest on Loan</b>                    | <b>11.40%</b> | <b>11.40%</b> | <b>11.40%</b> | <b>11.40%</b> |
|   | Interest on Loan                                   | 425.14        | 444.27        | 415.91        | 378.10        |
|   |  |               |               |               |               |
|   | <b>Loan-2</b>                                      |               |               |               |               |
|   | <b>Gross Loan - Opening</b>                        |               | 700.00        | 1,795.00      | 1,795.00      |
|   | Cumulative repayments of Loans up to previous year |               | -             | 74.79         | 224.38        |
|   | Net Loan - Opening                                 | -             | 700.00        | 1,720.21      | 1,570.63      |
|   | Add: Drawal(s) during the year                     | 700.00        | 1,095.00      |               |               |
|   | Less: Repayment (s) of Loans during the year       | -             | 74.79         | 149.58        | 149.58        |
|   | Net Loan - Closing                                 | 700.00        | 1,720.21      | 1,570.63      | 1,421.04      |
|   | Average Net Loan                                   | 350.00        | 1,210.10      | 1,645.42      | 1,495.83      |

|  |  |               |               |               |               |
|--|--|---------------|---------------|---------------|---------------|
|  | <b>Rate of Interest on Loan</b>                    | <b>9.49%</b>  | <b>9.49%</b>  | <b>9.49%</b>  | <b>9.49%</b>  |
|  | Interest on Loan                                   | 33.22         | 114.84        | 156.15        | 141.95        |
|  | <b>Total Loan</b>                                  |               |               |               |               |
|  | <b>Gross Loan - Opening</b>                        | 3,478.66      | 4,680.00      | 5,775.00      | 5,775.00      |
|  | Cumulative repayments of Loans up to previous year |               | -             | 240.63        | 721.88        |
|  | Net Loan - Opening                                 | 3,478.66      | 4,680.00      | 5,534.38      | 5,053.13      |
|  | Add: Drawal(s) during the year                     | 1,201.34      | 1,095.00      | -             | -             |
|  | Less: Repayment (s) of Loans during the year       | -             | 240.63        | 481.25        | 481.25        |
|  | Net Loan - Closing                                 | 4,680.00      | 5,534.38      | 5,053.13      | 4,571.88      |
|  | Average Net Loan                                   | 4,079.33      | 5,107.19      | 5,293.75      | 4,812.50      |
|  | <b>Rate of Interest on Loan</b>                    | <b>11.24%</b> | <b>10.95%</b> | <b>10.81%</b> | <b>10.81%</b> |
|  | Interest on Loan                                   | 458.36        | 559.11        | 572.06        | 520.05        |

<sup>1</sup>In case of Foreign Loans, the calculations in Indian Rupees is to be furnished. However, the calculations in Original currency is also to be furnished separately in the same form.

c. Part-I Form 13A, APERC Regulation 1 of 2008

| <b>Table 17: Calculation of Return on Capital Employed</b> |  |                   |                   |                   |
|--|--|-------------------|-------------------|-------------------|
| <b>Name of the Company</b>                                 | The Singareni Collieries Company Limited |                   |                   |                   |
| <b>Name of the Power Station</b>                           | Singareni Thermal Power Project          |                   |                   |                   |
| <b>Particulars</b>   | <b>Unit</b>                              | <b>FY 2016-17</b> | <b>FY 2017-18</b> | <b>FY 2018-19</b> |
| Regulated Rate Base  | Rs. Crores                               | <b>8,328.55</b>   | <b>8,398.68</b>   | <b>7,834.00</b>   |
| WACC   | %  | 12.65%            | 12.57%            | 12.59%            |
| <b>RoCE</b>  | <b>Rs. Crores</b>                        | <b>1,053.34</b>   | <b>1,055.65</b>   | <b>985.96</b>     |




d. Part-I Form 14, APERC Regulation 1 of 2008

| Table 18: Working Capital |  |  |               |               |               |
|---------------------------|--|--|---------------|---------------|---------------|
| Name of the Company       |  | The Singareni Collieries Company Limited |               |               |               |
| Name of the Power Station |  | Singareni Thermal Power Project          |               |               |               |
| Sl. No.                   | Particulars                                    | Unit                                     | FY 2016-17    | FY 2017-18    | FY 2018-19    |
| 1                         | Cost of coal for two months                    | Rs. Crores                               | 206.65        | 224.10        | 233.07        |
| 2                         | Cost of secondary fuel oil for two months      | Rs. Crores                               | 9.41          | 10.20         | 10.61         |
| 3                         | O&M Expenses for one month                     | Rs. Crores                               | 14.37         | 15.58         | 16.20         |
| 4                         | Maintenance Spares @1%                         | Rs. Crores                               | 68.51         | 81.70         | 82.50         |
| 5                         | Receivables for two months                     | Rs. Crores                               | 515.16        | 543.11        | 542.52        |
| 6                         | Less Payables for coal for one month           | Rs. Crores                               | -103.33       | -112.05       | -116.53       |
| 7                         | Less Payables for secondary fuel for one month | Rs. Crores                               | -4.70         | -5.10         | -5.31         |
|                           | <b>Total Working Capital</b>                   | <b>Rs. Crores</b>                        | <b>706.06</b> | <b>757.54</b> | <b>763.07</b> |

## 6. SBI Prime Lending Rate effective from 5<sup>th</sup> October 2015

2/4/2016 Benchmark Prime Lending Rate (Historical Data) - SBI Corporate Website



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- [Interest Rates On FCNB Loans To Exporters Corporates](#)
- [Base Rate \(Historical Data\)](#)
- [Benchmark Prime Lending](#)

**BENCHMARK PRIME LENDING RATE (HISTORICAL DATA)**


| Effective Date | Interest Rate (%) |
|----------------|-------------------|
| 5.10.2015      | 14.05             |
| 8.06.2015      | 14.45             |
| 10.04.2015     | 14.60             |
| 07.11.2013     | 14.75             |
| 19.09.2013     | 14.55             |
| 04.02.2013     | 14.45             |
| 27.09.2012     | 14.50             |
| 13.08.2011     | 14.75             |
| 11.07.2011     | 14.25             |
| 12.05.2011     | 14.00             |
| 25.04.2011     | 13.25             |
| 14.02.2011     | 13.00             |
| 03.01.2011     | 12.75             |
| 21.10.2010     | 12.50             |
| 17.08.2010     | 12.25             |
| 29.06.2009     | 11.75             |

**Internet Banking**



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**Interest Rates**



**The Singareni Collieries Company Limited**

Filing of Capital Cost/ Tariff of 1200 MW (2 X 600 MW) Singareni  
Thermal Power Project in Jaipur, Adilabad District

To

Telangana State Electricity Regulatory Commission (TSERC)

**ENCLOSURES**

## INDEX

| S.No | Description of Document (Copies)  | Page Sl. No. |     |
|------|---|--------------|-----|
|      |   | From         | to  |
| 1    | Board clearance and Government approval for Capital cost estimates                  | 3            | 10  |
| 2    | Power Purchase Agreement between SCCL & TS DISCOMS                                  | 11           | 49  |
| 3    | Board approval for barrowing loan & loan agreement with PFC                         | 50           | 68  |
| 4    | Allotment of Naini coal block to STPP by Ministry of coal                           | 69           | 75  |
| 5    | Contract on M/S BHEL for BTG package  | 76           | 132 |
| 6    | Contract on M/S McNally Bharath for BOP package                                     | 133          | 185 |
| 7    | Consent order from APPCB for establishment  | 186          | 193 |
| 8    | Approval from Air ports Authority of India  | 194          | 194 |
| 9    | Environmental clearance from MOEF   | 195          | 202 |
| 10   | Approval for drawing 2 TMC water from river Pranahithe                              | 203          | 203 |
| 11   | Approval for drawing 1 TMC water from river Godavari                                | 204          | 204 |
| 12   | Certificate of Incorporation, Memorandum of Association and Articles of Association | 205          | 246 |
| 13   | Balance sheets  | 247          | 250 |
| 14   | Authorization note for signing petition   | 251          | 253 |

3  
4

GOVERNMENT OF ANDHRA PRADESH  
ENERGY (POWER-I) DEPARTMENT

Letter No.5815/Power.I(2)/2010-1.

Dated:03.09.2010.

From  
The Principal Secretary to Government,  
Energy Department,  
A.P.Secretariat,  
Hyderabad.

To  
The Chairman & Managing Director,  
Singareni Collieries Company Ltd.,  
Hyderabad.

Sir,

Sub:- Establishment of 2x600 MW Coal based Thermal Power Plant. by Singareni Collieries Company Ltd. at Adilabad District revising earlier approval of 600 MW - Approval of GoAP - Reg.

Ref:- 1. Govt.Lr.No.9006/Power.I(2)/2007-3, dt.28.10.2009.  
2. From the CMD, SCCL, Lr.No.CMD/PS/H/283, dt.21.7.2010.

-xx-

The Chairman & Managing Director, Singareni Collieries Company Limited has submitted revised proposals in the letter 2<sup>nd</sup> cited for 2x600 MW Thermal Power Plant in Jaipur Mandal in Adilabad District revising earlier approval of 600 MW as directed by the Hon'ble Chief Minister, on 11.8.2009, taking advantage of the policy initiatives by Government of India by enacting Electricity Act, 2003. He has also informed that the Company is presently consuming 150 MW of power for its own use and as per coal production projections; the consumption of power is likely to be increased to 225 MW.

The Chairman & Managing Director has stated that the Cabinet Committee on Economic Affairs, Govt. of India in its meeting held on 2.7.2009 accorded approval for appraisal & approval of power projects by GoAP costing over Rs.500 crores after the Board of SCCL recommends the proposal(s) with the consent of Govt. of India Directors.

Accordingly, the Board of SCCL, in its meeting held on 19.7.2010, with the consent of Govt. of India Directors has approved for revising originally approved 600 MW thermal Power Plant as 2x600 MW coal based Thermal Power Plant by SCCL at a capital investment of Rs.5527 crores (updated as Rs.5685 crores) with BTG package from BiHEL and recommended to forward the DPR after updating it to Govt. of A.P. for approval. SCCL proposes to meet the equity part of the project from its internal resources/credence and the source of coal for the project will be from the abandoned coal mines. These coal sources will not affect the linkages of existing customers.

Government of A.P., after careful examination of the above proposals of the Chairman & Managing Director, SCCL, hereby accords approval for setting up of 2x600 MW coal based Thermal Power Plant in Jaipur Mandal in Adilabad District revising earlier approval of 600 MW subject to the following conditions:

1] no financial burden on the State exchequer.

::2::

2) entire power net of self consumption generated from the above said project shall be supplied to the APDISCOMs.

Chairman & Managing Director, SCCL is requested to take necessary further action. Further SCCL and APDISCOMs are directed to enter into PPAs and seek consent of APERC as per procedure.

Yours faithfully,

*M. Venkateshwar*

for Principal Secretary to Govt.

Copy to

The Chairman & Managing Director,  
APCPDCL/APNPDCL/ APSPDCL/ APEPDCL  
Hyderabad/Warangal/ Tirupathi/Visakhapatnam,  
The Chairman & Managing Director,  
APTRANSCO, Vidyut Soudha,  
Hyderabad.



## The Singareni Collieries Company Limited

Secretarial Department

Ref. No: CRP / CS / 054 / 812

Date: 24.7.2010.  
26

→ Chief Coordinator (Power Projects)

The extract of Minute No.498:3.1 of Board of Directors meeting held on 19.7.10 at Hyderabad is furnished below:

**Sub: DPR of expansion of 600 MW Thermal Power Plant to 2x600 MW Plant at Jaipur Mandal in Adilabad District.**

- 3:1.1 The Board considered the note together with the DPR and other documents placed before it.
- 3:1.2 Director (P&P) informed that the Technical Committee in the meeting held on 10.6.2010 considered the DPR and recommended to the Board. He explained in detail the observations and recommendations of Technical Committee. C&MD, WCL stated that coal linkage to the proposed power plant from the competent authority (GoI/ GoAP) is necessary as the plant requires about 4.8 MTs of coal per annum. Pri. Secretary Energy dept., stated that without affecting the interest of existing customers, SCCL may meet the coal requirement of proposed power plant. C&MD informed that there are two mines identified for supplying coal for the power plant which were not included in production plan and therefore SCCL will take approval of Govt. of A.P for meeting the coal requirement of proposed power plant.
- 3:1.3. When Director, MoC desired to know the advantages to SCCL in going for power generation, C&MD explained in detail the genesis of the project wherein he stated that the profits of SCCL are dwindling due to increase of depth of mines. Out of 600 MW generation, 150 MW will be used for captive consumption and remaining 450 MW will be supplied to Grid. Further State Govt., has directed SCCL to set up one more unit of 600 MW power plant as it would be economical since common facilities like rail line, water link are available in first plant, he added. He also stated that the Hon'ble Chief Minister of A.P has written a letter to MoC about the need for setting up of power plants by SCCL and sourcing of coal from SCCL's mines. The request has been agreed by the Ministry, he added.

*hsp*

Contd .2.



## The Singareni Collieries Company Limited

Secretarial Department

Ref. No: CRP / CS / 054 / 812

Date: 24.7.2010.  
26

- 2 -

3:1.4. After deliberation the Board agreed in principle to the DPR of 2x600 MW (including already approved) coal based Thermal Power Plant read with appraisal and tariff analysis made by PTC India Ltd. at a capital investment of Rs.5527 crores revising earlier approval of 1x600 MW TPP at an investment of Rs.2700 crores and recommended the same for approval of Govt., of AP subject to obtaining coal linkage from the competent authority (i.e., State / Central Govt) and complying with the observations/ recommendations of the Technical Committee as mentioned below;

- a) To adopt the norms followed by APGENCO while seeking approval for PPA.
- b) To take maximum construction period permitted by APERC for charging interest during construction.
- c) To follow MoEF guidelines for disposal of fly ash and through bidding/ tendering process.
- d) The detailed PERT/CPM charts are to be prepared in detail in consultation with consultants.
- e) Specifications for design of DM plant are to be prepared based on raw water analysis report.
- f) All the project drawings prepared by the suppliers will be signed by the consultants and concerned authorities of SCCL.
- g) To meet exigency/ emergency requirement during peak load of Power plant, 10-15 days stock of crushed Coal is to be maintained at the plant.

3:1.5 The Board noted that the DPR will be updated before submission to Govt., of A.P for approval on the similar lines of mining projects submitted to Govt., of India for approval.

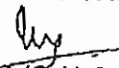
Action taken/ status of implementation on each point of the above minute may be intimated to the undersigned at the earliest as per the guidelines issued by the C&MD vide circular No.CRP/CS/58/200 dt.22.3.2002 for apprising the same to the Board in the next meeting.

Encl: Agenda note

Copy to:

CGM (F&A)  
CGM(CP&P)  
GM (P.P)

GM (Co-Ordination)

  
GM (C.A) &  
Company Secretary

B. Hanath  
26/7/10

O/c



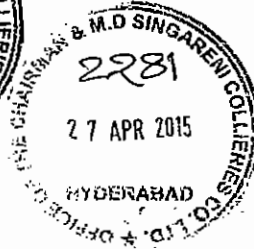
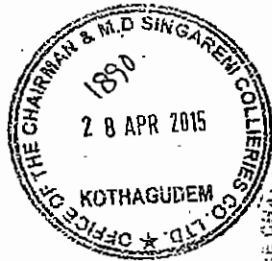
7

**GOVERNMENT OF TELANGANA  
ENERGY (Power I) DEPARTMENT**

Letter No. 10/Pr.1/2015

Dated. 25.04.2015

From  
Secretary Government,  
Energy Department,  
Telangana Secretariat,  
Hyderabad.



To  
The Chairman & Managing Director,  
The Singareni Collieries Company Ltd.,  
Hyderabad.  
Sir,

Sub: Energy department- Establishment of 2X600 MW Thermal Power Plant by Singareni Collieries Company Ltd at Pegadapalli Village, Jaipur Mandal in Adilabad District, Telangana – Approval of Government of Telangana for Revised Cost Estimate - Reg.

- Ref: 1) Letter No. 5815/Power.I(2)/2010-1, Dated 03-09-2010.  
2) Letter No. CMD/PS/H/222, Dated 25-12-2014  
3) Letter No. 10/Pr.I/2015, Dated 12-01-2015  
4) Letter No. CMD/PS/H/13, Dated 16-01-2015

-o0o-

Government of erstwhile Andhra Pradesh has accorded approval for setting up a 2x600 MW coal based Thermal Power Plant by the Singareni Collieries Company Limited (SCCL) at Pegadapalli village, Jaipur Mandal in Adilabad District at a capital investment of Rs.5685 crores vide letter 1<sup>st</sup> cited.

2) The Chairman & Managing Director, SCCL in the reference 2<sup>nd</sup> and 3<sup>rd</sup> cited has submitted the Revised Cost Estimate of 2x600 MW coal based Thermal Power plant of SCCL at a cost of Rs.7573.51 crores and stated that the Revised Cost Estimate of Rs.7573.51 crores of the Project was considered by the Board of SCCL in its meeting held on 30.07.2013 and recommended for sanction of Government since the DPR of the Project was approved by Government as per the tripartite agreement entered between Govt. of India, State Govt. and SCCL. Further, the increased capital cost will be funded in the debt equity ratio of 70:30, and proposes the entire equity shall be met through internal resources and debt shall be sourced through financial institutions and requested to accord approval of the Government of Telangana for the same.

3) Government of Telangana, after careful examination of the above proposal of the Chairman & Managing Director, SCCL, hereby accords approval for Revised Cost Estimate of Rs.7573.51 crores of the 2x600 MW coal based Thermal Power Plant of the Singareni Collieries Company Limited (SCCL) at Pegadapalli village, Jaipur Mandal in Adilabad District duly revising earlier approval for Rs.5685 crores subject to the conditions that no financial burden on the State exchequer and SCCL has to enter into PPAs with DISCOMs and seek consent of TSERC.

4) The Chairman & Managing Director, SCCL is requested to take necessary further action in the mater.

Yours faithfully,

For Secretary to Government

DIR (E&M)  
No. 28/04/15  
TE

DIR (E&M) / DIR (PP)



# The Singareni Collieries Company Limited

Secretarial Department

Ref. No: CRP / CS / 054 / 632

Date: 13.8.2013.

✓ Chief Co-ordinator (Power Projects)

The extract of Minute No.514:5:17 of Board of Directors meeting held on 30.7.2013 at Hyderabad is furnished below:

**Sub: RCE of 2 x 600 MW Singareni Thermal Power Project at Pegadapalli (V), Jaipur (M) in Adilabad District., A.P.**

- 5.17.1. The Board considered the note together with the RCE (i.e., addendum to DPR) of 2 x 600 coal based STPP as prepared by Desein Pvt. Ltd., and capital cost bench marking and financial analysis of the RCE prepared by KPMG as placed before it.
- 5.17.2. The Board observed that many coal based thermal power plants have come up without having proper long-term linkage for supply of coal to them. The Board desired to request Ministry of Coal for providing long term linkages to PSU coal companies which are setting up power plants on priority basis for feeding coal to their power plants. Director (E&M) informed that the Company will apply to MoC for coal linkage to the power project for permitting use of coal from its mines.
- 5.17.3. The Board noted that Technical Committee in the meeting held on 8.7.2013, considered the revised cost estimate of the 2 x 600 MW Singareni Thermal Power Project at Pegadapalli (V), Jaipur (M) in Adilabad District., A.P. together with the report of KPMG on capital cost bench marking and financial analysis of RCE of the project. The Board also noted that considering the report of KPMG on capital cost bench marking and financial analysis of RCE of the project, based on clarifications given / submissions made in the meeting and the fact that the revised total cost of power project is within the capital cost bench marks of CERC, APGENCO and other State & Central generating stations, the Technical Committee has recommended the placement of RCE of the project at Rs. 7573.51 crores to the Board for further deliberation and obtaining consent of the Board on the issue for further needful actions like obtaining sanction of Govt of Andhra Pradesh subject to the Management ensuring completion of the project within the normative cost and getting requisite approvals from APERC in terms of Electricity Act, 2003 by duly submitting information to the APERC for obtaining approval to the capital cost of the project.

*lys*



The Singareni Collieries Company Limited

Secretarial Department

Ref. No: CRP/CS/054/632 - 2 -

Date: 13.8.2013.

5.17.4 In view of increase in capital outlay of 2x600 MW Singareni Thermal Power Project from Rs.5685.36 crores to Rs.7573.51 crores, the Board considered it appropriate to submit the Revised Cost Estimate of the project at Rs.7573.51 crores for sanction of Government of A. P since the DPR of the project was approved by Govt. of A.P.

Action taken/ status of implementation on each point of the above minute may be intimated to the undersigned at the earliest as per the guidelines issued by the C&MD vide circular No.CRP/CS/58/200 dt.22.3.2002 for apprising the same to the Board in the next meeting.

GM (C.A) &  
Company Secretary

Copy to:  
CGM(CP&P)  
GM (PP)  
GM (Power Projects), SRP  
GM(F&A)



The Singareni Collieries Company Limited  
(A Government Company)  
Kothagudem Collieries – 507 101, Khammam Dist., Telangana  
CIN : U10102TG1920SGC000571

Phone No: 08744-242873  
Fax No.08744-242393  
cssccl@rediffmail.com

Ref No: CRP / CS 1054 / 867

Date: 4.11.2015.

ED (Power Project)

The extract of Minute No.532:5:26 of Board of Directors meeting held on 16.10.2015 at Hyderabad is furnished below:

**Sub: 2x600 MW power project – Revision of estimated costs.**

- 5:26.1. The Board has taken up this note circulated in the meeting for consideration with the consent of all Members present in the meeting and permission of the C&MD.
- 5:26.2. Director (Finance) informed that the estimated cost of Rs.5,685.36 crore for the 2x600 MW STPP as envisaged in the DPR of July, 2010 has been revised to Rs.7,573.51 crore in July, 2013 due to escalation and Govt. of Telangana has approved the same vide letter dt.25.4.2015 on the recommendation of Board given in the meeting held on 30.7.2013. Due to increase in the Excise duty, Service tax rates, price adjustment as per PVC, increase of cost in SCCL scope of works, REC etc., the total estimated cost of the project is coming to Rs.8,250 crore after considering savings in BoP works, thereby increase of around Rs.676.49 crore over the RCE approved by the Govt. Though this has necessitated preparation of 2<sup>nd</sup> RCE, approval is being sought for authorising C&MD to provide funds up to Rs.8,250 crore pending preparation & approval of 2<sup>nd</sup> RCE, since the implementation of STPP is in advanced stage and funds are to be released for various works.
- 5:26.3. After deliberation, the Board accorded approval for authorising C&MD to provide funds up to an amount of Rs.8,250 crore for facilitating release of funds for various works relating to the implementation of STPP pending preparation and approval of 2<sup>nd</sup> RCE.
- 5:26.4. The Board noted that 2<sup>nd</sup> RCE will be got prepared by a competent agency and vetted by another agency with reference to the norms prescribed by the Electricity Regulatory Commission and submitted to the Board for recommending to the State Government for approval.

Action taken / status of implementation on each point of the above minute may be intimated to the undersigned at the earliest as per the guidelines issued by the C&MD vide circular No.CRP/CS/58/200 dt.22.3.2002 for apprising the same to the Board in the next meeting.

  
GM (C.A) &  
Company Secretary

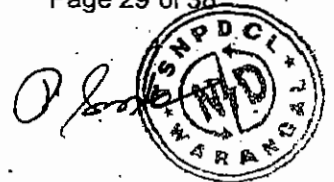
Copy to:  
CGM (CP&P)  
GM (F&A)  
GM (I&PM)

## ANNEXURE-1

| SINGARENI THERMAL POWER PROJECT (2X600MW) |   |            |
|---|---|------------|
| DETAILS OF PROJECT COST                   |   |            |
| Sl.No                                     | Description   | Rs. Crores |
| 1   | Total BTG Package                                       | 3681.22    |
| 2   | Total Cost of BoP                                       | 916.01     |
| 3   | Total Cost of SCCL Scope Works                          | 1002.48    |
| 4   | Erection, Testing and Commissioning including insurance |            |
| 4.1                                       | BTG   | 439.74     |
| 4.2                                       | BoP   | 154.00     |
| 5   | Taxes, Duties, Freight & Insurance                      | 860.05     |
| 6   | Contingencies   | 38.00      |
| 7   | Establishment Costs                                     | 55.00      |
| 8   | Consultancy & Engineering                               | 127.00     |
| 9   | Start up Fuel   | 40.00      |
| 10  | Operator training                                       | 1.50       |
| 11  | Financing Expenses                                      | 10.00      |
| 12  | Interest During Construction                            | 925.00     |
|   | Total Cost  | 8250.00    |



Page 29 of 38



## ANNEXURE-II

### COMMISSIONING & TESTING

#### 1. Commissioning and Testing

##### 1.1 Guidelines

The commissioning of the Project will require satisfactory performance of a number of tests prescribed to demonstrate conformance with regulatory requirements.

An Installed Capacity Test shall be carried out during the Reliability Run as defined in the "Tests on Completion" in the EPC Contract entered into, or to be entered into, by SCCL for the purposes of the Project.

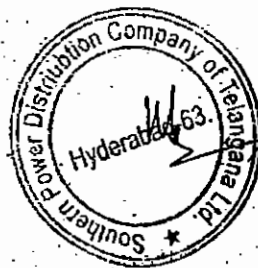
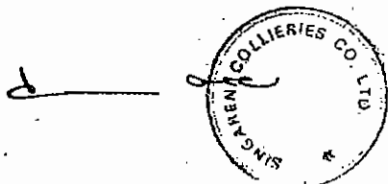
SCCL shall give TSSPDCL and TSNPDCL at least fifteen (15) days prior written notice of the date on which the Installed Capacity Test will commence.

SCCL, TSSPDCL and TSNPDCL shall designate representatives to witness and observe the test. The Generating Unit shall be operated within the manufacturer's specified limits and in accordance with Prudent Utility Practices for the duration of the test.

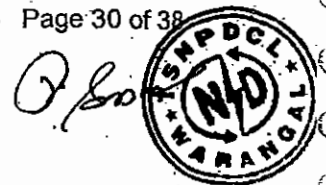
##### 1.2 Test Conditions - General Considerations

The Installed Capacity Test shall be designed and carried out in accordance with standard ASME PTC 6 - Turbo-Generators.

- (i) The Installed Capacity Test will be run under any and all ambient conditions (temperature, humidity etc) that may exist during the time of the Installed Capacity Test, and no corrections in final generator gross output will be allowed as a result of prevailing ambient conditions.
- (ii) The fuel will be within the range of the fuel specification in the Coal Supply Agreement (CSA). In addition, the ability of the Power Station to meet rated capacity with fuel of the lowest quality permitted under the CSA will be demonstrated.
- (iii) Correction curves will be used if Grid operation during the Installed Capacity Test exceeds the Grid Technical Limits.



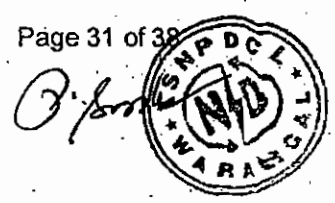
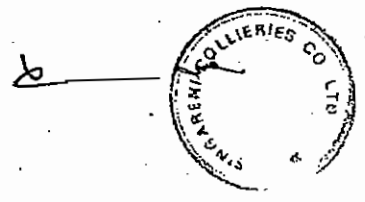
Page 30 of 38



- (iv) The Installed Capacity Test shall be deemed to have demonstrated the gross generation capacity of the Generating Unit under all design conditions and therefore no adjustments shall be made on account of fuel quality or ambient conditions.
- (v) Electrical system Characteristics Test shall demonstrate the Project's ability to operate within the limits of the electrical system characteristics. Electrical system characteristics compliance shall be deemed to be achieved in case of:
  - (a) Voltage provided the Project operates within the nominal voltage levels of the Grid for the duration of the Installed Capacity Test. If during the test, voltage tests cannot be performed due to Grid constraints, data supplied from tests of the generator step-up transformers and generator supplied by the manufacturers shall be used to establish the ability of the Project to operate within the specified voltage limits.
  - (b) Grid frequency provided the Project operates within the nominal frequency levels for the duration of the Installed Capacity Test.
  - (c) Power factor, provided the Project operates within the power factor range for the duration of the Installed Capacity Test. If, during the Installed Capacity Test, power factor tests cannot be performed due to Grid constraints, data supplied from tests of the generators and the generator step-up transformers supplied by the manufacturers shall be used to establish the ability of the Project to operate within the specified voltage limits.

Electrical output shall be measured at the generator terminals using test class instruments with an overall measurement uncertainty of  $\pm 0.5\%$  (utilizing meters of class 0.2S accuracy) as per ASME PTC 19.1. The metering system shall be capable of measuring instantaneous output (MW), hourly average power (MW) and the integrated energy over the relevant test period (MWh).

The generating Unit shall not be treated as passing its Installed Capacity Test unless it has demonstrated an Installed Capacity of at least equal to 540 MW.



### 1.3 Installed Capacity Test

For each generating Unit, Installed Capacity Test shall be carried out at maximum continuous rating over a continuous period of seventy-two (72) hours for determination of installed capacity of the unit. Provided that if any Generating Unit's Installed Capacity is determined to be higher than 600 MW, including if any permitted retest shall result in such Generating Unit's Installed Capacity being higher than 600 MW, then the Installed Capacity of such Generating Unit shall be limited to 600 MW and shall apply for the purpose of calculation of PLF.

A Generating Unit shall not be rejected by TSDISCOMs on the grounds of the installed Capacity test being demonstrated, at less than 540 MW inspite of the best efforts made by SCCL.

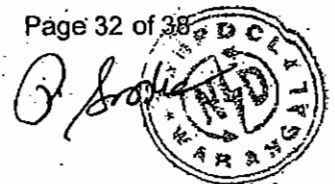
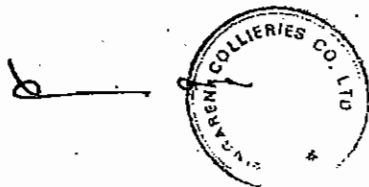
### 1.4 Test Results

1.4.1 Within five (5) Days after the conclusion of the Installed Capacity Test SCCL shall submit a written report to TSSPDCL and TSNPDCL which shall contain:

- (i) details of the results of the tests including sufficient data to demonstrate that all requirements of the Installed Capacity Test and the Electrical System Test have been met;
- (ii) if a Generating Unit has passed the Installed Capacity Test for the purposes of COD, the date and time for commencement of Commercial Operation for each of such Generating Units for the purposes of this Agreement.

1.4.2 If TSSPDCL and / or TSNPDCL dispute any or all of the results contained in the report provided by SCCL pursuant to paragraph 1.4.1 above then TSSPDCL and / or TSNPDCL shall initiate the Informal Dispute and Arbitration detailed in Article 12 of this Agreement.

1.4.3 Energy generated during testing and commissioning: At all times after the Scheduled Date of Synchronisation of each Generating Unit, TSSPDCL and TSNPDCL shall accept all electrical output produced by such Generating Unit during start-up, commissioning and testing performed pursuant to Article 3 of this Agreement.





COMPUTATION OF VARIABLE CHARGESVariable Charge =  $V_c \cdot E$ 

$$V_c = \frac{100 \{ P_p \times (Q_p)n + P_s \times (Q_s)n \}}{(100 - (AUXn))}$$

Where,

- $P_p$  = Landed cost of primary fuel namely coal or lignite or gas or liquid fuel in Rs/Kg or Rs/cubic-metre ( $m^3$ ) or Rs./litre, as the case may be
- $(Q_p)n$  = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg or litre or  $m^3$ , as the case may be, and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based generating stations) and gross calorific value of coal/lignite or gas or liquid fuel as fired.
- $P_s$  = Landed cost of Secondary fuel oil in Rs./ml
- $(Q_s)n$  = Normative Quantity of Secondary fuel oil in ml/kWh as per TSERC norms, and
- $AUXn$  = Normative Auxiliary Energy Consumption as percentage of gross generation

The monthly Variable Charge to be shown in the Monthly Thermal energy Bill will be the aggregate of the Variable Charge calculated for each of the Thermal Power Stations, i.e.,

Monthly Variable Charge in Thermal Tariff Bill

$$= V_c \cdot E$$

Where

$V_c$  = Variable Charge per unit calculated pursuant to this article.

$E$  = Net Electrical Energy in kWh delivered at the Interconnecting point.



## ANNEXURE-IV

### COMPUTATION OF DELIVERED COST OF COAL - THERMAL PLANTS

1. **Weight of Coal:** In terms of the then APERC's Order dt. 24.03.03 (Para 122), the cost of coal lost in transit, windage & shrinkage etc., needs to be factored into the Variable charge since SCCL has little control over such loss. Thus the weight of coal received for each Thermal Power Station for the purpose of calculating Weighted Average Delivered Cost of Coal will be the actual weight of coal received at the Thermal Power Station, i.e., it will be the weight of coal supplied by the supplier reduced by the quantity lost in transit, windage & shrinkage, etc. This loss shall however be limited to 0.2% or actual whichever is less.
2. **Cost of Coal:** Total Cost of Coal\* delivered at each Thermal Power Station shall constitute the price paid to the coal supplier, all incidental duties and taxes paid to the State or Central Government and cost of optimal transportation.  
\* Cost of coal means at which Coal is transported and priced for respective grades as per SCCL's Coal Marketing Department.
3. **Weighted Average Delivered Cost of Coal:**  
The cost of coal for the computation of Variable Charges will be the weighted average delivered cost of coal. For the purpose of the weighted average, cost of coal received will be the total cost of coal calculated as per clause 2 above divided by the quantity of coal delivered at the Thermal Power Station (in Rs. Per metric tonne), as per Clause 1 above.

#### Example:

Opening Stock at KTPS = 100 metric tonne

Opening Weighted average cost of coal=Rs.920 per metric tonne

Let quantity of Coal supplied by Mahanadi Coal Fields Ltd to KTPS = 100 metric tonnes

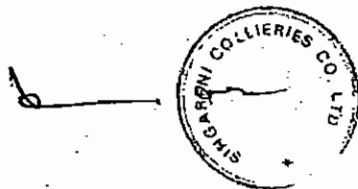
Cost of Coal:

Basic Cost = Rs. 70,000

Royalty = Rs. 500

CST = Rs.280

Freight = Rs. 23,000



Total Cost = Rs. 93780.

Coal Lost in Transit, Windage & Shrinkage = 0.8 metric tonne

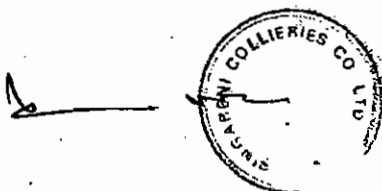
Coal delivered at KTPS = 99.2 metric tonne

Closing Weighted Average cost of coal

= $[\text{Cost of Coal received} + (\text{Op Stock} * \text{Op Weighted Average Cost/Tonne})] / [\text{Op Stock} + \text{Coal delivered \#}]$

= $\text{Rs.}93,780 + (\text{Rs.}920 * 100) / [100 + 99.2] = \text{Rs.} 933 \text{ per metric tonne.}$

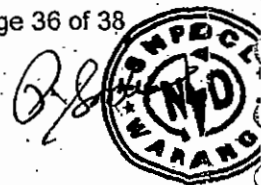
The cost to be taken for the purpose of Variable Cost is Rs. 933 per Tonne  
#considering transit loss, windage & shrinkage etc.



## ANNEXURE-V

### ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM

- 1.0 TSSPDCL and TSNPDCL shall establish an irrevocable revolving letters of Credit (LC) in favour of SCCL with any public sector / scheduled commercial bank (as per list supported by SCCL) at least one month prior to the commencement of electricity supply from the first unit of the Project
- 2.0 The LC shall cover 105% of the month's estimated billing in respect of electricity supplied from the Project to TSSPDCL and TSNPDCL.
- 3.0 The amount of LC shall be reviewed on half yearly basis on 1<sup>st</sup> April and 1<sup>st</sup> October in each financial year on the basis of the average of billing of previous 12 months
- 4.0 The LCs shall be established for a minimum period of one year. TSSPDCL and TSNPDCL shall ensure that a valid LC is made available at all times during the entire/extended validity of this agreement. New LCs shall be furnished / existing LCs reinstated not later than 30 days prior to the expiry of existing LCs
- 5.0 LC shall specify the manner and dates when bill (s) can be presented to Bank by SCCL. The bills so presented by SCCL to the bank shall be promptly paid on their presentation. The LC charges shall be borne by TSSPDCL and TSNPDCL respectively for their LCs
- 6.0 All costs relating to opening and maintenance and negotiation of LC shall be borne by TSSPDCL and TSNPDCL, respectively
- 7.0 In case of drawal of the LC amount by SCCL in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. TSSPDCL and TSNPDCL shall arrange to furnish to SCCL a certificate to this effect from Bank (s) providing LC. In the event LC is not reinstated within 7 days, regulation of power supply to the extent of 2.5% of the Contracted Capacity will start with immediate effect from 00 hrs on 8<sup>th</sup> day. SCCL will have right to divert 2.5% of the contracted capacity to Third Party (ies) and or reduce the schedule of TSSPDCL and / or TSNPDCL by the same quantum whoever fails.



Provided that TSSPDCL and / or TSNPDCL shall continue to be liable to pay the Capacity Charges in proportion to its contracted capacity during the period of regulation / diversion of capacity or till the capacity is re-allocated to other Bulk Power Customer (s) / Third Party (ies).

- 8.0 In addition to above, TSSPDCL and TSNPDCL hereby agrees separately to provide an alternative payment security arrangement in the form of Escrow Arrangement as a back up to the Letters of Credit. Under this arrangement an Escrow Account in favour of SCCL shall be established through which the receivables of TSSPDCL and TSNPDCL shall be routed as per the terms of Escrow Agreement. TSSPDCL and TSNPDCL hereby agrees that SCCL will have first charge on Receivable of TSSPDCL and TSNPDCL. However, such first charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of execution of this Agreement and as listed in the schedule enclosed with this Agreement. TSSPDCL and TSNPDCL agreed to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, TSSPDCL and TSNPDCL shall hypothecate Receivables to the extent required for Payment of dues of SCCL by TSSPDCL and TSNPDCL including under this Agreement by creation of first charge in favour of SCCL. These Receivable shall be routed through Escrow Account for payment to SCCL in case of default in payments by TSSPDCL and / or TSNPDCL. "Receivables" for this purpose shall mean all of the present and future payments, receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the TSSPDCL and TSNPDCL in respect of the sale by the TSSPDCL and / or TSNPDCL to the consumers of electric capacity, energy and /or services or for any other reason whatsoever and all proceeds thereof.
- 9.0 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by TSSPDCL and TSNPDCL to the satisfaction of SCCL within 60 days of entering into this Agreement. In the event, TSSPDCL and TSNPDCL does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' within the said period or TSSPDCL and TSNPDCL creating any superior charge in favour of any other party on its Receivable, SCCL shall have the right to reallocate contracted capacity of TSSPDCL and/or TSNPDCL to Third Party (ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, TSSPDCL and TSNPDCL shall be liable to pay capacity charges for such capacity till the capacity is reallocated.



19

TSSPDCL, TSNPDCL and SCCL agree that this Agreement shall be deemed to have created a legally binding first charge on TSSPDCL'S and TSNPDCL'S Receivables in favour of SCCL. Accordingly, TSSPDCL and TSNPDCL shall not create any encumbrance, charge and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form or payment security to any other entities like electricity supplier(s), banks, financial institutions etc. during the interim period till signing of Escrow Agreement with SCCL, TSSPDCL and TSNPDCL shall duly inform such electricity supplier (s), banks, financial institutions etc of the legally binding first charge on TSSPDCL'S and TSNPDCL'S Receivables in favour of SCCL and the first charge of SCCL shall be in preference to any other charge that TSSPDCL and TSNPDCL may create in favour of any other party.

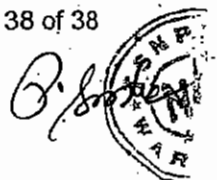
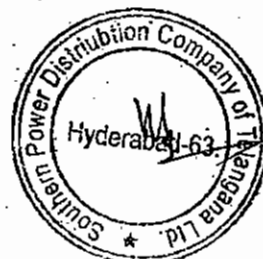
TSSPDCL and TSNPDCL agree to ensure that the successor entities of TSSPDCL and TSNPDCL are duly notified of the above arrangement with SCCL and shall be bound by the terms of this Agreement as if they are parties of this Agreement.

- 10.0 Notwithstanding the obligations of TSSPDCL and TSNPDCL to pay all the dues as per this Agreement, in the event of non-payment of bills within a period of 60 days from date of billing or default in opening of LC of requisite amount in favour of SCCL by TSSPDCL and TSNPDCL separately, SCCL shall be entitled to regulate / divert the contracted capacity of TSSPDCL and / or TSNPDCL to any other Bulk Power Customer (s) / Third Party (ies) as per the provisions of generic procedure for regulation of power supply issued by TSERC.

In case of default in payment of bills beyond a period of 90 days of billing by TSSPDCL or TSNPDCL, SCCL shall have the right to re-allocate TSSPDCL'S or TSNPDCL'S power to other Bulk Power Customers (s).

It is clarified that the above arrangement shall not be construed as relieving TSSPDCL and TSNPDCL of any of its obligations to SCCL including obligation of payment of Capacity Charges

For the removal of any doubt it is clarified that in case of default, TSSPDCL and TSNPDCL shall continue to be liable to pay the Capacity Charges in proportion to their contracted Capacity during the period of regulation / diversion of capacity or till the capacity is re-allocated to other Bulk Power Customer (s) / Third-Party (ies)





The Singareni Collieries Company Limited  
(A Government Company)  
Kothagudem Collieries - 507 101, Khammam Dist., Telangana  
CIN : U10102TG1920SGC000571

Phone No: 08744-242873  
Fax No.08744-242393  
cssccl@rediffmail.com

Ref No: CRP/CS/54/66

Date 23.1.2016.

GM (F&A)

The extract of Minute No.533:5:8 of Board of Directors meeting held on 29.12.2015 at Hyderabad is furnished below:

**Sub: Borrowing of further loan for funding 2x600 MW STPP at Jaipur Mandal, Adilabad Dist.- Reg.**

- 5.8.1 The Board considered the note placed before it. Director (Finance) & (P,A&W) informed that the proposed loan of Rs.1320 crore is to meet 70% of the enhanced project cost of 2 X 600 MW Singareni Thermal Power Plant approved by the State Govt. on 25.11.2015. He mentioned that while the existing loan from PFC carries interest rate of 11.50%, the interest rate quoted by L1 bidder i.e., PFC & REC Consortium for the present loan is 9.49% plus payment of Rs. 10 lakh towards legal fee. This is also less when compared with 11.15% quoted for TSGENCO recently, he added. To a query, he informed that the interest rate is reset for every 3 years. To another query, he stated that the capital cost per MW as per RCE works out to Rs.6.31 crore.
- 5:8.2 After deliberation, the Board accorded approval for
- obtaining further loan of Rs.1320 crore for funding of 2 x 600 MW TPP from PFC & REC Consortium at an interest rate of 9.49% and payment of Rs. 10 lakh towards legal fee on the terms & conditions brought out in the note; and
  - authorizing Director (Finance) and Director (P&P) to execute the loan agreements, Power of Attorney, undertakings, deeds of hypothecation, and also any further agreements, documents, deeds and / or undertakings as may be necessary for creating charges on the assets of the Company / STPP duly affixing the common seal of the Company, wherever necessary for availing the said loan from PFC & REC Consortium on the aforesaid terms & conditions.

Action taken / status of implementation on each point of the above minute may be intimated to the undersigned at the earliest as per the guidelines issued by the C&MD vide circular No.CRP/CS/58/200 dt.22.3.2002 for apprising the same to the Board in the next meeting.

*Acum/and*  
*NS*

*2015*

*Up*  
GM (C.A) &  
Company Secretary





भारतीय गैर न्यायिक

एक सौ रुपये

Rs. 100

रु. 100



ONE HUNDRED RUPEES

सत्यमेव जयते

भारत INDIA  
INDIA NON JUDICIAL

ఆంధ్ర ప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

*[Handwritten Signature]* 777678

*[Handwritten]* G. S. S. Sastri Rb kgm  
*[Handwritten]* The Secy to kgm

MEMORANDUM OF AGREEMENT  
BETWEEN  
POWER FINANCE CORPORATION LIMITED  
AND  
THE SINGARENI COLLIERIES COMPANY LIMITED.

Loan No. 31B01001

MEMORANDUM OF AGREEMENT

made the 11<sup>th</sup> day of October, 2011 BETWEEN POWER FINANCE CORPORATION LIMITED, A Government Company, having its Registered Office at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 110001. (hereinafter referred to as "the Corporation" which expression shall, unless it be repugnant to the subject or context thereof, include its successor and assigns) of the one part and THE SINGARENI COLLIERIES COMPANY LIMITED, an existing Company under the Companies Act, 1956 and having its Registered Office at Kothagudem, Collieries (P.O.) -507101, Bhadrachalam Road station, Khammam District, Andhra Pradesh. (Hereinafter referred to as "the Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successor and assigns) of the other part.

*[Handwritten Signature]*  
**S. VIVEKANAND, IRAS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.,  
(A Government Company)  
KOTHAGUDEM - 507 101.

*[Handwritten Signature]*  
**B. RAMESH KUMAR**  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.,  
KOT: 507 001.

*[Handwritten Signature]*  
**एन. डी. थपलियाल / N. D. THAPLIYAL**  
उप प्रबंधक (विधि) / Dy. Manager (Law)  
पॉवर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जाविधि" 1, बाराखंबा लेन, कनॉट प्लेस,  
नई दिल्ली-110001 / New Delhi-110001

52



ఆంధ్రప్రదేశ్ రాష్ట్రం ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

L.No. 316 Date 9 JUN 2011  
 SOLD TO: K. Raj Kumar s/o K. Rajarath. And.  
 FOR WHOM: Singareni Collieries Company Ltd. And.

AP 805758  
**B. Anil Kumar**  
**B. ANIL KUMAR**  
 LICENCED STAMP VENDOR  
 LIC. NO. 10-10-33/1989,  
 REN. NO. 10-10-3/2011  
 D. NO. 11-6-475, NAMPALLY,  
 HYDERABAD (SOUTH) DIST.  
 PH NO. 9908847108

WHEREAS the Borrower has undertaken execution for setting up of 2x600 MW coal based Thermal Power Project at Pegadapalli Village, Jaipur Mandal, Adilabad District, in the state of Andhra Pradesh. (hereinafter referred to as "the Project").

AND WHEREAS the Borrower by its letter CRP/FAD/PP/2011-12/1081 dated 21/02/2011 made an application to the Corporation for grant of a loan, for the Project involving a total cost of Rs 5685.36 Crore, (Rupees Five Thousand Six Hundred Eighty Five Crore and Thirty Six lakh Only) to be utilized for putting through the Project.

AND WHEREAS the Corporation has sanctioned a loan of Rs. 3980 crore (Rupees Three Thousand Nine Hundred Eighty Crore Only) to the Borrower for the purpose of the execution of the said Project on the terms and conditions contained in the Corporation's letter No. 03/22/AP/SCCL/Thermal/Vol-I/31B01001 dated 04-April, 2011 and amendment thereof dated 19.08.2011, to the Borrower conveying sanction of the loan and on the terms and conditions set out in the said letter and hereunder written.

*S. Vivekanand*  
**S. VIVEKANAND, IRAS**  
**DIRECTOR (FINANCE)**  
**THE SINGARENI COLLIERIES CO. LTD.,**  
 (A Government Company)  
**KOTHAGUDEM - 507 101.**

*B. Ramesh Kumar*  
**B. RAMESH KUMAR**  
**Director (Planning & Projects)**  
**The Singareni Collieries Co. Ltd.,**  
**KOTHAGUDEM,**

*N. D. Thapliyal*  
**एन. डी. थपलियाल / N. D. THAPLIYAL**  
**उप प्रबन्धक (विधि) / Dy. Manager (Law)**  
**पावर कॉर्पोरेशन कॉर्पोरेशन लि. / P.F.C. Ltd.**  
**"ऊर्जाविधि" 1, बाराखंबा लेन, कनॉट प्लेस,**  
**"UJANIDHI" 1, Barakhamba Lane, Connaught Place,**  
**नई दिल्ली-110001 / New Delhi- 110001**

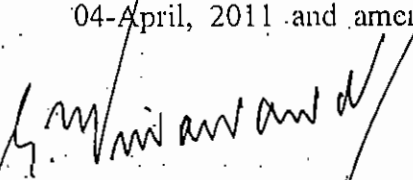
WHEREAS the Borrower has by its Resolution passed at a meeting of its Board on the 4<sup>th</sup> July has agreed to accept the said loan on the said terms.


AND WHEREAS according to one of the conditions of the loan the Borrower is required to create an exclusive first charge by way of hypothecation in favour of the Corporation on all movable assets excluding current assets namely stocks of raw materials, semi finished and finished Goods, Stores and spares not relating to plant and machinery (consumables stores and spares), bills Receivable and Book debts, both present and future of the Borrower and exclusive second charge by way of mortgage of all immovable assets of the Borrower, on which Govt. of India has first charge, in respect of repayment by the Borrower of the loan and payment of interest, service charges thereon, interest tax, as may be applicable from time to time, commitment charges, additional interest, and costs, charges, expenses, losses, applicable taxes, statutory duties and other money etc. thereon and/or any additional amount(s) that become payable as per terms of the loan agreement.


AND WHEREAS the Borrower has agreed to provide an exclusive first charge on all movable assets excluding current assets namely stocks of raw materials, semi finished and finished Goods, Stores and spares not relating to plant and machinery (consumables stores and spares), bills Receivable and Book debts, both present and future of the Borrower and an exclusive second charge by way of mortgage (as Govt. of India currently holds exclusive first charge on the immovable assets) on all immovable assets of the Borrower, present and future as fully described in the Schedule-I hereto, for due payment by the Borrower of the loan and interest, interest tax, service charges, commitment charges, additional interest, interest on unpaid interest, other costs, charges, expenses, losses, applicable taxes, statutory duties and other money etc. payable in the form prescribed by the Corporation. And on complete repayment of existing loan from Govt. of India the Corporation shall have exclusive first charge on movable and immovable assets of the Project.

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO as follows:-

1. The Corporation will lend and advance to the Borrower the sum of Rs. 3980 crore (Rupees Three Thousand Nine Hundred Eighty Crore only) on the terms and conditions set out in the Corporation's letter No. 03/22/AP/SCCL/Thermal/Vol-I/31B01001 dated 04-April, 2011 and amendment thereof dated 19.08.2011 and on the terms and conditions herein set out. The said letters shall form part of this Agreement as Annexure -I as if fully set forth hereunder and all the terms and conditions set out in the said letter will be binding on the Borrower.
2. The Borrower shall repay to the Corporation the amount of the said loan with interest, interest tax, service charges, commitment charges, if any, additional interest, if any, interest on additional interest, interest on unpaid interest if any, etc. thereon and costs, charges, expenses, losses and other moneys, etc. in accordance with the terms and conditions set out in that behalf in the Corporation's letters No. 03/22/AP/SCCL/ Thermal/ Vol-I/31B01001 dated 04-April, 2011 and amendment thereof dated 19.08.2011. The Borrower shall make all

  
**S. VIVEKANAND, IRAS**  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO. LTD.,  
 (A Government Company)  
 KOTHAGUDEM - 507-101.

  
**B. RAMESH KUMAR**  
 Director (Planning & Projects)  
 The Singareni Collieries Co. Ltd.,  
 KOTHAGUDEM,

  
 एन. डी. थपलियाल / N. D. THAPLIYAL  
 उप प्रबन्धक (विधि) / Dy. Manager (Law)  
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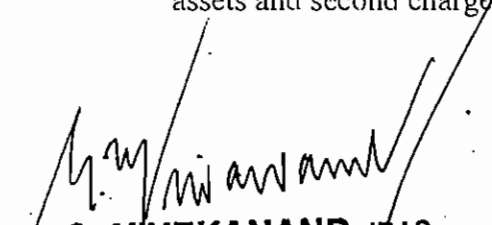
54  
payments of principal, interest, interest tax, service charges, commitment charges, additional interest, interest on additional interest, interest on unpaid interest, other expenses etc. to the Corporation at its Registered Office at New Delhi.

3. The Borrower shall implement the said Project and shall also adhere to and comply with all such amendments thereto as are approved by the Corporation.
4. The Borrower agrees and undertakes to complete the work in the manner and according to the time schedule envisaged in terms and conditions of sanction of loan.
5. The Borrower has represented to and assured the Corporation that the loan applied for and being granted by the Corporation to the Borrower is within the borrowing powers of the Borrower in accordance with the laws and bye-laws applicable to it and all formalities, required by the laws and bye-laws and rules regulating the work and conduct of the Borrower in respect of such borrowing have been fully complied with.
6. **The Borrower has agreed to secure the loan by:-**


a) an exclusive first charge in favour of the Corporation by way of hypothecation of all the movable assets excluding current assets namely stocks of raw materials, semi finished and finished Goods, Stores and spares not relating to plant and machinery (consumables stores and spares), bills Receivable and Book debts, both present and future of the Borrower as fully described in the Schedule-II, hereto for due fulfillment of the obligations of the Borrower in terms of this agreement and due repayment of the principal amount and the interest, interest tax if any, service charges, commitment charges, additional interest, interest on unpaid interest applicable taxes, statutory duties etc. thereon and costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys. etc.

**And**

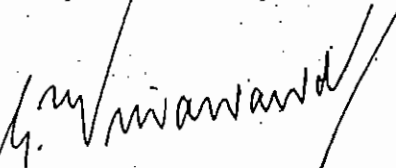
- b) a second charge by way of mortgage (to be created as a first charge ranking second to existing first charge of Govt. of India) in favour of the Corporation in a form satisfactory to the Corporation of all the Borrower's immovable assets, on which GoI has first charge, both present and future as fully described in the Schedule -I hereto; for due fulfillment of the obligations of the Borrower in terms of this agreement and due repayment of the principal amount and the interest, interest tax, service charges, commitment charges, additional interest, interest on unpaid interest etc., thereon and costs, charges, expenses, losses and other moneys, etc.
- c) Borrower further agreed that on complete repayment of existing loan from Govt. of India the Corporation shall have exclusive first charge on all movable and immovable assets of the Project as security to the loan hereinbefore secured by the first charge on the movable assets and second charge on the immovable assets of the Borrower.

  
**S. VIVEKANAND, IRAS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.,  
(A Government Company)  
KOTHAGUDEM - 515 001


  
**B. RAMESH KUMAR**  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.,  
KOTHAGUDEM,

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एन. डी. थपलियाल / N. D. THAPLIYAL  
उप प्रबन्धक (विधि) / Dy. Manager (Law)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जा निधि" 1, बाराखंबा लेन, कनॉट प्लेस,  
नई दिल्ली-110001 / New Delhi- 110001

- I The Borrower shall make out good marketable title to its properties to the satisfaction of the Corporation, keep the said properties in marketable and good condition and comply with all such formalities as may be necessary or required for the said purpose.
  - II The Borrower undertakes that if, at any time during the subsistence of this Agreement, the Corporation is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loans then outstanding, the Borrower shall provide and furnish to the Corporation additional security as may be acceptable to the Corporation to cover such deficiency.
  - III. Registration of charge:- The Borrower shall have the particulars of charge registered with the Registrar of Companies (ROC) as per the Companies Act within stipulated time, and shall submit a certificate from the ROC certifying the registration of charge.
  - IV. The borrower shall have the particulars of charge registered with the Sub-Registrar of Assurances in case of English Mortgage wherever executed.
7. The Borrower shall furnish to the Corporation such periodical returns of its workings and with regard to the utilization of the amount of the loan and the progress of the Project as may be required by the Corporation.
  8. The Borrower shall make available for the inspection of the Corporation all its books of account and other books and documents maintained by it and/or required to be maintained by it under any law, bye-laws or rules of the Borrower and allow all facilities to the Corporation or any persons authorized by it for the purpose of carrying out such inspection. The Corporation shall have the right to inspect the Project and all the books of account, records and documents relating thereto at any time.
  9. The Borrower agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgements and other writings as may be required by the Corporation at any time during the pendency of this Agreement, more fully and effectively securing the moneys due and payable or to become due and payable by the Borrower to the Corporation in terms of these presents.
  10. The Borrower must be and continue to be the owner and in physical possession of the Project at the time of disbursement of each installment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.
  11. The Borrower shall not transfer or abandon the Project at any stage without written consent of the Corporation. In case at any stage or on a future date, the Project is proposed to be transferred to any other organization or to be abandoned, the entire outstanding (e.g. principal, interest, interest tax, service charges, commitment charges, additional interest, interest on additional interest, interest on unpaid interest etc.) due from the Borrower shall be paid to the Corporation before any such transfer is affected.

  
**S. VIVEKANAND, IRAS**  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO. LTD.,  
 (A Government Company)  
 KOTHAGUDEM - 507 1.

  
**B. RAMESH KUMAR**  
 Director (Planning & Projects)  
 The Singareni Collieries Co. Ltd.,  
 KOTHAGUDEM.

  
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The Borrower shall pay, or cause to be paid, all Taxes (including stamp duties), duties, fees, or other charges payable on or in connection with the execution, issue, delivery, registration, or notarization, or for the legality, validity, or enforceability of this Agreement, Deed of Hypothecation, Creation of Mortgage and any other documents related to this Agreement. In case the Corporation has to pay that, the Borrower agrees to reimburse the same to the Corporation within 30 days to the Corporation raising the demand. On the Borrower's failure to pay/reimburse, the Corporation shall be entitled to claim interest thereon at the prevailing rate of interest applicable to the loan at that time.

13. In the event of a default on the part of the Borrower or any breach of the terms and conditions of these presents, the Borrower shall be liable to pay to the Corporation all costs, charges and expenses incurred/to be incurred by the Corporation in connection with the negotiations for the Agreement and in respect of the Agreement including legal expenses incurred for realization/recovery of the outstanding dues.
14. The Corporation shall without prejudice to its other rights and remedies be entitled to recall the loan at any time before the due date for repayment thereof, if the Borrower fails to fulfill its obligations under this Agreement and/or in the event of its committing a breach of any of the terms thereof. The decision of the Managing Director of the Corporation as to whether a breach of the terms of this Agreement has been committed by the Borrower or not shall be final and binding on the Borrower.
15. Every notice, demand, request, consent, approval, waiver or agreement to be given or made hereunder shall, save as otherwise herein specifically provided, be in writing and in the English Language and shall be delivered by hand or sent by mail (Registered Post) or by telex or fax or cable and shall be deemed to have been given and received, if delivered by hand, upon delivery, if sent by mail, the 3rd day (excluding Saturday, Sunday and other closed days) following the date of mailing, and if sent by telex or cable, the 2nd day (excluding Saturday, Sunday and other closed days) following the date of transmission. The mailing address, telex number, fax number and cable address of the Borrower and PFC for purposes shall respectively be :

**for the BORROWER:**

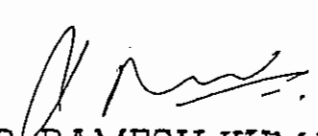
General Manager (Finance & Accounts)  
The Singareni Collieries Company Limited  
Kothagudem, Collieries  
(P.O.)-507101,  
Khammam District,  
Andhra Pradesh.  
Phone No. 08744-242452  
Fax No. 08744-243613


**for the CORPORATION:**

Power Finance Corporation Ltd. Urjanidhi,  
1, Barakhamba Lane,  
Connaught Place,  
New Delhi-110001  
Fax No. 011-23412545  
Phone No. 011-23456000

or such other mailing or cable address or telex number, address as to which the Borrower or PFC may, for itself from time to time notify the other as aforesaid.

  
**S. VIVEKANAND, IRAS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.,  
(A Government Company)  
KOTHAGUDEM - 507 101.

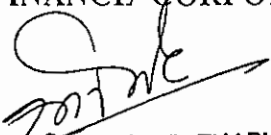
  
**B. RAMESH KUMAR**  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.,  
KOTHAGUDEM,


  
एन. डी. थरलियाल / N. D. THARLIYAL  
उप प्रबंधक (विधि) / Dy. Manager (Law)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जानिधि" 1, बाराखंबा लेन, कनॉट प्लेस,  
"URJANIDHI" 1, Barakhamba Lane, Connaught Place,  
नई दिल्ली-110001 / New Delhi- 110001

This agreement is executed in Hyderabad, Andhra Pradesh and the loan will be advanced by the Corporation to the Borrower in New Delhi. Civil Courts/Tribunals in Delhi/New Delhi alone shall have Jurisdiction to entertain any suit or matter arising out of this Agreement.

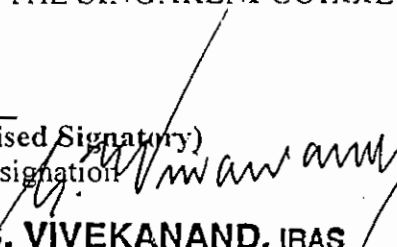
IN WITNESS whereof the parties hereto have executed these presents the day, month and year first herein written.

SIGNED AND DELIVERED on behalf of POWER FINANCE CORPORATION LIMITED.

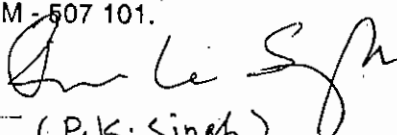
By  Signature  
Name & Designation एन. डी. थपलियाल / N. D. THAPLIYAL  
Dy. Manager (Law)  
Address पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जाविधि" 1, बाराखंबा लेन, कनॉट प्लेस,  
New Delhi-110001 / New Delhi-110001

in the presence of  
Signature   
Name & Designation J. Rama Krishna, ACS-881,  
G M (Corporate Affairs) &  
Company Secretary  
Address The Singareni Collieries Co. Ltd.  
Regd. Office,  
Kothagudem Collieries (PO) 507 10\*  
Khammam Dist

SIGNED AND DELIVERED on behalf of THE SINGARENI COLLIERIES COMPANY LIMITED

Signature  
By   
(Authorised Signatory)  
Name & Designation S. VIVEKANAND, IRAS  
DIRECTOR (FINANCE)  
Address THE SINGARENI COLLIERIES CO. LTD.,  
(A Government Company)  
KOTHAGUDEM - 507 101.

  
(Authorised Signatory)  
B. RAMESH KUMAR  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.,  
KOTHAGUDEM.

in the presence of  
Signature   
Name & Designation P.K. Singh  
Address GM (Proj) & State in charge AP  
PFC Ltd.  
New Delhi.

50

**SCHEDULE - I ABOVE REFERRED TO**

The whole of immovable properties comprising of all that pieces and parcel of the land at various project sites including 2x600 MW coal based Thermal Power Project, in the State of Andhra Pradesh, and all other immovable properties including land and buildings, factories, premises and other fixed assets of the Borrower's at the project site and elsewhere both present and future.


**SCHEDULE - II ABOVE REFERRED TO**

The whole of the movable properties of the Borrower excluding current assets namely stocks of raw materials, semi finished and finished Goods, Stores and spares not relating to plant and machinery (consumables stores and spares), bills Recievable and Book debts, both present and future including its movable plant and machinery, machinery spares, tools and accessories, spares, materials and other movables relating to plant and machinery (consumables stores and spares), both present and future whether installed or not and whether now lying loose or in cases or which are not lying or stored in or about or shall hereafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's factories, premises and godowns or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order, or delivery, howsoever, and wheresoever in the possession of the borrower and either by way of substitution or addition.

\*\*\*

  
**S. VIVEKANAND, IRAS**  
**DIRECTOR (FINANCE)**  
**THE SINGARENI COLLIERIES CO. LTD.,**  
**(A Government Company)**  
**KOTHAGUDEM - 507 101.**

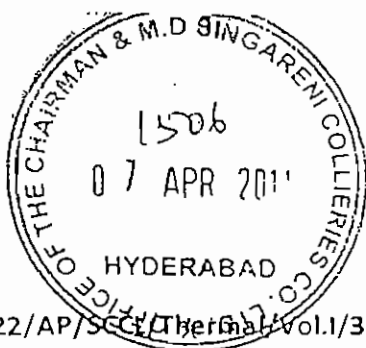
  
**B. RAMESH KUMAR**  
**Director (Planning & Projects)**  
**The Singareni Collieries Co. Ltd.,**  
**KOTHAGUDEM.**

  
**एन. डी. थपलियाल / N. D. THAPLIYAL**  
**उप प्रबन्धक (विधि) / Dy. Manager (Law)**  
**पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.**  
**"ऊर्जा निधि" 1, बाराखंबा लेन, कनॉट प्लेस,**  
**"URJANIDHI" 1, Barakhamba Lane, Connaught Place,**  
**नई दिल्ली-110001 / New Delhi- 110001**



ANNEXURE-I to MOA

By Hand

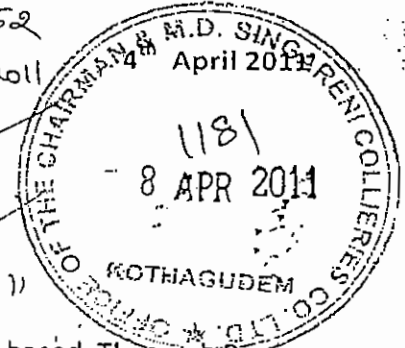


पावर फाइनेंस कॉर्पोरेशन लिमिटेड  
POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)

TAXATION INWARD No. 52  
DATE: 9-4-2011

Loan No. 31B01001



No. 03/22/AP/SCCL Thermal Vol. I/31B01001

Chairman and Managing Director  
The Singareni Collieries Company Limited  
Singareni Bhavan, Red Hills  
Post Box No. 18, Khairatabad  
Hyderabad - 500004

Sub: Sanction of financial assistance for setting up 2x600 MW coal based Thermal Power Project near Jaipur Village in Adilabad District of Andhra Pradesh

Dear Sir,

With reference to SCCL letter no. CRP/FAD/PP/2011-12/1081 dated 21.02.2011 regarding financial assistance for setting up 2x600 MW coal based Thermal Power Project near Jaipur Village in Adilabad District of Andhra Pradesh, involving a total cost of ₹ 5685.36 crore, we are pleased to advise that we are generally agreeable to advance a loan of ₹ 3990 crore (Rupees Three Thousand Nine Hundred and Eighty Crore only) for this project- Loan No. 31B01001. The loan shall be subject to the terms and conditions given in the attachment to this letter and also the terms and conditions as are laid down in the Memorandum of Agreement (MOA) to be executed between PFC and SCCL. A format of MOA is enclosed.

We request you to communicate your acceptance within one month from the date of this letter to avail the above loan on the said terms and conditions.

The following documents (in the prescribed formats) shall be required at the time of execution / disbursement of loan as per PFC policy applicable:

Documents required at the time of execution/signing of loan documents (to be submitted to L&D unit of PFC)

1. Extract of Board Resolution, duly attested by the Secretary/Company Secretary, accepting the loan on the terms and conditions of PFC and authorizing an officer to accept and agree to said terms and conditions and execute the relevant loan documents / undertakings etc.
2. Resolution under section 293(1) (a) and 293 (1) (d) of the Companies Act 1956, duly attested by Company Secretary (applicable to entities registered under Companies Act, 1956).
3. Specimen signatures of authorized signatory duly attested by Secretary/Company Secretary.
4. Certificate of compliance of laws, bye-laws, etc. applicable to the borrower- to be issued by the Company Secretary / Secretary of the borrower, as the case may be.
5. Certificate from the Company Secretary / Statutory Auditors of the Borrower that the borrowing is within the borrowing limits with details thereof.
6. Certificate in prescribed format that the borrower shall continue to be the owner and in physical possession of the project till the outstanding loan amount is fully liquidated.

Stamp: CRP/FAD, No. 8/4/11

Stamp: DIR (FIN), 8/4/11

S. VIVEKANAND, IRAS B. RAMESH KUMAR  
DIRECTOR (FINANCE) Director (Planning & Projects)

एन.डी. थपलियाल / N. D. THAPLIYAL  
उप प्रबन्धक (विधि) / Dy. Manager (Law)

- 7. Option letter whereby borrower either opts to pay commitment charges as per Clause 5.1 of standard terms and conditions or upfront fees.
- 8. Option letter whereby borrower opts for the reset period- 3 or 10 years.
- 9. Certificate from the borrower, in the prescribed format, that the borrower has received a copy of Operational Policy Statement (OPS) of PFC and confirming that the borrower is aware of the terms and conditions of OPS which shall also apply to this loan.
- 10. Quarter-wise drawal schedule.

Documents required at the time of disbursement of loan:

- 1. Tripartite Escrow Agreement in the prescribed format:
- 2. Security documents in the prescribed format.
- 3. Materials and equipment schedule, in the prescribed format, for the project/scheme to be financed under the loan.

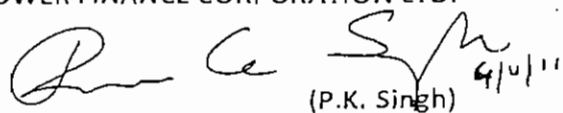
In addition to above the borrower shall furnish all other documents as may be required in terms of loan.

Your kind attention is invited to clause 18.0 of Terms and Conditions of sanction, which reads as under:-

"The sanction of loan accorded in terms of this sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e., MOA along with documents required before or at the time of execution of MOA) within a period of six months from the date of sanction letter. The Corporation may, in exceptional cases, agree to extend the aforesaid period of six months, for such further period as it may deem appropriate if the Borrower makes an application to the Corporation before expiry of initial six months period, duly supported by the reasons for such extension."

Thanking you,

Yours faithfully,  
for POWER FINANCE CORPORATION LTD.

  
(P.K. Singh)  
GM (Projects) & State In-charge (AP)


Encl: as above

Copy for information to:

- 1. Director (Finance), The Singareni Collieries Company Limited, Head Office, Kothagudem Collieries, Khammam - 507 101
- 2. Chief General Manager (F&A), The Singareni Collieries Company Limited, Head Office, Kothagudem Collieries, Khammam - 507 101;
- 3. Chief Co-ordinator (Power Projects), The Singareni Collieries Company Limited, 3<sup>rd</sup> Floor, Singareni Bhavan, Red Hills, Post Box No. 18, Khairatabad , Hyderabad - 500004
- 4. ED (Projects- TP), PFC - along with a copy of terms and conditions.
- 5. ED (EA & L&D), PFC - along with a copy of terms and conditions
- 6. GM (Loan Recovery), PFC - along with a copy of terms and conditions
- 7. GM (RO- South), PFC- along with a copy of terms and conditions
- 8. AGM (Loan Disbursement), PFC - along with a copy of terms and conditions

  
**S. VIVEKANAND, IAS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.,  
(A Government Company)

  
**B. RAMESH KUMAR**  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.,  
KOTHAGUDEM.

  
एन. डी. थपलियाल / N. D. THAPLIYAL  
उप प्रबन्धक (विधि) / Dy. Manager (Law)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
'ऊर्जाविधि' 1, बाराखंबा लेन, कनॉट प्लेस,  
'URJANIDHI' 1, Barakhamba Lane, Connaught Place,  
New Delhi- 110001

## Annexure-I

TERMS AND CONDITIONS OF SANCTION

## 1.0 AGREEMENT:

1.1 The Borrower shall execute a Memorandum of Agreement (MOA) in the form prescribed by the Power Finance Corporation Ltd. (the Corporation) for the purpose and submit all other documents as required within six months of the date of letter of sanction of loan.

1.2 The Memorandum of Agreement shall not be executed in case the borrower has been declared a defaulter by the Corporation.

## 2.0 RATE OF INTEREST:

2.1 The Borrower shall pay interest on the said Loan at the rate of interest prevailing on the date of each disbursement as per the Corporation policy which shall be as notified by the Corporation (presently it is 11.00% per annum with Three year reset option), along with tax, if any, at the rate applicable from time to time. The interest in favour of the Corporation shall begin to accrue from the date of payment/cheque issued by the Corporation. The installment of interest and tax, if any, will be payable quarterly on the 15<sup>th</sup> day of April, 15<sup>th</sup> day of July, 15<sup>th</sup> day of October and 15<sup>th</sup> day of January every year, after commencement of disbursement. The amount of interest and tax, if any payable will be calculated at the above rate up to the date immediately preceding the due date of payment i.e. 14<sup>th</sup> day of the month on the amount disbursed/ outstanding up to the last day of the preceding month. Computation of interest shall be made on a daily basis using 365 days factor.

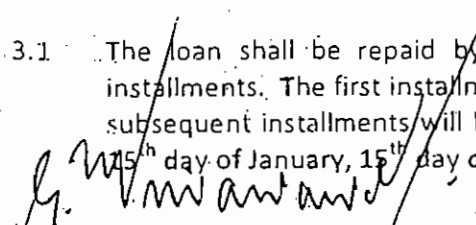
\* Effective interest rate after rebate/incentive of 0.25% (presently applicable) for timely payment of dues. The Corporation shall recover interest from the Borrower considering the rates without rebate. The rebate, wherever applicable, shall be refunded to the Borrowers immediately in the cases where the total amount due on a due date has reached the Corporation by the due date. Further, SCCL is being offered a special interest rate of 0.50% below the presently applicable rate for category A+ State Sector Borrower for Generation Scheme.

2.2 Interest Reset: Notwithstanding anything herein above, the Corporation shall have a right to reset the rate of interest, at its discretion, from third/tenth year (as applicable) beginning with the date of first disbursement. Borrower shall furnish the option in regard to reset period at the time of execution of MOA.

Methodology for resetting i.e. determination of amount to be reset, reset date etc. shall be as applicable from time to time.

## 3.0 REPAYMENT OF LOAN

3.1 The loan shall be repaid by the Borrower in 48 (Forty Eight) equal quarterly installments. The first installment will become due on 15<sup>th</sup> day of July, 2015 and the subsequent installments will become due for payment on the 15<sup>th</sup> day of October, 15<sup>th</sup> day of January, 15<sup>th</sup> day of April and 15<sup>th</sup> day of July every year.

  
**S. VIVEKANAND**, IRAS  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
(A Government Company)

  
**B. RAMESH KUMAR**  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.

Page 1 of 9  
एन. डी. थपलियाल / N. D. THAPLIYAL  
उप प्रबन्धक (विधि) / Dy. Manager (Law)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जाविधि" 1, बाराखंबा रोड, कर्नाट, चेन्नई.

4.0 PRE-PAYMENT OF LOAN

4.1 The Borrower may prepay the outstanding principal amounts of the loan only after obtaining the prior written approval from the Corporation which will be at the sole discretion of the Corporation. The approval for prepayment may be granted subject to such conditions as the Corporation may deem fit including prepayment premium.

5.0 COMMITMENT CHARGES/ UPFRONT FEE

5.1 Commitment Charges

The borrower will furnish at the time of the execution of MOA to the Corporation a quarter-wise schedule of drawal of this loan, the year being the financial year commencing April 1<sup>st</sup> and ending March 31<sup>st</sup> and, the quarters being three months period beginning from 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January of the year. The borrower will be required to draw the entire amount of committed funds in the respective quarters. In case the borrower could not draw the committed funds in the scheduled quarter, the Corporation will recover commitment charges on the undrawn amount of the previous quarter from the first day of the following quarter till the date of actual date of drawal at prevailing rate (presently @ 0.25% p.a.). The commitment charges will be payable quarterly on 15<sup>th</sup> April, 15<sup>th</sup> July, 15<sup>th</sup> October and 15<sup>th</sup> January every year after execution of loan documents till the drawal of loan by the borrower.

The borrower will be allowed prospective revision in the drawal schedule once in every financial year, provided the request is received latest by 15<sup>th</sup> March of the previous financial year.

OR,

Upfront fee:

The borrower shall pay to the Corporation up-front fee at prevailing rate (presently 0.10%) of the loan sanctioned on or before the execution of MOA.

5.2 The Borrower shall furnish his option in regard to 5.1 (Commitment charges or upfront fee) above at the time of execution of MOA, and option once given shall be final and binding on the borrower.

6.0 Additional Interest in case of Delay in Payment/Liability towards Additional Charges/Costs etc

6.1 In the event of the interest or the principal not being paid to the Corporation by the Borrower on the due date as indicated in the foregoing clauses, the Borrower shall pay to the Corporation additional rate of interest of 2.0% over and above the rate of interest mentioned in para 2.1 ante at which the loan is disbursed/reset, which will be compounded on quarterly basis.


  
**S. VIVEKANAND, IRAS**

DIRECTOR (FINANCE)

THE SINGARENI COLLIERIES CO. LTD.

(A Government Company)

KOTHAGUDEM - 507 101.

  
**B. RAMESH KUMAR**

Director (Planning & Projects)

The Singareni Collieries Co. Ltd.,

KOTHAGUDEM.

- 6.2 The additional interest charged from borrowers shall be subject to the rebate of different rates, provided the repayment of dues is received in the following manner:
- In case the payment is received within one month of the date on which the repayments become due, 50% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate;
  - In case the payment is received within two months of the date on which the repayments become due, 30% of the additional interest due from the date of default till the date of receipt shall be allowed as rebate;
  - In case the payment is received within three months of the date on which the repayments become due, 10% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate; and
  - No rebate shall be given in additional interest in case of default of over three months.

6.3 The Borrower shall pay on demand all costs, charges, expenses, losses, applicable taxes, statutory duties and other money that may be incurred by the Corporation, in connection with remittance/receipt of moneys to or to the order of or from the borrower, or in connection with protecting and/or enforcing the rights of the Corporation under the Memorandum of Agreement and/or Guarantee Deed and/or any other document for the loan in question. The decision of the Corporation with regard to the amount/loss incurred on these, shall be final and binding on the Borrower.

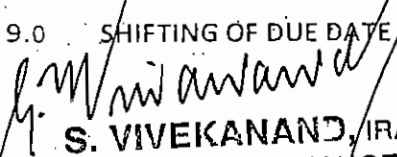
7.0 APPROPRIATION OF AMOUNT PAID BY THE BORROWER:


- 7.1 The money paid by the Borrower shall be appropriated in the following order:
- Costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys;
  - Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys;
  - Additional Interest;
  - Commitment Charges;
  - Interest/ tax if any;
  - Repayment of principal in the order of the occurrence of the dues; and lastly;
  - Prepayment of principal.


8.0 ALL PAYMENTS TO BE REALISABLE AT PAR IN NEW DELHI:

- 8.1 The Borrower shall so arrange that the amount due and payable to the Corporation are realizable by the corporation at par on the due date of the relevant payments in New Delhi. The Corporation shall prefer and encourage the borrowers to make payments of the dues through e-payment system, in specified Bank Account(s) of the Corporation, as may be notified from time to time.

9.0 SHIFTING OF DUE DATE OF PAYMENT OF INSTALMENT:

  
**S. VIVEKANAND**, IRAS  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO. LTD.,  
 (A Government Company)  
 KOTHAGUDEM - 507 101.

  
**B. RAMESH KUMAR**  
 Director (Planning & Projects)  
 The Singareni Collieries Co. Ltd.,  
 KOTHAGUDEM.

  
**D. THIAPLIYAL**  
 By Manager (Law)  
 पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
 "ऊर्जाविधि" 1, बाराखंबा लेन, कर्नाट प्लेस,  
 "URJANIDHI" 1, Barakhamba Lane, Connaught Place,

9.1 In case the standard due date falls on a bank holiday (at the Corporation's bank at New Delhi), the due date shall be shifted to the immediately following bank working day.

10.0 MAINTENANCE OF ACCOUNTS AND AUDIT:

10.1 The Borrower shall maintain proper accounts and other records and prepare annual accounts including the profit and loss account and the balance sheet in the forms and manner prescribed under the applicable Act/Regulations. The Borrower shall furnish to the Corporation the un-audited annual accounts, within three months and audited accounts within seven months of the close of the year to which the accounts relate.

11.0 TRANSFER AGREEMENTS IN CASE OF STRUCTURING OF SEBs/State Power Utilities :  
(Not applicable)

12.0 GUARANTEES & SECURITIES:

12.1 CHARGE ON ASSETS:

- I. The loan together with all interest (including additional interest), costs, expenses, losses, applicable taxes, statutory duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of SCCL by an exclusive first charge by way of hypothecation in favour of the Corporation of all movable fixed assets including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site, present and future, of SCCL and Exclusive Second charge by way of mortgage on all immovable fixed assets of SCCL, present and future (GOI currently holds exclusive first charge on the immovable fixed assets);

On complete repayment of existing GOI loan, the Corporation shall have exclusive first charge on the project assets, movable and immovable.

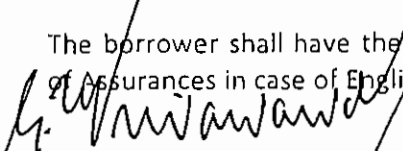
The Borrower shall make out good marketable title to its properties to the satisfaction of the Corporation and comply with all such formalities as may be necessary or required for the said purpose.

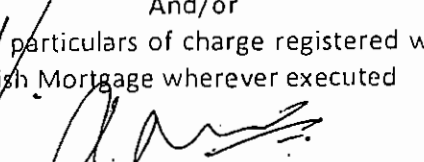
- II. Creation of additional security: The Borrower undertakes that if, at any time during the subsistence of this Agreement, the Corporation is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loans then outstanding, the Borrower shall provide and furnish to the Corporation additional security as may be acceptable to the Corporation to cover such deficiency.

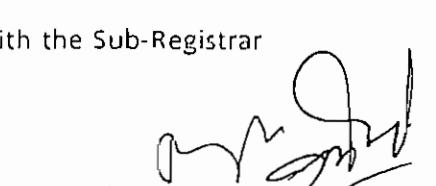
- III. Registration of charge: The Borrower shall have the particulars of charge registered with the Registrar of companies (ROC) as per the Companies Act within stipulated time, and shall submit a certificate from the ROC certifying the registration of charge.

And/or

The borrower shall have the particulars of charge registered with the Sub-Registrar of Assurances in case of English Mortgage wherever executed

  
**S. VIVEKANAND, IRAS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
(A Government Company)

  
**B. RAMESH KUMAR**  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.,  
KOTHAGUDEM

  
एन. डी. थपलियाल / D. THAPLIYAL  
उप प्रबन्धक (निधि) / Dy. Manager (Law)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जा निधि" 1, बाराकदा लेन, कर्नाट प्लेस,

- 12.2 The borrower shall open an escrow account for the entire pendency of the loan with the prescribed coverage ratio (presently 1.1 times) applicable in case of SCCL to the satisfaction of the Corporation.
- 12.3 In cases, where the borrower fails to create all securities as per terms of sanction by the stipulated date, the Corporation shall charge additional interest on loan at prevailing rate (presently 1% p.a.). The additional interest shall, however, not be charged in case substantial security for the loan has been created. Substantial security is defined as:
  - Mortgage of at least 80% of land necessarily including main plant land and
  - Creation of all other securities as per terms of sanction

In case the disbursement against the loan increases beyond 75% of the loan amount and entire security as per terms of sanction has still not been created, additional interest shall be levied on the amount outstanding, from the date the disbursement against the loan exceeds 75% limit.

**13.0 UTILISATION OF LOAN AND COMPLETION OF PROJECT:**

- 13.1 The Borrower shall ensure that the equipment/materials for which the loan is obtained from the Corporation are utilised for the implementation of the project.
- 13.2 The Borrower shall not raise borrowings from any other sources for meeting the cost of equipment/materials/works financed through this loan.
- 13.3 The Borrower shall take all necessary steps to ensure that the project is completed as envisaged in the manner and according to the time schedule envisaged, i.e. 1<sup>st</sup> December 2014 or such other date as may be agreed to by the Corporation.
- 13.4 The procurement by the borrower for various equipment/material/work/studies being fully/partially financed by the Corporation loan shall generally be done in accordance with the borrower's standard procurement procedure or as may be applicable by the International Financial Institution whose loan proceed may be intended to be availed under the loan.

**14.0 DRAWAL OF LOAN:**

- 14.1 The Borrower shall before the disbursement of the loan sanctioned, furnish to the Corporation a schedule in the prescribed form containing complete details of the equipment/materials ordered/supplied and/or civil/erection work completed/ to be completed for which the payments are required to be made or to become due.
- 14.2 The Borrower shall have to submit its application for drawl of the loan duly supported by the certificates and documents as required by the Corporation.
- 14.3 The loan shall be disbursed according to the disbursement procedure of the Corporation, as modified/amended from time to time and/or as mutually agreed. Normally, disbursement will be made on the basis of the standard equipment/materials ordered/supplied as required for the completion of the project/programme and payment for these equipment/materials becoming due by

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**B. RAMESH KUMAR**  
Director (Planning & Projects)  
The Singareni Collieries Co. Ltd.

एन. सी. थामसियाल / N. S. THAMSIYAL  
रूप प्रबन्धक (वित्त) / Director (Finance) (aw)  
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
"ऊर्जाविधि" 1, बाराखवा लेन, कर्नाट जेस.  
Page 5 of 9

the Borrower to the supplier(s) concerned and also in respect of the civil/erection works completed/to be completed for implementation of project/programme through any agency(ies) engaged for the purpose.

- 14.4 For specific type of loans or sub-projects or loan arrangements tailor made disbursement/reimbursements procedures would be evolved in consultation with the Borrower and shall be followed on both sides.
- 14.5 If desired by the Borrower, the Corporation may make an advance payment as per the disbursement procedure of the Corporation on completion of necessary loan documents. (The certificate/proof, as may be needed by the Corporation, in regard to utilisation of advance will be submitted by borrowers normally within six months of the drawl or in such a time frame as agreed to by the Corporation).
- 14.6 The Corporation shall not be liable for any charge whatsoever for which the Borrower may become liable due to delayed payment in respect of the equipment/materials ordered/supplied or in respect of civil/erection works executed through the agency(ies) engaged.
- 14.7 The borrower shall draw the loan as per drawl schedule and the closing date of loan shall be 31<sup>st</sup> May 2015 or such other date as may be agreed to by the Corporation.
- 14.8 Claims for expenditure incurred from 21<sup>st</sup> February 2011 will be admissible against this loan.

#### 15.0 SUPERVISION AND MONITORING:

- 15.1 The Corporation would monitor the progress of project/scheme financed by it. In this respect:
- a) The Borrower shall furnish to the Corporation such reports on its working, either in general or in specific relation to this loan, in the manner as may be prescribed by the Corporation from time to time.
- b) The Borrower shall furnish periodic progress reports on the formats, as defined by the Corporation, on the utilization of this loan and on the physical progress of the project/programme from time to time.
- c) The Borrower shall furnish a completion report on the successful completion of the project within 6 (six) months of the commercial operation of the projects/schemes as per format prescribed by the Corporation.
- d) The Borrower shall provide full co-operation and access to the officials of the Corporation for monitoring through visits to Project related sites, store as well as the Head Quarters of the borrower. The borrower shall also provide documents as may be deemed necessary for assessing the physical as well as financial progress of the project.

*S. Vivekanand*  
**S. VIVEKANAND, IRAS**  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO. LTD.,  
 (A Government Company)  
 KOTHAGUDEM - 507 101.

*B. Ramesh Kumar*  
**B. RAMESH KUMAR**  
 Director (Planning & Projects)  
 The Singareni Collieries Co. Ltd.,  
 KOTHAGUDEM.

*J. M. Anand*  
**J. M. ANAND**  
 Joint Managing Director  
 The Singareni Collieries Co. Ltd.,  
 KOTHAGUDEM.

श्री जी. मधुसूदन / श्री जी. मधुसूदन  
 उपाध्यक्ष (वित्त) / उपाध्यक्ष (वित्त)  
 सिंगरेनी कोलरिज कंपनी लि. / सिंगरेनी कोलरिज कंपनी लि.  
 "कजानिधि" 1, बाराखम्बा लेन, कनौट प्लेस,  
 "URJANIDHI" 1, Barakhamba Lane, Connaught Place,



e) It would be open to the corporation to depute its officers and other staff/nominees for inspection of the matters relating to this loan and its purposes and the inspecting staff shall have access to such books, records and stores of the Borrowers as will be deemed necessary by the inspecting staff/ nominees. The Borrower shall allow all facilities to the inspecting officers/ nominees for the purpose of carrying out such inspection and render such explanation or elucidation as may be required by the Corporation and/or its nominees and allow the taking of any copies of/or extracts therefrom.

In case the Corporation is not satisfied with the progress of the project/scheme financed or the utilisation of financial assistance provided, it may resort to remedial measures as stipulated in the clause DEFAULT hereunder.

16.0 State Govt. Loan/Budgetary Support

- i) The Borrower shall not make/adjust the payment of interest or repayment of State Govt. loans due to it until such time that the liability in regard to payment of interest and repayment of loan due up to date to the Corporation is fully paid.
- ii) The loan from the Corporation shall be in addition to the State's budgetary support committed for the project as per the approved annual plan provision.

17.0 DEFAULTS:

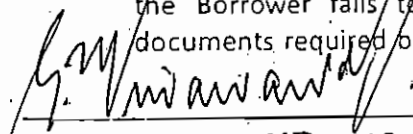
17.1 In case it is found to the satisfaction of the Corporation, which shall be final and not questioned, that the amount already disbursed has not been properly and effectively utilised by the Borrower for the project/programme and/or the progress achieved in the implementation of the project/programme or compliance of any of the condition(s) of this loan is considered to be not satisfactory, the Corporation shall have absolute discretion at any time to suspend, reduce, cancel, recall, alter or delay disbursement of said loan and/or instalments in any manner and may decline to disburse any and/or all the remaining instalments without assigning any reason thereof, to the Borrower and without being liable for any losses or damages.

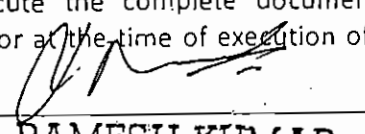
17.2 If the Borrower defaults in the payment of principal or interest or any other payment required under the loan agreement, the Corporation, at its option, may by notice to the Borrower and to the guarantor declare the principal of the loan then outstanding to be due and payable immediately together with the interest and other charges thereon, and on such declaration such principal, together with the interest and other charges thereon, shall become due and payable immediately.

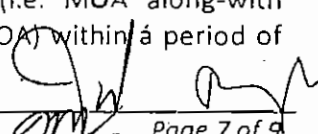
17.3 In case of default in payment of dues such as principal, interest etc, as the case may be, for loan, the Corporation shall have the right to disclose the name/details of the borrower/loan etc. to CIBIL or RBI or any such authority.

18.0 VALIDITY PERIOD OF SANCTION:

18.1 The sanction of loan accorded in terms of the sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e. MOA along-with documents required before or at the time of execution of MOA) within a period of

  
**S. VIVEKANAND, IRAS**  
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**B. RAMESH KUMAR**  
 Director (Planning & Projects)  
 The Singareni Collieries Co. Ltd.,  
 KOTNAGUDA.

  
 एन. डी. अणलि  
 उपा प्रबन्धक  
 मावर फाइनेंस कॉर्पोरेशन लि. / एन.डी.ए.ए.  
 "ऊर्जाविधि" 1, बाराखंडा रोड, कर्नाट प्लेस,  
 कोलकाता-700017

six months from the date of sanction letter. The Corporation may, in exceptional cases, agree to extend the aforesaid period of six months, for such further period as it may deem appropriate if the Borrower makes an application to the Corporation before expiry of initial six-month period, duly supported by the reasons for such extension.

**19.0 SALE/ TRANSFER/ ABANDONING OF THE PROJECT BY THE BORROWER**

19.1 a) The Borrower must be and continue to be the owner and in physical possession of the project at the time of execution of Memorandum of Agreement, disbursement of each installment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.

b) The Borrower shall not sell/transfer or abandon the project at any stage in any manner without prior written consent of the Corporation. In case at any stage or on a future date, the project is proposed to be transferred to any other organisation or to be abandoned, the borrower shall seek prior consent of the Corporation before any such transfer is affected and in such case, the Corporation reserves the right to recall the loan with all outstanding dues including prepayment premium as applicable from time to time.

**20.0 MISCELLANEOUS PROVISIONS :**

20.1 The Borrower shall be bound to follow and give effect to all instructions/ recommendations of the Corporation.

20.2 The said loan shall also be subject to such further terms and conditions as may be laid down in the form of agreement to be executed by the Borrower.

20.3 Notwithstanding the various terms and conditions herein above mentioned the Borrower has been given a copy of the Operational Policy Statement (OPS) of the Corporation and amendments/ modifications thereto, for such financial assistance or assistances, and the Borrower is fully aware of the various terms and conditions set out therein which shall apply mutatis-mutandis to this loan as if fully set forth herein and all the provisions set out in the OPS shall be binding on the borrowers. Further the Borrower shall also take note of and comply with any change/revision/modification amendments/instructions that may be made subsequently and notified by the Corporation.

20.4 The borrower shall during the currency of loans bear all such imposts, duties and taxes or any other charges as may be levied from time to time by the Government or other authority.

**21.0 SPECIAL CONDITIONS**

**21.1 PRE- COMMITMENT CONDITIONS**

1. SCCL shall submit an undertaking that the approval of APERC to the proposed capital expenditure would be obtained and the same submitted to PFC.
2. SCCL shall submit an undertaking that any response from APERC in regard to proposed capital expenditure in the project would be intimated to PFC in due course.

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**B. RAMESH KUMAR**  
 Director (Planning & Projects)  
 The Singareni Collieries Co. Ltd.,

एन. डी. थपलियाल / N. D. THAPLIYAL  
 उप प्रबन्धक (दिधि) / Dy. Manager (Law)  
 रावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.  
 "कृत्तविति" 4 बाराखंबा ब्लेन कर्नाट ज्येस

Government of India  
Ministry of Coal  
O/o the Nominated Authority

World Trade Tower, New Delhi

Office of the nominated authority constituted under section 6 of the Coal Mines (Special Provisions) Act, 2015.

**Allotment order under clause (c) of sub-rule (2) of rule 7 and sub-rule (1) of rule 13**

In re: **Naini Coal Mine** (the "mine") particulars of which is specified in **Annexure I**

Order no: 103/21/2015/NA

Date: August 13, 2015

In favour of: **The Singareni Collieries Company Limited** incorporated in India under the Companies Act, 1956 with corporate identity number U10102AP1920SGC000571, whose registered office is at Kothagudem Collieries, Khanaman-District, Andhra Pradesh-507101, India (the "Allottee")

For utilisation in: End Use Plant situated at Village: Pegadapally, Mandal: Jaipur, District: Adilabad, State: Telangana- 504216, as more particularly described below (the "End Use Plant")

| S. No. | Name of Specified End Use Plant | Address   | Configuration | Capacity |
|--------|---------------------------------|---|---------------|----------|
| 1      | Singareni Thermal Power Project | Village: Pegadapally,<br>Mandal: Jaipur,<br>District: Adilabad,<br>State: Telangana- 504216 | 3 X 600 MW    | 1800 MW  |

\*MW stands for Mega Watt

WHEREAS, the nominated authority has, in accordance with the provisions the Coal Mines (Special Provisions) Act, 2015 (the "Act") and the Coal Mines (Special Provisions) Rules 2014 (the "rules") conducted the allotment of the relevant Schedule I coal mine:

AND WHEREAS the allottee is eligible to receive this allotment order with respect to the mine, including, inter-alia -

- (a) the coal bearing land acquired by the prior allottee and the lands, in or adjacent to the coal mines used for coal mining operations acquired by the prior allottee and

(b) any existing mine infrastructure as defined in clause (j) of sub-section (1) of section 3 of the Act;

AND WHEREAS the allottee has furnished a performance bank guarantee dated April 13, 2015 for an amount equal to INR 1,76,32,00,000 (Indian Rupees One Hundred Seventy Six Crore and Thirty Two Lakh), issued by State Bank of Hyderabad in accordance with the allotment document and in accordance with the provisions of sub-section (6) and sub-section (12) of section 8 of the Act;


AND WHEREAS the allottee has entered into an Allotment Agreement dated March 30, 2015 (as amended) with the nominated authority in accordance with the provisions of sub-rule (5) of rule 13.

NOW, THE NOMINATED AUTHORITY DOES ORDER:

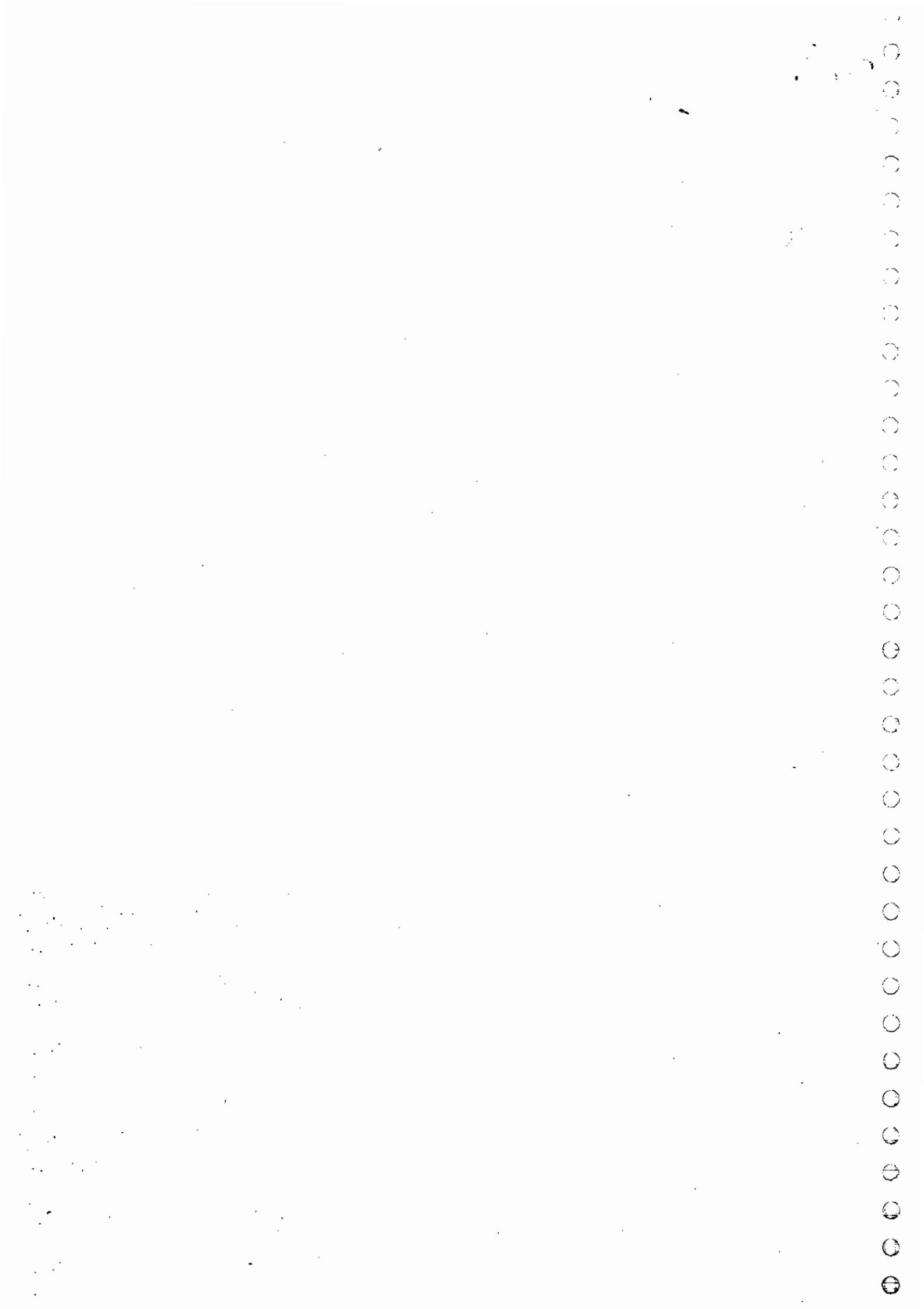
1. On and from August 13, 2015 ("allotment date") and in accordance with sub-section (4) of section 8 read with sub-section (12) section 8 of the Act, with respect to the mine, the following shall stand fully and absolutely transferred and vested in the allottee, namely, -
  - (a) all the rights, title and interest of the prior allottee in and over the land and mine infrastructure free from all encumbrances;
  - (b) entitlement to a mining lease to be granted by the State Government with the terms and conditions of the Allotment Agreement forming a part of it on making an application;
  - (c) all statutory licences, permits, permissions, approvals or consents as per rules, required to undertake coal mining operations in the mine, if already issued by the Central Government, to the prior allottee on the same terms and conditions as were applicable to the prior allottee, as listed in the **Annexure 2**;
  - (d) entitlement to any statutory licence, permit, permission, approval or consent required to undertake coal mining operations in the mine, if already issued by the Central Government, to the prior allottee on making an application on the same terms and conditions as were applicable to the prior allottee, as listed in the **Annexure 3**;
  - (e) entitlement to any statutory licence, permit, permission, approval or consent required to undertake coal mining operations in the mine, if already issued by the State Government, to the prior allottee on making an application on the same terms and conditions as were applicable to the prior allottee, as listed in the **Annexure 4**;
  - (f) rights appurtenant to the approved mining plan of the prior allottee;
  - (g) any subsisting contract in relation to coal mining operations, to which the prior allottee was a party and which is assumed, adopted and continued by the Allottee and listed in the **Annexure 5** shall stand novated (by virtue of a deemed consent from the relevant party(ies)), in accordance with the

provisions of sub-section (1) of section 11 of the Act in favour of the allottee for the residual term or residual performance of such contract

- 2. The Allottee may seek any change in the terms and conditions attached to such licence, permit, permission, approval or consent by making an application in accordance with applicable laws;
- 3. Hereinafter, the Allottee shall be entitled to take possession of the mine as specified in Annexure-1 without let or hindrance;
- 3. This allotment order is liable to be cancelled in accordance with the provisions of sub-rule (6) of rule 13.

*Hirek Bhargava*  


(By the nominated authority)



केन्द्रीय विद्युत प्राधिकरण  
Central Electricity Authority  
तापीय आयोजना एवं अन्वेषण प्रभाग  
TP&I DIVISION

Telefax-26106169



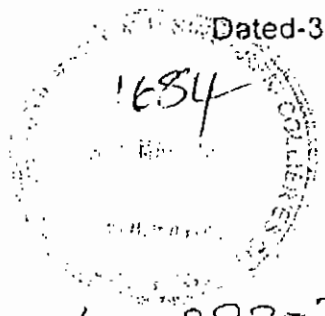
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9वां तल, सेवा भवन, आर.के.पुरम, नई दिल्ली-110066 (आई.एस.ओ. 9001:2000 प्रमाणित)  
9th Floor Sewa Bhavan, R.K. Puram, New Delhi - 110 066  
Email : cetpicea@nic.in

No-167/GC/BO/CE (TPI)/CEA/2015 / 667

Dated-31/03/2015

To,  
The Managing Director  
Singareni Collieries Company Ltd.  
Singareni Bhavan, Red Hills,  
P O Khairatabad,  
Hyderabad - 500 004



Fax No. ~~08744-242305~~ 040-23307653

Subject- Status of development of Captive Coal blocks and End Use Thermal Power Plants.

Sir,

The following Coal block has been allotted to your organisation under section of Coal mines (Special provision) Rules, 2014.

- 1 Naini

In order to avoid duplicacy of work it is requested that a copy of the Quarterly Status Report of development of captive coal block for power generation as submitted to Ministry of Coal, may also be forwarded to CEA addressed to Chief Engineer (TP&I). Here it also may be mentioned that MOC has prescribed various milestone for development of Schedule -II coal Blocks / Mines for adherence. Monthly status report of the same may also be forwarded to us in prescribed Proforma (copy enclosed).

In addition to above, the details and status of development of the Thermal Power Plant (s) linked with coal block may also be submitted in the enclosed proforma at the earliest and the same may be furnished quarterly by 10th of next month ending the quarter to this office. All the above mentioned status reports may also be sent through email in editable mode to cetpicea@nic.in.

Thanking you

Encls: As above

Yours faithfully,

*(N.S.Mondal)*  
31/3/2015  
(N.S.Mondal)  
Director

Tel- 011 26107990

ED (Power projects)  
Hyd

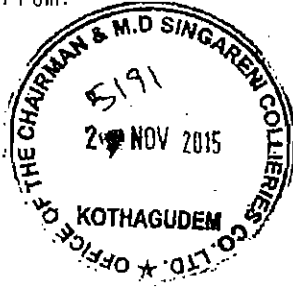
G.O. (G.E. (BD))  
No. 24-3  
Date: 1/4/15

G.M. (BD)

*Handwritten notes and signatures:*  
Chandra  
to 2015  
Gen. E.P.P.  
Naini (The 0280)  
Encl. (1) (177)  
Smt. (1) (177)  
Naini







No. 23021/3/2015-CPD  
Government of India  
Ministry of Coal

Shastri Bhawan,  
New Delhi the 27<sup>th</sup> November, 2015

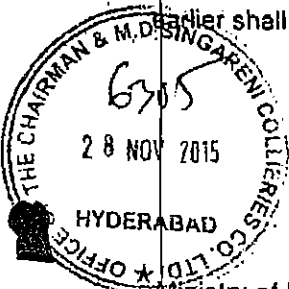
**OFFICE MEMORANDUM**

Sub: "In principle" approval for grant of "Bridge Linkage" (Tapering Linkage) to power plants of Central PSE or State Government which have been "allotted" coal blocks under Government dispensation route-reg.

The proposal for grant of "Bridge Linkage" (Tapering Linkage) to power plants of Central PSE or State Government that have been "allotted" coal blocks under Government dispensation route has been examined in the Ministry and the Competent Authority has accorded "In principle" approval for grant of "Bridge Linkage" (Tapering Linkage) to such power plants of Central PSE or State Government that have been "allotted" coal blocks under Government dispensation route. 'Bridge Linkage' shall act like a short term linkage to bridge the gap between requirement of coal by a TPP and the start of production from the linked coal block. These shall be given only for Schedule -III coal blocks where development of blocks may take time.

2. The issue of grant of Tapering Linkages to TPPs under Central/State/Public Sectors Units was earlier placed before the meeting of the Standing Linkage Committee (Long-Term) held on 17.07.2015. The Committee had recommended that MoP may furnish a comprehensive recommendation covering requirement of tapering linkages and associated year-wise quantities for all such plants including those of NTPC, SCCL and State Government Gencos etc.

3. In view of the above, MoP is requested to furnish the Plant-wise requirement of coal under Bridge Linkage (Tapering Linkage) for the next five years, so that an overall assessment of requirement of coal can be made. Piecemeal recommendations of MoP received earlier shall be considered when received as part of above comprehensive proposal.



27/11/2015  
(Pillai Ravi Kumar)

Under Secretary to the Govt. of India

Ministry of Power,  
(Kind Attn: Sh. A.K. Singh, Joint Secretary),  
Shram Shakti Bhawan, New Delhi.

Copy to:

- (i) Chairman-cum-Managing Director, Coal India Limited, Coal Bhawan, New Town, Rajarhat, Kolkata -700156.
- (ii) Chairman-cum-Managing Director, Singareni Collieries Company Limited, Singareni Bhawan, P.B. No. 18, Red Hills, Khairatabad P.O., Telangana State, Hyderabad-500004.
- (iii) Director (Marketing), Coal India Limited, Coal Bhawan, New Town, Rajarhat, Kolkata -700156

DIR(CP)





THE SINGARENI COLLIERIES COMPANY LIMITED  
(A Government Company)  
Power Projects Division

Ref.No: HYD/PPD/5-50/15/232

Dt: 04/07/2015

06

To  
The Additional Secretary &  
Chairman (SLC – Long Term)  
Ministry of Coal,  
Shastri Bhavan,  
**NEW DELHI – 110 001**

Sir,

Sub: Request for allocation of Tapering Coal linkage for 2X600 MW (Stage-I) of SCCL TPP (STPP) located at Pegadapalli (V), Jaipur (M), Adilabad District, Telangana – Reg.

- Ref: 01. SCCL Lr. No. HYD/PPD/5-50/13/505, Dt. 07.12.2013.  
02. Lr. No. 23021/35/2013-CPD, Dt. 24/28.01.2014 from under Secy., to the Govt. of India.  
03. SCCL Lr. No. HYD/PPD/5-50/14/248, Dt. 25.06.2014, 04.07.2014, 25/28.02.2015.  
04. SCCL Lr.No. HYD/PPD/5-50/15/157, Dt. 20.4.2015.  
05. SCCL Lr. No. CMD/PS/H/78, Dt.28.04.2015.  
06. Lr. No. 23021/35/2013-CPD, Dt.21.05.2015 from Director, MoC, Gol.  
07. SCCL Lr. No. CMD/PS/H/124, Dt.20.06.2015.

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The Singareni Collieries Company Limited (SCCL) is a Public Sector Company owned by Govt. of Telangana and Govt. of India in the ratio of 51:49. At present, SCCL has 32 Underground and 16 Opencast operating mines. The Company produced 52.54 Million Tonnes (MT) of coal in the year 2014-15.

SCCL is setting up of 2x600 MW Thermal Power Plant (STPP) at Pegadapalli (V), Jaipur (M), Adilabad District, Telangana which is in advanced stage of construction. Unit-1 of the Project will be synchronized by October 2015 and unit-2 by December 2015.

SCCL has requested to arrange long Term Coal Linkage for 6.13 MT/Annum for 2x600 MW STPP from SCCL mines vide letter cited under Ref (1). Under Secretary to the Govt. of India, Ministry of Coal, New Delhi, vide letter cited at ref (2), has informed that the Standing Linkage Committee (LT) for power, in its meeting held on 31.05.2013, had recommended that receipt of fresh applications for LOAs for power sector to be kept in abeyance for a period of two years. Further, vide letters cited at Ref

75

(3), requests have also been made from SCCL to consider its request for Long Term Coal Linkage as all the activities of STPP are in advanced stage of completion.

Further, this is to bring to your kind notice that as per Allotment Agreement No. IN-DL86293186760591N, executed on 30.3.2015 between Ministry of Coal and Singareni Collieries Company limited, "NAINI" coal block in Odisha state is allocated for SCCL's 2X600 MW TPP and the additional 1X600 MW 3<sup>rd</sup> unit (Stage-II) as end use plant.

This is to submit that vide letters cited at Ref (4) & (5), SCCL requested for allocation of Tapering linkage for its 2X600 MW (Stage-I) and 1X600 MW 3<sup>rd</sup> Unit (Stage-II) coal based Thermal Power plants. The applications were returned by Ministry of Coal vide letter cited at Ref. (6) stating that Standing linkage Committee (LT) for power in its meeting held on 12.03.2015 had recommended that receipt of fresh applications for grant of LOAs from all sectors to be kept in abeyance. SCCL vide letter cited at Ref (7), again requested MoC to consider its request for Long Term Coal Linkage as all the activities of STPP are in advanced stage of completion.

SCCL will be able to supply the coal without affecting the existing FSA / linkage quantity.

As per the notification No.23011/81/2005-CPD dt.28.05.2008 of Ministry of Coal, Gol for allocation of coal an amount of Rs. 5.00 Lakhs vide Demand Draft No. 416545 Dtd.04.07.2015 drawn in favour of "Pay & Accounts Officer, Ministry of Coal" payable at New Delhi is enclosed herewith along with the project details in the prescribed proforma.

As synchronisation of the Project is to take place in October 2015, Coal is required for the Project by September 2015. In view of this, it is requested to arrange Tapering Coal Linkage for 2X600 MW Singareni Thermal Power Project (Stage-I) for a quantity of 6.13 Million Tonnes / annum from SCCL mines..

Yours faithfully

*[Signature]*  
21/7/15  
Director (Electrical & Mechanical)

Encl: As above

Copy submitted to:

The Chief Engineer (TP&I),  
Central Electricity Authority  
9<sup>th</sup> Floor, Sewa Bhavan,  
R.K.Puram,  
New Delhi - 110 016

With a request to arrange to recommend to the Ministry of Coal for necessary coal linkage for the 1x600 MW 3<sup>rd</sup> unit (Stage-II) of Sinagareni Thermal Power Project at Pegadapalli (V), Jaipur (M), Adilabad District, Telangana



ఆంధ్ర ప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH  
 409 5/9/2012 100/-  
 K.V. Surya Mohan  
 K.V. Satyanarayana  
 M/s. BHEL

AT 776314  
 M. Jyothi

M. JYOTHILAXMI  
 Licenced Street Vendor  
 S.V.L.No.59/95, R.L.No. 1004 of 2012  
 Shop No.1, H.No. 145, 62/A  
 Garden Lodging Building,  
 St. Mary's Road, SECUNDERABAD-A.P.  
 Phone.No.9246840239

SCCL 2X600 MW STPP AT PEGADAPALLI (V) DISTT ADILABAD (ANDHRA PRADESH)  
(BOILER TURBINE GENERATOR PACKAGE)  
(First Contract)

REF NO: C1510N0229/Contract (Supply)/4960 Date: 06-09-2012

**CONTRACT AGREEMENT FOR SUPPLIES**

THIS CONTRACT AGREEMENT is made the Sixth day of September, 2012  
 BETWEEN

(1) The Singareni Collieries Company Limited, a company incorporated under the laws of India and having its principal place of business at Head Office, P.O. Kothagudem, Distt: Khammam-507101 (Andhra Pradesh) (hereinafter called "the Employer") and (2) Bharat Heavy Electricals Limited, a company incorporated under the laws of India and having its principal place of business at BHEL House, Asian Games Village, Siri Fort, New Delhi-110049 (hereinafter called "the Contractor")

77

WHEREAS the Employer desires to engage the Contractor to Supply of Plant & Equipment including Mandatory Spares & Type Tests for Boiler Turbine Generator Package for 2x600MW Singareni Thermal Power Project as per Bidding Document Nos. CW-9596-108 & CS-9596-108, subsequent Addendum report/amendments on Technical & Commercial aspects of the Bidding Documents issued and various agreements made thereon ("the Facilities") and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

**NOW IT IS HEREBY AGREED as follows:**

**Article 1,  
Contract  
Documents**

1.1

**Contract Documents (Reference GCC Clause 2)**

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract.

- (a) This Contract Agreement and the Appendices hereto.  
*(other related appendices enclosed at Section A: NOA)*
- (b) Notification of Award bearing reference no: C1510N0229/7857 dated 11.11.2011  
*-Enclosed at Section A: NOA*
- (c) Special Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.  
*-Enclosed at Section B: Tender Specification & Amendments*
- (d) General Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.  
*-Enclosed at Section B: Tender Specification & Amendments*
- (e) Technical Specifications and drawings read in conjunction with Amendments/Clarifications/Errata of Steam Turbine Generator Package for 2x600 MW Singareni Thermal Power Plant comprising following:  
Section VI Part-A & Part-B  
*-Enclosed at Section B: Tender Specification & Amendments*



DIRECTOR (P & P)

**THE SINGARENI COLLIERIES CO. LTD.**

Section VI Part-C & Part-D

*-Enclosed at Section B: Tender Specification & Amendments*

Section VI Part-E

*-Enclosed at Section B: Tender Specification & Amendments*

Section VI Part-F

*-Enclosed at Section B: Tender Specification & Amendments*

- (f) The Bid Proposal Ref. No. BHEL's offer MS-1-08-E-0018, dated 11.11.2010 submitted on 12.11.2010 including Price Schedules, submitted by BHEL, New Delhi

*-Enclosed at Section C: BHEL's Technical Offer*

- (g) Forms and Procedures

*-Enclosed at Section B: Tender Specification & Amendments*

- (h) Integrity Pact (IP) signed between the Employer and the Contractor

1.2 Order of Precedence (Reference GCC Clause 2)

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.

1.3 Definitions (Reference GCC Clause 1)

Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions of Contract

29

**Article 2  
Contract Price  
And Terms of  
Payment**

2.1

**Contract Price (Reference GCC Clause 11)**

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be: -

| Sl. No | Particulars                         | Prices (in Rs. Crores) |
|--------|-------------------------------------|------------------------|
| 1      | Ex-works Price for Main Equipment   | 2532.5915              |
| 2      | Ex-works Price for Mandatory Spares | 129.4868               |
| 3      | Type Test Charges *                 | 23.98416               |
| 4      | Total for First Contract (1+2+3)    | <b>2686.06246</b>      |

(The Ex-Works price of main equipment at Sl No 1 of price table above includes a CIF component of INR 780 Crores)

\* Rates of different Type Tests have been indicated in the Breakup of Type Test charges. Same shall be paid as per actual Tests conducted.

(Total in words - Rupees Two Thousand Six Hundred Eighty Six Crores and Six Lacs Twenty Four Thousand Six Hundred only.)

Note: For details of taxes, duties etc., please refer to NOA as per 1.1 (b) above

2.2

**Terms of Payment (Reference GCC Clause 12)**

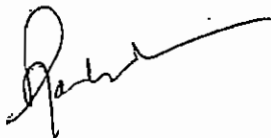
The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in Appendix-1 (Terms and Procedures of Payment) hereto.

**Article 3.  
Effective Date for  
Determining  
Time for  
Completion**

3.1

**Effective Date (Reference GCC Clause 1)**

The Time of Completion of the Facilities shall be determined from the date of Notification of Award i.e. **11.11.2011** provided all of the following conditions have been fulfilled within a reasonable period from the date of said Notification of Award :





- a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor.
- b) The Contractor has submitted to the Employer the Performance Bank Guarantee and the Advance Payment Bank Guarantee within two months from 11.11.2011.
- c) The Employer has paid the Contractor the Initial Advance Payment within two months from 11.11.2011.

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

3.2 If the conditions listed under 3.1(b) & (c) above are not fulfilled within two (2) months from the date of Notification of Award because of reasons attributable to the Employer, the Contract would become effective only from the date of fulfillment of all the above mentioned conditions and, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

3.3 However, if any of the conditions listed under 3.1(b) & (c) above are not fulfilled within two (2) months from the date of Notification of Award because of reasons attributable to the Contractor, the Contract will become effective from the date of Notification of Award. In this case, Contract price and / or time for completion shall not be adjusted.

**Article 4**

It is expressly understood and agreed by and between the Contractor and the Employer that the Employer is entering into this Agreement solely on its own behalf and not on behalf of any other person or entity. In particular it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Employer is an Independent legal entity with power and authority to enter into contracts solely on its own behalf under the

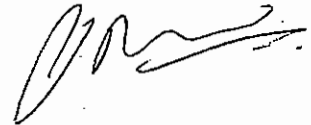




applicable laws of India and the general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Employer is not an Agent, Representative or Delegate of the Govt. of India. It is further understood and agreed that the Govt. of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Agreement.

**Article 5.  
Appendices**

The Appendices listed in the attached list of Appendices shall be deemed to form an integral part of this Contract Agreement.

Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.



IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by for and on behalf of the Employer

(Signature)



(Title) DIRECTOR (P & P)  
THE SINGARENI COLLIERIES CO. LTD.

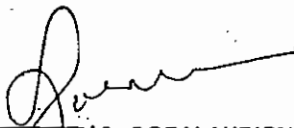
In the presence of 

(M. KARISHNA MOHAN)  
GM (F&A)

  
CH. VENKATREDDY RAO  
GM (Purchase)

Signed by for and on behalf of the Contractor

(Signature)



(Title)

एस. गोपालकृष्णन / S. GOPALAKRISHNAN  
कार्यपालक निदेशक (विपणन) / Executive Director (Mktg.)  
भारत भारी इलेक्ट्रिकल्स लिमिटेड / Bharat Heavy Electricals Ltd.  
बी.एच.ई.एल. हाऊस, सीरी फोर्ट / BHEL House, Sini Fort  
नई दिल्ली - 110 049 / New Delhi - 110 049

In the presence of -----

83

**CONTRACT AGREEMENT**

Dated Sixth day of September, 2012

**BETWEEN**

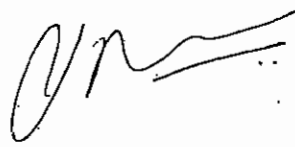

**The Singareni Collieries Company Limited ("the Employer")**

**and**

**Bharat Heavy Electricals Limited ("the Contractor")**

**APPENDICES:**

- Appendix 1 Terms and Procedures of Payment
- Appendix 2 Price Adjustment
- Appendix 3 Insurance Requirements
- Appendix 4 Time Schedule
- Appendix 5 List of Approved Subcontractors
- Appendix 6 Scope of Works and Supply by the Employer
- Appendix 7 List of Documents for Approval or Review
- Appendix 8 Functional Guarantees





ఆంధ్ర ప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH  
 14/11/2012 5/9/2012 100/-  
 K.V. Surya Mohan  
 K.V. Sathya Narayana  
 M/s. BHEL

AT 776316  
 M. Jyothi

M. JYOTHI AKMI  
 Licenced State for  
 S.V.L.No.59/95, R.L.No. 4 of 2012  
 Shop No.1, H.No. 62/A  
 Garden Lodge Building,  
 St. Mary's Road, SECUNDERABAD-A.P.  
 Phone.No.9246840239

SCCL 2X600 MW STPP AT PEGADAPALLI (V) DISTT ADILABAD (ANDHRA PRADESH)  
(BOILER TURBINE GENERATOR PACKAGE)  
(Second Contract)

REF NO: C1510N0229/Contract (Services)/4961 Date: 06-09-2012

**CONTRACT AGREEMENT FOR SERVICES**

THIS CONTRACT AGREEMENT is made the Sixth day of September, 2012

BETWEEN

(1) The Singareni Collieries Company Limited, a company incorporated under the laws of India and having its principal place of business at Head Office, P.O. Kothagudem, Distt: Khammam-507101 (Andhra Pradesh) (hereinafter called "the Employer") and (2) Bharat Heavy Electricals Limited, a company incorporated under the laws of India and having its principal place of business at BHEL House, Asian Games Village, Siri Fort, New Delhi-110049 (hereinafter called "the Contractor")

WHEREAS the Employer desires to engage the Contractor for Inland Transportation, Insurance, Installation, Testing, Commissioning and Guarantee Tests for Boiler Turbine Generator Package for 2X600MW Singareni Thermal Power Project as per Bidding Documents Nos. CW-9596-108 & CS-9596-108, subsequent Addendum report/ amendments on Technical & Commercial aspects of the Bidding Documents issued and various agreements made thereon ("the Facilities") and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

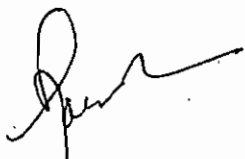
**NOW IT IS HEREBY AGREED as follows:**

**Article 1,  
Contract  
Documents**

**1.1 Contract Documents (Reference GCC Clause 2)**

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract.

- (a) This Contract Agreement and the Appendices hereto.  
*(other related appendices enclosed at Section A: NOA)*
- (b) Notification of Award bearing reference no: C1510N0229/7858 dated 11.11.2011  
*-Enclosed at Section A: NOA*
- (c) Special Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.  
*-Enclosed at Section B: Tender Specification & Amendments*
- (d) General Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.  
*-Enclosed at Section B: Tender Specification & Amendments*
- (e) Technical Specifications and drawings, read in conjunction with Amendments/Clarifications/Errata of Steam Turbine Generator Package for 2x600 MW Singareni Thermal Power Plant comprising following:
  - Section VI Part-A & Part-B  
*-Enclosed at Section B: Tender Specification & Amendments*
  - Section VI Part-C & Part-D  
*-Enclosed at Section B: Tender Specification & Amendments*



## Section VI Part-E

*-Enclosed at Section B: Tender Specification & Amendments*

## Section VI Part-F

*-Enclosed at Section B: Tender Specification & Amendments*

- (f) The Bid Proposal Ref. No. BHEL's offer MS-1-08-E-0018, dated 11.11.2010 submitted on 12.11.2010 including Price Schedules, submitted by BHEL, New Delhi

*-Enclosed at Section C: BHEL's Technical Offer*

- (g) Forms and Procedures

*-Enclosed at Section B: Tender Specification & Amendments*

- (h) Integrity Pact (IP) signed between the Employer and the Contractor

1.2 Order of Precedence (Reference GCC Clause 2)

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.

1.3 Definitions (Reference GCC Clause 1)

Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions of Contract



87

**Article 2  
Contract Price  
And Terms of  
Payment**

**2.1 Contract Price (Reference GCC Clause 11)**

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be: -

| Sl. No | Particulars   | Prices (in Rs. Crores) |
|--------|---|------------------------|
| 1      | Freight for Main Equipment  | 68.2542                |
| 2      | Service Tax (10%) & Education Cess (3%) applicable on 25% of the Freight component for Main Equipment   | 1.7551                 |
| 3      | Freight for Mandatory Spares  | 5.5494                 |
| 4      | Service Tax (10%) & Education Cess (3%) applicable on 25% of the Freight component for Mandatory Spares | 0.1429                 |
| 5      | Erection, Testing & Commissioning including Insurance of Main Equipment & Mandatory Spares.             | 351.7909               |
| 6      | Service Tax (10%) & Education Cess (3%)   | 36.2295                |
|        | Total   | 463.7220               |

(Total in words - Rupees Four Hundred Sixty Three Crores and Seventy Two lakhs Twenty Thousand only)

**Note:** For details of taxes, duties etc., please refer to NOA as per 1.1 (b) above

**2.2 Terms of Payment (Reference GCC Clause 12)**

The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in Appendix-1 (Terms and Procedures of Payment) hereto.





**Article 3.  
Effective Date for  
Determining  
Time for  
Completion**

**3.1 Effective Date (Reference GCC Clause 1)**

The Time of Completion of the Facilities shall be determined from the date of Notification of Award i.e. **11.11.2011** provided all of the following conditions have been fulfilled within a reasonable period from the date of said Notification of Award :

- a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor.
- b) The Contractor has submitted to the Employer the Performance Bank Guarantee and the Advance Payment Bank Guarantee within two months from 11.11.2011.
- c) The Employer has paid the Contractor the Initial Advance Payment within two months from 11.11.2011.

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

**3.2** If the conditions listed under 3.1(b) & (c) above are not fulfilled within two (2) months from the date of Notification of Award because of reasons attributable to the Employer, the Contract would become effective only from the date of fulfilment of all the above mentioned conditions and, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

**3.3** However, if any of the conditions listed under 3.1(b) & (c) above are not fulfilled within two (2) months from the date of Notification of Award because of reasons attributable to the Contractor, the Contract will become effective from the date of Notification of Award. In this case, Contract price and / or time for completion shall not be adjusted.



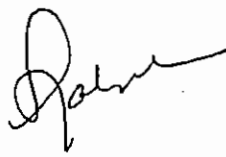
**Article 4**

It is expressly understood and agreed by and between the Contractor and the Employer that the Employer is entering into this Agreement solely on its own behalf and not on behalf of any other person or entity. In particular it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Employer is an Independent legal entity with power and authority to enter into contracts solely on its own behalf under the applicable laws of India and the general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Employer is not an Agent, Representative or Delegate of the Govt. of India. It is further understood and agreed that the Govt. of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Agreement.

**Article 5.  
Appendices**

The Appendices listed in the attached list of Appendices shall be deemed to form an integral part of this Contract Agreement.

Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.



IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by for and on behalf of the Employer

(Signature)

(Title) DIRECTOR (P & P)  
THE SINGARENI COLLIERIES CO. LTD.

In the presence of

(M. KRISHNA MOHAN)  
GM (F&A)

CH. VENKATESWAR RAO  
GM (Purchaser)

Signed by for and on behalf of the Contractor

(Signature)

(Title)

एस. गोपालाकृष्णन / S. GOPALAKRISHNAN  
कार्यपालक निदेशक (विपणन) / Executive Director (Mktg.)  
भारत हेवी इलेक्ट्रिकल्स लिमिटेड / Bharat Heavy Electricals Ltd.  
बी.एच.ई.एल. हाऊस, सीरी फोर्ट / BHEL House, Siri Fort  
नई दिल्ली - 110 049 / New Delhi - 110 049

In the presence of

91

**CONTRACT AGREEMENT**

Dated Sixth day of September, 2012

BETWEEN

**The Singareni Collieries Company Limited ("the Employer")**

and

**Bharat Heavy Electricals Limited ("the Contractor")**

**APPENDICES:**

- Appendix 1 Terms and Procedures of Payment
- Appendix 2 Price Adjustment
- Appendix 3 Insurance Requirements
- Appendix 4 Time Schedule
- Appendix 5 List of Approved Subcontractors
- Appendix 6 Scope of Works and Supply by the Employer
- Appendix 7 List of Documents for Approval or Review
- Appendix 8 Functional Guarantees





ఆంధ్ర ప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

AT 776318

1412 5/9/2012 100/-

M. Jyothu

K.V. Surya Mohan

M. JYOTHU MAXIMA

K.V. Sattiyanaayana

Licence: Vendor

S.V.L.No.59/95, 199-004 of 201

M/S BHEL

Shop No. 149, 62/A

Gardun Building,

St. Mary's Road, SECUNDERABAD-A.P

Phone.No.9246840239

SCCL 2X600 MW STPP AT PEGADAPALLI (V) DISTT ADILABAD (ANDHRA PRADESH)

(BOILER TURBINE GENERATOR PACKAGE)

(Third Contract)

REF NO: C1510N0229/Contract (Civil Works)/4962

Date: 06-09-2012

**CONTRACT AGREEMENT FOR CIVIL WORKS**

THIS CONTRACT AGREEMENT is made the Sixth day of September, 2012

BETWEEN

(1) The Singareni Collieries Company Limited, a company incorporated under the laws of India and having its principal place of business at Head Office, P.O. Kothagudem, Distt: Khammam-507101 (Andhra Pradesh) (hereinafter called "the Employer") and (2) Bharat Heavy Electricals Limited, a company incorporated under the laws of India and having its principal place of business at BHEL House, Asian Games Village, Siri Fort, New Delhi-110049 (hereinafter called "the Contractor")

Page 1 of 8

WHEREAS the Employer desires to engage the Contractor for all Civil, Structural & Architectural Design & Construction works for Boiler Turbine Generator Package for 2X600MW Singareni Thermal Power Project as per Bidding Documents Nos. CW-9596-108 & CS-9596-108, subsequent Addendum report/amendments on Technical & Commercial aspects of the Bidding Documents issued and various agreements made thereon ("the facilities") and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

**Article 1,  
Contract  
Documents**

**1.1 Contract Documents (Reference GCC Clause 2)**

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract.

(a) This Contract Agreement and the Appendices hereto. *(other related appendices enclosed at Section A: NOA)*

(b) Notification of Award bearing reference no: C1510N0229/7859 dated 11.11.2011  
*-Enclosed at Section A: NOA*

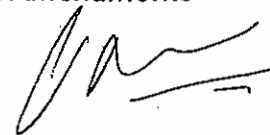
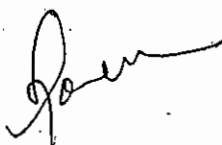
(c) Special Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.  
*-Enclosed at Section B: Tender Specification & Amendments*

(d) General Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.  
*-Enclosed at Section B: Tender Specification & Amendments*

(e) Technical Specifications and drawings, read in conjunction with Amendments/Clarifications/Errata of Steam Turbine Generator Package for 2x600 MW Singareni Thermal Power Plant, comprising following:

Section VI Part-A & Part-B  
*-Enclosed at Section B: Tender Specification & Amendments*

Section VI Part-C & Part-D  
*-Enclosed at Section B: Tender Specification & Amendments*



Section VI Part-E

*-Enclosed at Section B: Tender Specification & Amendments*

Section VI Part-F

*-Enclosed at Section B: Tender Specification & Amendments*

- (f) The Bid Proposal Ref. No. BHEL's offer MS-1-08-E-0018, dated 11.11.2010 submitted on 12.11.2010 including Price Schedules, submitted by BHEL, New Delhi

*-Enclosed at Section C: BHEL's Technical Offer*

- (g) Forms and Procedures

*-Enclosed at Section B: Tender Specification & Amendments*

- (h) Integrity Pact (IP) signed between the Employer and the Bidder/Contractor

1.2 **Order of Precedence** (Reference GCC Clause 2)

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.

1.3 **Definitions** (Reference GCC Clause 1)

Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions of Contract



95

**Article 2  
Contract Price  
And Terms of  
Payment**

2.1

**Contract Price (Reference GCC Clause 11)**

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be: -

| Sl. No | Particulars  | Prices (in Rs. Crores) |
|--------|--|------------------------|
| 1.     | Civil, Structural & Architectural Design & construction works related to Boiler Turbine Generator Package                | 585.8600               |
| 2.     | Service Tax on Composition Basis (4.12%) but excluding Works Contract Tax, Labour Welfare Cess & Royalty for excavation. | 24.1400                |
|        | <b>Total (1+2)</b>   | <b>610.0000</b>        |

(Total in words - Rupees Six Hundred Ten Crores only)

**Note:** For details of taxes, duties etc., please refer to NOA as per 1.1 (b) above

2.2

**Terms of Payment (Reference GCC Clause 12)**

The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in Appendix-1 (Terms and Procedures of Payment) hereto.

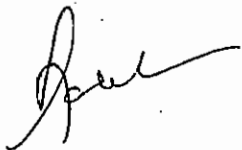
**Article 3.  
Effective Date for  
Determining  
Time for  
Completion**

3.1

**Effective Date (Reference GCC Clause 1)**

The Time of Completion of the Facilities shall be determined from the date of Notification of Award i.e. **11.11.2011** provided all of the following conditions have been fulfilled within a reasonable period from the date of said Notification of Award :

- a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor.





- b) The Contractor has submitted to the Employer the Performance Bank Guarantee and the Advance Payment Bank Guarantee within two months from 11.11.2011.
- c) The Employer has paid the Contractor the Initial Advance Payment within two months from 11.11.2011.

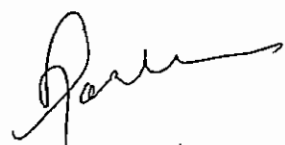

Each party shall use its best efforts to fulfil the above conditions for which it is responsible as soon as practicable.

3.2 If the conditions listed under 3.1(b) & (c) above are not fulfilled within two (2) months from the date of Notification of Award because of reasons attributable to the Employer, the Contract would become effective only from the date of fulfilment of all the above mentioned conditions and, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

3.3 However, if any of the conditions listed under 3.1(b) & (c) above are not fulfilled within two (2) months from the date of Notification of Award because of reasons attributable to the Contractor, the Contract will become effective from the date of Notification of Award. In this case, Contract price and / or time for completion shall not be adjusted.

Article 4

It is expressly understood and agreed by and between the Contractor and the Employer that the Employer is entering into this Agreement solely on its own behalf and not on behalf of any other person or entity. In particular it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Employer is an Independent legal entity with power and authority to enter into contracts solely on its own behalf under the applicable laws of India and the general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Employer is not an Agent, Representative or Delegate of the Govt. of India. It is further understood and agreed that the Govt.

of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Agreement.

**Article 5.  
Appendices**

The Appendices listed in the attached list of Appendices shall be deemed to form an integral part of this Contract Agreement.


Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.



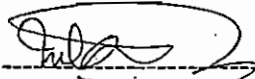
IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.


Signed by for and on behalf of the Employer

(Signature)

(Title)   
DIRECTOR (P & P)  
THE SINGARENI COLLIERIES CO. LTD.

In the presence of

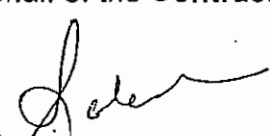
  
(M. KRISHNA MOHAN)  
GM (S&A)

  
CH. VENKATESWAR RAO  
CAO (Purchase)

Signed by for and on behalf of the Contractor

(Signature)

(Title)

  
एस. गोपालाकृष्णन / S. GOPALAKRISHNAN  
कार्यपालक निदेशक (विपणन) / Executive Director (Mktg.)  
भारत हेवी इलेक्ट्रिकल्स लिमिटेड / Bharat Heavy Electricals Ltd.  
बी.एच.ई.एल. हाऊस, सीरी फोर्ट / BHEL House, Siri Fort  
नई दिल्ली - 110 049 / New Delhi - 110 049

In the presence of

99

**CONTRACT AGREEMENT**

Dated Sixth day of September, 2012

BETWEEN

**The Singareni Collieries Company Limited ("the Employer")**

and

**Bharat Heavy Electricals Limited ("the Contractor")**

**APPENDICES:**

Appendix 1 Terms and Procedures of Payment

Appendix 2 Price Adjustment

Appendix 3 Insurance Requirements

Appendix 4 Time Schedule

Appendix 5 List of Approved Subcontractors

Appendix 6 Scope of Works and Supply by the Employer

Appendix 7 List of Documents for Approval or Review

Appendix 8 Functional Guarantees



100

**APPENDIX-1 TO CONTRACT AGREEMENT**

TERMS AND PROCEDURES OF PAYMENT

*In accordance with the provisions of GCC Clause 12 (Terms of Payment), the Employer shall pay the Contractor in the following manner and at the following times, on the basis of the Price Break up approved by the Employer. Payments will be made in Indian Rupees. Application for payment in respect of part deliveries may be made by the Contractor as work proceeds.*

**TERMS OF PAYMENT**

**A Schedule No. 1:**

**Plant and Equipment from Abroad**  
(excluding Mandatory Spares)

**A1. NOT APPLICABLE**

**A2. Ocean Freight and Marine Insurance Charges (excluding Mandatory Spares parts) for equipment and structurals covered above:**

**NOT APPLICABLE**

**B. Schedule No.2:**

**Plant and Equipment**  
(excluding Mandatory Spares and Type Test Charges)

**B1. For Ex-works Price component of Plant and Equipment:**

**(I) Ten Percent (10%) of the total Ex-works price component as Initial Interest Free Advance on:**

(i) Acceptance of Notification of Award.

(ii) Submission of an unconditional Bank Guarantee covering the advance amount which shall be initially kept valid upto (ninety) 90 days beyond the schedule date for Completion of the last Facility covered under the Package. However, in case of delay in completion of the facilities covered under the package, the validity of this Bank Guarantee shall be extended by the period of such delay. The Proforma of Bank Guarantee is enclosed in Section-VII-Bank Guarantee Form for Advance Payment.

(iii) Submission of unconditional Bank Guarantees towards Contract Performance Securities for First, Second and Third Contracts, initially valid upto ninety (90) days after the end of scheduled Defect Liability Period as specified in the Contract. The proforma of Bank Guarantees is enclosed in Section-VII-Form of Performance Security.

(iv) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix-4 to the Form of Contract Agreement and its approval by the Employer.



- 10/
- (II) **Sixty five Percent (65%)** of Ex-works price component of the Contract Price for each identified equipment upon despatch of equipment from manufacturer's works on pro-rata basis on production of invoices and satisfactory evidence of shipment which shall be original Goods Receipt or receipted GR/Rail Receipt including Material Despatch Clearance Certificate (MDCC) issued by the Employer's QA & I representative.
  - (III) **Fifteen Percent (15%)** of Ex-works price component of the Contract Price for each identified equipment on receipt of equipment at site on prorata basis and physical verification and certification by the Project Manager for the equipment received and stored at site.
  - (IV) **Five Percent (5%)** of Ex-works Price Component of the contract price on Completion of the Facilities including all associated auxiliaries and ancillary works for Unit-I & Unit-II and issue of Completion Certificate by the Project Manager for Unit-I & Unit-II. The payments will be made unit wise.
  - (V) **Five Percent (5%)** of Ex-works Price Component of the contract price on successful completion of Guarantee Tests for Unit-I & Unit-II and issuance of Operational Acceptance Certificate by the Project Manager for Unit-I & Unit-II. The payments will be made unit wise.

**Note: For Steam Generator with ESP**

The basis for the pro-rata payments at Sl. No. (II) and (III) above shall be the Billing Break up to be finalised subsequently based on the following guidelines:

The billing break up shall be on weight (tonnage) basis. However, for the items which are generally supplied and billed on item rate basis, the billing break up may be considered on item rate basis.

**Note: For Turbine Generator**

The basis for the pro-rata payment at (II) and (III) above shall be the Billing Break-up to be finalised subsequently based on the following broad guidelines:

The billing break up shall be generally on item rate basis. However, for the items which are generally supplied and billed on weight (tonnage) basis, the billing break-up may be considered on weight (tonnage) basis.

**Note: For Balance system/package**

The basis for pro-rata payment at (II) and (II) above shall be the billing breakup (which shall be generally on item rate basis) to be finalised subsequently.



**Schedule 1 (Not Applicable).**

**Schedule 2 and**

**Schedule 6:**

**Payment Terms for Mandatory Spares**

Ex-works price component of spares shall be paid as under:

- (i) **Seventy five percent (75%)** to be paid on pro-rata basis: upon despatch to site and against production of invoices and shipping documents along with Material Despatch Clearance Certificate (MDCC) issued by Employer's QA & I representative.
- (ii) **Twenty five percent (25%)** of Ex-works price component of the spares to be paid on pro-rata basis on receipt and storage at site and on physical verification and certification by the Project Manager for the spares received and stored at site.

D.

**Schedule No. 3:**

**Local Transportation:**

**All Plant and Equipment including mandatory spares**

Hundred Percent (100%) of Local Transportation charges (including port clearance, port handling and port charges etc., if applicable, and inland transit insurance charges) for the plant and equipment including mandatory spares and also recommended spares (if ordered) shall be paid to the Contractor pro-rata to the value of the equipment/spares received at site and on production of invoices by the Contractor. The aggregate of all such pro-rata payments shall, however, not exceed the total amount identified in the Contract for Local Transportation. However, where item wise local transportation charges (including port clearance, port handling and port charges etc., if applicable, and inland transit insurance charges) have been identified in the Contract, the payment for the same shall be made after receipt of the equipment/spares at site, based on the charges so identified in the Contract.

E.

**Schedule No. 4:**

**Installation Services -**

**(Excluding Civil and Structural works portion)**

- (a) Installation Portion of Plant and Equipment excluding Civil and Structural Works Portion

The total Installation Services component of the Contract Price shall be paid as under:

- (I) **Ten Percent (10%)** of the total installation services component of the Contract Price (excluding Civil and Structural Works Portion) will be paid to the Contractor as interest free advance payment on:
  - (i) Acceptance of Notification of Award.
  - (ii) Establishing their office at site preparatory to mobilisation of their erection establishment.



103

(iii) Submission of an unconditional Bank Guarantee covering the advance amount, which shall be initially kept valid upto ninety (90) days beyond the schedule date for Completion of the last Facility covered under the Package. However, in case of delay in completion of the facilities covered under the package, the validity of this advance Bank Guarantee shall be extended by the period of such delay. The proforma of the Bank Guarantee is enclosed in Section-VII-Bank Guarantee Form for Advance Payment.

(iv) Submission of unconditional Bank Guarantees towards Contract Performance Securities for First, Second and Third Contracts initially valid upto ninety (90) days after the end of scheduled Defect Liability Period as specified in the Contract. The proforma of Bank Guarantees is enclosed in Section-VII-Form of Performance Security.

(v) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix - 4 to the Form of Contract Agreement and its approval by the Employer.

(II) **Eighty Percent (80%)** of the Erection Portion of Installation Services component of Contract Price (excluding civil / structural works) shall be paid on pro-rata basis against progressive erection of the identified equipment (a) on certification by the Project Manager for the quantum of work completed (b) on certification by the Project Manager's field quality assurance & surveillance representative for the successful completion of quality check points involved in the quantum of work.

**Note:** The release of first progressive payment for installation services shall also be subject to submission of documentary evidence by the Contractor towards having taken the insurance policy(ies) in terms of relevant provisions of GCC Clause 34 (Insurance) and acceptance of same by the Project Manager.

(III) **Five Percent (5%)** of Installation services Price Component of the contract price (excluding civil/structural works) on Completion of the Facilities including all associated auxiliaries and ancillary works for Unit-I & Unit-II and issue of Completion Certificate by the Project Manager for Unit-I & Unit-II. The payments will be made unit wise.





- (IV) **Five Percent (5%)** of Installation services Price Component of the contract price (excluding civil/structural works) on successful completion of the guarantee Tests for Unit-I & Unit-II and issue of Operational Acceptance Certificate by the Project Manager for Unit-I & Unit-II. The payments will be made unit wise.

**Note: For Steam Generator with ESP**

The basis for the pro-rata payments at Sl.No. (II) above shall be the Billing Break up to be finalised subsequently based on the following guidelines :

The billing break up shall be on weight (tonnage) basis. However, for the items which are generally supplied, erected and billed on item rate basis, the billing break up may be considered on item rate basis.

**Note: For Turbine Generator**

The basis of progressive pro-rata payment at Sl.No. (II) above shall be the Billing Break up to be finalised subsequently based on the following broad guidelines :

The billing break up shall be generally on stage-wise/item rate basis. However, for the items which are generally supplied erected, and billed on the weight (tonnage) basis, the billing break up may be considered on weight (tonnage) basis.

**F. Schedule No. 4:  
Civil Works**

The Civil Works Price Component of the Contract Price shall be paid as under:

- (I) **Ten Percent (10%)** of the total Civil Works Price component of the Contract Price will be paid to the Contractor as interest free advance payment on:
- (i) Establishment of their office at site, at the earliest, in preparatory to commencement of Civil Works.
  - (ii) Submission of an unconditional Bank Guarantee for an equivalent amount, which shall be initially kept valid upto ninety (90) days beyond the schedule date for successful 'Completion of the Facilities' under the Package. However, in case of delay in completion of facilities the validity of this advance Bank Guarantee shall be extended by the period of such delay.
  - (iii) Acceptance of Notification of Award.




- 105
- (iv) Submission of an unconditional Bank Guarantee towards Contract Performance Security initially valid upto ninety (90) days after the end of Defects Liability Period of all equipment covered under Contract. The proforma of Bank Guarantee is enclosed in Section-VII-Form of Performance Security.
  - (v) In case Deed of Joint Undertaking by the Contractor along with his Collaborator/Associate forms part of the contract then submission of an unconditional Bank Guarantee from such Collaborator(s)/Associate(s) towards faithful performance of the Deed of Joint Undertaking for an amount specified in the deed and valid upto ninety (90) days after the end of Defect Liability Period of all equipment covered under the contract. The proforma of Bank Guarantee(s) shall be as enclosed in Section-VII.
  - (vi) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix-4 to Form of the Contract Agreement and its approval by the Employer.

- (II) Eighty percent (80%)** of the total Civil Works Price Component of Contract Price shall be paid progressively on certification by the Project Manager for the quantum of work completed and by Project Manager's field quality surveillance representative for the successful completion of quality check points involved in the quantum of work billed.

**Note:** The release of first progressive payment for Civil works services shall also be subject to submission of documentary evidence by the Contractor towards having taken the insurance policy(ies) in terms of relevant provisions of GCC Clause 34 (Insurance) and acceptance of same by the Project Manager.

- (III) Five Percent (5%)** of total Civil Works Price component of Contract price shall be paid on completion of Initial Operation of Unit-I & Unit-II and issue of Certificate by the Project Manager for Unit-I & Unit-II. The payments will be made unit wise.
- (IV) Five Percent (5%)** of total Civil Works Price component of Contract price shall be paid on successful completion of the guarantee Tests for Unit-I & Unit-II and issue of Operational Acceptance Certificate by the Project Manager for Unit-I & Unit-II. The payments will be made-unit wise.
- (V)** Secured advance against materials (Cement & Reinforcement Steel) shall be paid to the Contractor on the certificate of Project Manager. The contractor shall be paid material secured advance upto maximum limit of 75% (exact percent of material secured advance shall be decided by Project Manager based on total requirement of Cement and Reinforcement Steel for the complete work and total cost of Civil Construction works as

provided in the Contract) of the cost of Cement & Reinforcement Steel which in the opinion of Project Manager is reasonably required in accordance with the Contract and the same has been brought to site for incorporation in the works and are safeguarded against loss due to any cause whatsoever and stored as per requirement of Technical specification.

Total amount of secured advances against material (i.e., Cement & Reinforcement Steel) payable as per the above provision however, shall not exceed 10% of the cost of total Civil Construction works for cement & 25% of the cost of total Civil Construction works for Reinforcement Steel.

(VI) The material secured advance payment under clause (V) above shall be fully adjusted from the payments due to contractor for the works done against clause (II) above as and when materials are utilised in the same.

(VII) On completion of works as per requirement of specification, if any balance materials (i.e. Cement and Reinforcement Steel) are available in the contractor's store after full adjustment of material secured advance from the payments due under clause (II) above, contractor shall be allowed by the Employer to take out the balance material (Cement & Reinforcement Steel) from the plant.

(VIII) The Contractor store shall be opened, for supervision and verification by the Project Manager or his authorised representatives, at any time, in case he so desires.

Note: For release of payment for supply of cement and steel from the civil contract price (Contract-III), Test Certificate along with Challan, MRC and invoice will be furnished. MDCC for these supplies is not required. This is subject to the maximum payment limits and other terms & conditions as specified in "Term of payment".

G.

**Schedule No. 4:**

**Structural Works ..... included in Civil works.**

H.

**Payment terms for Price Adjustment Amount:**

Any addition due to adjustment to the Contract Price shall be payable in the similar manner as provided in the clauses B, E, F and G above. The price adjustment amount corresponding to advance payment shall be clubbed with the first progressive payment of that equipment. Reduction to the Contract Price, if any, due to price adjustment provisions, shall be effected by recovering 100% of the reduction amount (including advance) from any of the Contractor's bills falling immediately due for payment.

107  
I.

**Schedule - 7:**

**Payment Terms for Taxes & Duties**

100% of applicable Taxes and Duties excluding service tax on type test charge (if applicable) are payable by the Employer under the Contract shall be reimbursed to the Contractor upon dispatch of equipment/spares and on production of satisfactory documentary evidence by the Contractor/Assignee, as applicable.

J.

**Schedule - 8B:**

**(as applicable)**

100% of each Type Test Charges along with service tax (if payable under the contract) shall be paid to the Contractor upon conductance of the corresponding Type Test and Certification by the Engineer thereon.

**PAYMENT PROCEDURES**

The Procedures to be followed in making application for, certifying and making payments shall be as follows:

**1. Payment Schedule/Price Break-up for Payments**

1.1 The Contractor shall prepare and submit to the Employer for approval, a break-up of the Contract Price. The Contract Price break-up shall be interlinked with the agreed detailed PERT network of the Contract setting forth starting and completion dates for the various key phases of the Facilities. However, a drawdown schedule to regulate the flow of funds shall be mutually worked out. Any payment under the Contract, subsequent to Advance payment, shall be made only after the Contractor's price break-up is approved by the Employer. The aggregate sum of the Contractor's price break-up shall be equal to the total Contract Price.

**2. Currency of Payment**

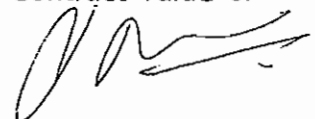
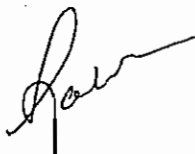
2.1 The Contract Price shall be paid in Indian Rupees only.

**3. Application for Payment**

3.1 The Contractor shall submit the Application for the Payment containing details as per the "Application for Payment" enclosed.

3.2 Each such application shall state the amount claimed and shall set forth in details the order of the Payment Schedule, particulars of the Facilities executed, including Facilities executed at Site and of the equipment shipped/brought on to the Site pursuant to the Contract upto the date mentioned in the application and for the period covered since the preceding certificate, if any.

3.3 Every interim payment certificate shall certify the Contract Value of



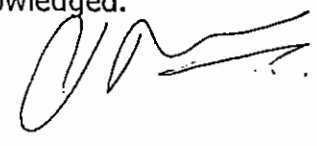
the Facilities executed upto the date mentioned in the application for the payment certificate, provided that no sum shall be included in any interim payment certificate in respect of the Facilities that according to the decision of the Project Manager, does not comply with the Contract or has been performed prematurely as on the date of certificate.

**4. Due Dates for Payment**

- 4.1 (a) The advance payment amount shall be payable after fulfillment of all the conditions laid down in the Terms of Payment (Appendix 1 to the Contract Agreement) and receipt of the Contractor's invoice along with all necessary supporting documents for such advance payment.
- (b) Employer will make progressive payments as and when the payment is due as per the Terms of Payment set forth in Appendix 1 to the first Contract Agreement. Payments for Supply of Equipment, Mandatory spares covered in Schedule 2 shall be made within 10 days of receipt of payment claims from the Contractor. The payment shall be submitted along with pre-dispatch inspection certificates etc as prescribed in the relevant clauses in Appendix 1. However if any adjustments are required on verification of invoices vis-a vis material received, the same shall be done in the immediate following progressive payment claims.
- (c) Progressive payment under Second and Third Contracts will become due and payable by the Project Manager within thirty (30) days from the date of receipt of Contractor's bill/invoice/debit note by the Employer, provided that the documents submitted are complete in all respects. The Contractor shall raise invoice on monthly basis.

**5. Mode of Payment**

The payment of the advance amount, progressive payment for Supply of Equipment, Mandatory spares, Type Test Charges if any, price adjustment amounts, all other supply payments, taxes and duties (wherever admissible) inland transportation (including port handling if any), insurance and the Installation portion of the Facilities shall be made directly to the Contractor by the Employer electronically (RTGS) as per the details of bank account indicated in the contract. RTGS charges shall be to the account of the Employer. In case of any changes to the bank account indicated in the contract, the Contractor shall immediately inform the Employer. The Contractor shall hold the Employer harmless and Employer shall not be liable for any direct, indirect or consequential loss or damage sustained by the Contractor on account of any error in the information or change in bank details provided to the Employer in the prescribed form without intimation to Employer duly acknowledged.



### Details for remitting funds through e-mode

|                       |  |
|-----------------------|--|
| Name of Company       | Bharat Heavy Electricals Limited   |
| Status                | Public Sector Company  |
| Permanent Account No: | <b>AAACB4146P</b>  |
| Address               | BHEL House<br>Sirifort, New Delhi - 110049<br>26001095/ 26001067 (phone & fax)   |
| Bank Account Detail   | State Bank of India, CAG Branch<br>New Delhi-110001<br>Branch Code: 09996<br>Cash Credit Account No. 10813608636<br>IFSC Code: SBIN0009996<br>MICR Code: 110002201<br>Swift: SBININBB172 |

SCCL shall furnish the details of the payment released to BHEL in the following format:

#### Details required from customer for accounting of collections

| Date of authorization of payment | Bank | Project | Bill No./ Inv no. | Bill Date | Amount Paid | Deductions made, if any | Reasons for deduction made |
|----------------------------------|------|---------|-------------------|-----------|-------------|-------------------------|----------------------------|
|                                  |      |         |                   |           |             |                         |                            |

These details shall be emailed to following persons in BHEL:

Shri S S Rao  
Accounts Officer  
BHEL Corporate Finance  
Email: [ssrao@bhel.in](mailto:ssrao@bhel.in)

Ms Mamta Makhija  
Deputy General Manager  
BHEL Corporate Finance  
[finmm@bhel.in](mailto:finmm@bhel.in)

Mr Sunil Gupta  
Sr. Engineer  
PS Marketing  
[sgupta@bhel.in](mailto:sgupta@bhel.in)

#### Arrangement of Essentiality Certificate:

BHEL units shall directly forward the request for the Essentiality Certificate in the standard format. SCCL shall arrange to issue the necessary Essentiality Certificate within the stipulated time.



**FORM OF APPLICATION FOR PAYMENTS**

Project

Equipment

Package Name of

Contractor

Contract Value

Unit Reference To.

Date

Contract No.

Contact Name

Application  
Serial Number

\_\_\_\_\_  
(Name of Employer)

Dear Sir

**APPLICATION FOR PAYMENT #**

1. Pursuant to the above referred Contract Agreement dated ..... the undersigned hereby applies for payment of the sum of ..... (Specify amount and currency in which claim is made).

2. **The above amount is on account of** : (check whichever applicable)

Advance payment (Schedule \*\*)

Progressive payment against despatch of equipment (Schedule \*\*)

Progressive payment against despatch of mandatory spares (Schedule \*\*)

Progressive payment against receipt of equipment (Schedule \*\*)

Progressive payment against receipt of mandatory spares (Schedule \*\*)



Progressive payment against Erection (Schedule \*\*)

Payment against Inland transportation (Schedule \*\*) including inland transit Insurance

Payment against Taxes & duties (Schedule\*\*)

Payment against Price adjustment (Schedule \* \*)

Extra work not specified in contract (Ref. Contract change order No.....)

Others (specify).....

Final payment (Schedule \*\*) as detailed in the attached schedule(s) which form an integral part of this application.

3. The payment claimed is as per item(s) No (s) ..... of the payment schedule annexed to the above mentioned Contract.

4. The application consists of this page, a summary of claim statement (Schedule \*\*), and the following signed schedules

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

The following documents are also enclosed :

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

Signature of Contractor/ authorised Signatory

\* Application for payment will be made to 'Project Manager' specified in the contract.

# Separate applications are to be prepared for claims in different currencies.

\*\* Proforma for the Schedules is as per mutual discussion & agreement between BHEL & SCCL.



**APPENDIX-2 TO CONTRACT AGREEMENT****PRICE ADJUSTMENT****Price Variation Indices & Coefficients**

The Price variations coefficients are submitted as follows to be used in the PVC formula furnished to BHEL vide Appendix-2 of Section VII of Tender Specifications. The material indices published by the Office of the Economic Adviser to the Government of India, Ministry of Commerce and Industry shall be used by BHEL. The base year for the indices is 2004-05=100. For Labour, All India Consumer Price Index for Industrial Workers (All India Monthly Average) published by labour Bureau, Simla, Government of India, shall be used. **The base month considered is SEPTEMBER, 2010 for all the Price Variation Formulae.** The sample indices for all the requested materials for September 2010 are produced below:

**(a) Ex-Factory Price Component of the Equipment:**

| Sl. No. | Description   | Abbreviation | Value of Indices as on September'2010 | Value of Coefficient |
|---------|---|--------------|---------------------------------------|----------------------|
| 1.      | Fixed Portion   | F            | -                                     | 0.15                 |
| 2.      | Ferrous Metals  | a            | 131.4                                 | 0.40                 |
| 3.      | Metal Products  | b            | 166.7                                 | 0.10                 |
| 4.      | All India Consumer Price Index for Industrial Workers | Lb           | 179                                   | 0.35                 |

**(b) Installation Price Component:**

| Sl. No. | Description   | Abbreviation | Value of Indices as on September'2010 | Value of Coefficient |
|---------|---|--------------|---------------------------------------|----------------------|
| 1.      | Fixed Portion   | 0.15         | -                                     | 0.15                 |
| 2.      | All India Consumer Price Index for Industrial Workers | 0.85         | 179                                   | 0.85                 |

13

**(c) Structural Works Price Component:**

In line with BHEL's Price Bid, there is no separate price component for structural steel and hence, there is no separate Price Variation Formula for Structural Works Price Component. To clarify further, PVC for the Structural Steel used in the Equipment is covered in Supply Component at Sl. no (a) above, and the Structural Steel used in the Civil Works is covered in Civil Works Component at Sl. No. (d) below.

**(d) Civil Works Price Component:**

| Sl. No. | Description   | Abbreviation | Value of Indices as on September'2010 | Value of Coefficient |
|---------|---|--------------|---------------------------------------|----------------------|
| 1.      | Fixed Portion   | F            | -                                     | 0.20                 |
| 2.      | All Commodities                                       | m            | 142.0                                 | 0.15                 |
| 3.      | High Speed Diesel                                     | d            | 153.5                                 | 0.05                 |
| 4.      | Iron & Semis  | s            | 124.0                                 | 0.25                 |
| 5.      | Grey Cement   | c            | 150.3                                 | 0.10                 |
| 6.      | All India Consumer Price Index for Industrial Workers | Lb           | 179.0                                 | 0.25                 |

**PRICE ADJUSTMENT**

- (i) The Contract price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of labour and material components etc. in accordance with the provisions described below :
- (ii) The price adjustment provisions shall be applicable separately for price components relating to Equipment (excluding Mandatory Spares and Type Tests charges) and Installation as per price break-up furnished by the Contractor in Schedule-2 and Schedule-4 separately.
- (iii) Only following components of the Contract Price will be subject to Price adjustment :
  - (a) Ex-Works prices for the plant and equipment (excluding Type Test Charges and Mandatory Spares). The price adjustment amount towards these price component shall be subject to a ceiling of twenty percent -(20%) of Ex-Works price component of plant and equipment of the Contract Price (excluding Mandatory Spares & Type Tests charges). (covered in Schedule-2)
  - (b) Installation Price Component of Contract Price (covered in Schedule 4) consisting of Erection portion, without any ceiling.



- (c) Civil Works Price component of contract price (covered in Schedule-4). The Price adjustment amount towards this price component shall be subject to ceiling of twenty percent (20%) of Civil Works price component.
- (d) Structural works Price component of contract price (covered on schedule-4). The price adjustment amount towards this price component shall be subject to ceiling of twenty percent (20%) of structural works price component.
- (iv) The indices for price adjustment shall be well established and nationally recognised in the country of manufacture. Preferably Government indices shall be used.
- (v) The price adjustment formula for the components of the Contract Price, as mentioned at Sl.No. (iii) above shall be as stipulated hereinafter.

(vi) **Ex-factory price component of the equipment excluding Type Test Charges:**

It is understood that the price component of the equipment for any shipment/despatch comprises a fixed portion (designated as 'F' and the value of which is specified hereunder) and variable portion linked with the indices for various materials and labour (description and co-efficients as enumerated below).

The amount of price adjustment towards variable portion payable/recoverable on each shipment/despatch shall be computed as under :

$$EC = EC1 - ECO$$

EC1 will be computed as follows :

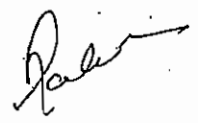
$$EC1 = ECo \left\{ F + a \frac{A1}{Ao} + b \frac{B1}{Bo} + c \frac{C1}{Co} + Lb \frac{L1}{Lo} \right\}$$

Where

**EC** = Adjustment to Ex-Works price component expressed in the currency of the contract payable to the contractor for each shipment/despatch.

**EC1** = Adjusted amount of Ex-works price component expressed in the currency of the Contract payable to the Contractor for each shipment/despatch.

**ECO** = Ex-works price for the equipment/materials shipment/dispatch wise.




115

The fixed portion of the Ex-works component of the Contract price (F) shall be 0.15.

**a,b,c** etc. shall be co-efficients of major materials/items involved in the Ex-works Component of the Contract price. The sum of these co-efficients shall be between 0.50 to 0.60.

**A, B, C** etc. shall be published price indices of corresponding major materials/items. Such indices shall necessarily be of the country of origin of goods.

'**Lb**' shall be co-efficient for labour component in the Ex-works Component of the Contract price which shall be between 0.25 to 0.35.

'**L**' shall be labour index.

Sum of all the material co-efficient and the labour co-efficient shall be 0.85.

Subscript '**o**' refers to indices as on September, 2010.

Subscript '**1**' refers to indices as of:

- (a) three months prior to the date of shipment/despatch for labour, and
- (b) at the expiry of two third (2/3) period from the date of Notification of Award to the date of shipment/despatch, for material.

For the purpose of this clause the date of shipment/despatch shall mean the Contract date of shipment/despatch or actual date of shipment/despatch, whichever is earlier.

Price Adjustment on Ex-factory prices for the plant and equipment (Schedule-2) shall be subject to a ceiling of 20% (twenty percent) of Ex-Works component of the contract price. The actual payment of escalation at any stage shall not exceed 20% of cumulative Ex-Works of plant and equipment already supplied. Any escalation at any stage exceeding the aforesaid actual payment in the Ex-works Price Component shall be kept to the credit of the contractor and shall be released as and when the actual payment of escalation falls below 20% of ex-works price of plant and equipment already supplied, as the case may be. Any unadjusted credit shall however, lapse when the actual cumulative price adjustment payments reach the ceiling amount of 20% of Ex-works price component of the contract respectively. The specified ceiling of 20% of the adjusted amount towards Ex-works price of the plant and equipment shall be applicable for the contract and shall be computed and payable.

In case of shipments/despatch which are delayed beyond the schedule date of shipment/despatch for reasons attributable to the Contractor the price adjustment provision shall not be applicable for the period of time between the schedule date of shipment/despatch and the actual date of shipment/despatch. For this purpose, the schedule date of shipment/despatch shall be as identified in line with provisions of Time Schedule, Appendix-4 to the form of Contract Agreement.



(vii) **For Installation Price Component of the contract :**

- (i) It is understood that the price component for erection portion of Installation Services comprises a fixed portion and variable portion linked with the index of labour (description and co-efficients as enumerated).

The monthly price adjustment amount for the erection portion of Installation Services component will be computed as per the formula given below :

$$ER = ER1 - ER0$$

ER1 will be computed as follows:

$$ER1 = ER0 \left( 0.15 + 0.85 \frac{F1}{F0} \right)$$

Where :

**ER** = Adjustment to Erection portion of Installation Services component of contract price expressed in Indian Rupees payable to the contractor for each billing.

**ER1** = Adjusted amount of Erection portion of Installation Services component of contract price expressed in Indian Rupees payable to the Contractor.

**ER0** = Value of the Erection work done in the billing period, which shall be calculated as under:

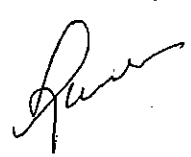
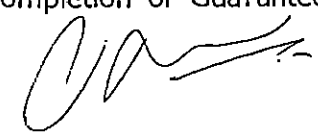
For the purpose of computing **ER0**, each Erection bill (which is excluding initial Advance and amount payable on completion of the Facilities and on successful completion of Guarantee test) during the Erection period upto the 'Completion of the Facilities' shall be divided by a factor as indicated below:

|   |   |
|---|---|
| Erection portion of Installation Services component of the Contract Price | - [Initial Advance amount + Erection Portion of Installation Services component of the Contract Price payable on completion of the Facilities + Erection Portion of Installation Services component of the Contract Price payable on successful completion of Guarantee test] |
|---|---|

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**Erection Portion of Installation Services component of the Contract Price**

The payment of price adjustment amount so computed (refer Sr.No. H, Appendix-1) shall be made against a separate invoice, linking the corresponding invoice for Erection Portion of Installation Services payment after retaining the pro-rata amount due on completion of the Facilities and on Completion of the Guarantee Test. The amounts so retained shall be paid on completion of the Facilities and on successful completion of Guarantee Test respectively.

117

**F** = Indian field labour index Namely, All India Consumer Price Index for Industrial Workers (All India Monthly Average) as published by Labour Bureau, Simla, Government of India.

Subscript 'o' refers to indices as on September, 2010.

For the indices, subscript **1** refers to the indices as applicable for the month of execution of the erection work. For the purpose of this clause, month of execution of erection work shall mean the schedule month of execution of the erection work or actual month of execution of the erection work, whichever is earlier. The schedule date for completion of a particular erection activity shall be as identified in line with provisions of Time schedule, Appendix-4 to the Contract Agreement.

- ii) The price adjustment on Erection Portion of installation component of the contract price shall be without any ceiling.

In case of erection activities which are delayed beyond the schedule date for reasons attributable to the contractor, the price adjustment provision shall not be applicable for the period of time between the schedule date of completion and actual date of completion of the respective erection activity. For this purpose, the schedule date for completion of a particular erection activity shall be as given above.

- (viii) The source of applicable indices and their base values for the purpose of computing price adjustment under the contract shall be as under :

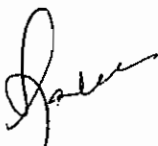
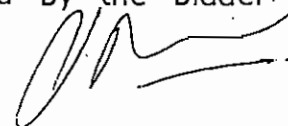
**A Ex-factory price component of the equipment \*\***

| S.No. | Item          | Value of Coefficient | Source of Indices used | Value of Base Date Indices (Sept 2010) |
|-------|---------------|----------------------|------------------------|--|
|       | Fixed Portion | F= 0.15              | -----                  | -----                                  |
|       | Material      |                      |                        |  |
| 1.    |               | a =                  |                        |  |
| 2.    |               | b =                  |                        |  |
| 3.    |               | c =                  |                        |  |
| 4.    | Labour        | Lb =                 |                        |  |

**B Installation price component \*\***

| S.No. | Item                    | Value of Coefficient | Source of Indices used   | Value of Base Date Indices (Sept 2010) |
|-------|-------------------------|----------------------|--|--|
|       | Fixed Portion           | F= 0.15              | -----  | -----                                  |
|       | Indian Field Labour (F) | 0.85                 | All India Consumer Price index for industrial workers (All Indian Monthly Average) published by Labour Bureau, Simla, Govt. of India |  |

\*\* The above information shall be filled in at the time of Contract Agreement signing based on price adjustment data offered by the bidder in Attachment 17 to Bid Form.

(ix) **Structural Works Price Component --- Not Applicable**

(x) **Price adjustment for civil works component of the Contract Price (including construction materials).**

The prices quoted by the Contractor shall be base price, which will be subjected to price adjustment in accordance with the conditions and formula prescribed herein and further subject to satisfying the requirement specified in this clause.

A fixed percentage of the civil works component of the contract price shall be firm and shall not be subject to any price adjustment. The balance portion of the civil works component of the contract price shall be subject to price adjustment on account of changes in materials and labour as detailed below:

**CV = CV1 - CVo**

**CV1** will be computed as follows :

$$CV1 = CVo (F+m \times \frac{M1}{Mo} + dx \frac{D1}{Do} + Sx \frac{S1}{So} + Lbx \frac{L1}{Lo} + Cx \frac{C1}{Co})$$

Where,

**CV** = Adjustment to civil works component expressed in the currency of the contract payable to the contractor for each billing period.

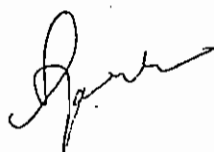
**CV1** = Adjusted contract price i.e. value of work done after application of above price adjustment formula in the billing period.

**CVo** = Base contract price, subject to price adjustment, i.e. the value of the work done in the billing period as per the monthly billing schedule for which the price adjustment is to be calculated.

**F** = Fixed portion of the contract price which will not be subjected to any adjustment under this formula or otherwise which will be 0.20.

**m** = Coefficient of material (excluding cement & steel) content in the cost of civil portion of the work which will be 0.15.

**d** = Coefficient of High Speed Diesel Oil (P.O.L) content in the cost of civil portion of the work which will be 0.05.

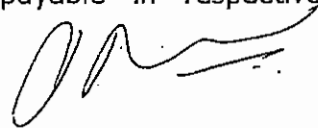


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- s** = Coefficient of steel content in the cost of civil portion of work which will be 0.25.
  - c** = Coefficient of cement content in the cost of civil portion of work which will be 0.10.
  - Lb** = Coefficient of labour (for all categories) content in the cost of civil portion of the work which will be 0.25.
  - M** = Material Index, namely, Index No. of wholesale price under group. "All commodities" as published by office of the Economic Adviser, Government of India.
  - D** = High Speed Diesel Oil price, namely price of High Speed diesel oil, at Pump Station of India Oil Corporation nearest to the project site. (selling price inclusive of taxes and duties as per litre of H.S.D. Oil).
  - S** = Index for iron & steel as published by Ministry of Industry GOI for subgroup iron & steel under the group of Basic Materials. Alloys and metal products.
  - L** = Labour Index, namely, Consumer Price Index for Industrial Workers (Gen.) applicable to "All India" as published by Labour Bureau. Simla of the Govt. of India.
  - C** = Index for cement as published by Ministry of Industry for subgroup cement, lime and plaster under the group of non metallic mineral products.

Subscript

- 'o' = Refers, to the values of above mentioned labour, material, steel and cement indices, and for diesel price as on September, 2010.
- '1' = Refers to values of corresponding labour, material, steel and cement indices, and for diesel price as applicable for the month prior to month in which the work is executed.

The total price adjustment amount for civil work shall not exceed 20% (twenty percent) of the component of the contract price for civil work. The specified ceiling of 20% of the adjusted amount towards civil work shall be applicable for each of the contract prices separately and shall be computed and payable in respective currencies.





In case the billing period of civil works falls beyond the time period identified for completion of facilities as per the contract for the reasons attributable to the contractor, the price adjustment provisions shall not be applicable for the time between such date identified in the contract for the completion of facilities and actual completion period/date.

The Contractor shall indicate below the base date of indices for labour, material, high speed diesel, cement and steel in its bid.

| Item | Index             | Source of Indices used*   | Base date Indices |
|------|-------------------|---|-------------------|
|      | Labour            | Consumer price index for industrial workers (All India General) as published by Labour Bureau, Simla.   |                   |
|      | Material          | Index no. of wholesale Price under group all commodities as published by Ministry of Industries   |                   |
|      | High Speed Diesel | Price of high speed diesel oil per litre at the Indian Oil Corpn. outlet nearest to the project (selling price inclusive of taxes & duties if any)      |                   |
|      | Steel             | Index for iron and steel published by Ministry of Industry, GOI, for subgroup iron and steel under the group of basic metals, alloys and metal products |                   |
|      | Cement            | Index for cement as published by Ministry of Industry, GOI, for subgroup cement, lime and plaster under the group of non metallic mineral products.     |                   |

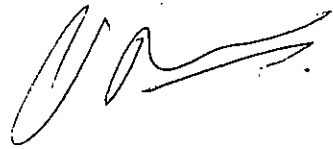
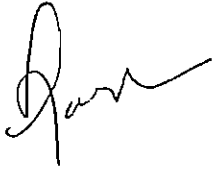
\* In case of foreign indices, Contractor is required to specify the same




(xi)

The following components of the contract price shall not be subject to price adjustment and shall remain firm during the execution of the contract:

- (1) Ocean Freight and Marine Insurance for Plant and Equipment, mandatory spares and recommended spares.
- (2) Ex-works/FOB price component for Mandatory spares & Recommended Spares.
- (3) Inland Transportation charges (including Inland Transit Insurance, port clearance, port handling & port charges) for plant & equipment and Spare Parts.
- (4) Type Test Charges



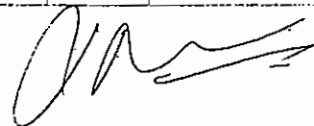
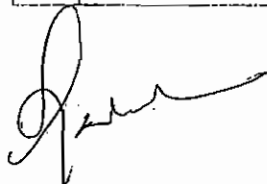
**APPENDIX-3 TO CONTRACT AGREEMENT**

**INSURANCE REQUIREMENTS**

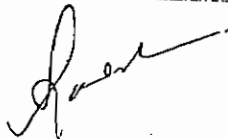
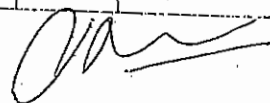
**(I) Insurance to be taken by the Contractor:**

In accordance with the provisions of GCC Clause 34, the Contractor shall at his expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified herein. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, such approval not to be unreasonably withheld.

|   | Insurance    |       | Amount insured   | Deductable     |       | Conditions  |
|---|--------------|-------|--|----------------|-------|---|
| A | Marine Cargo | (i)   | 110% of Ex-works value in case of Plant & equipment and type test charges including all spare parts supplied from within Employer's country. | Not applicable | (i)   | Employer to be named as co insured.   |
|   |              | (ii)  | Applicable taxes & duties (including customs duty)   |                | (ii)  | Open policy.  |
|   |              | (iii) | Escalation 5% on (i) & (ii)  |                | (iii) | All risk institute cargo clause 'A'.  |
|   |              |       |  |                | (iv)  | War, SRCC, terrorism.   |
|   |              |       |  |                | (v)   | Institute replacement clause, special replacement clause (Air duty) and deferred unpacking clause |
|   |              |       |  |                | (vi)  | Insurers right of subrogation against all parties (excluding carrier) waived.                     |
|   |              |       |  |                | (vii) | Warehouse to warehouse basis.   |



|          |  |                                     |  |                                 |  |   |
|----------|--|-------------------------------------|--|---------------------------------|--|---|
| <b>B</b> | Installation all risk  | (i)<br>(ii)<br>(iii)<br>(iv)<br>(v) | 110% of Ex-works value<br>Applicability taxes duties (including Custom duty)<br>Cost of free issue materials<br>Cost of erection works<br>10% Escalation (i), (ii), (iii) & (iv) | Minimum as per insurance policy | (i)<br>(ii)<br>(iii)<br>(iv)<br>(v)<br>(vi)<br>(vii)<br>(viii) | Installation risk, RSMTD<br>Air freight cover<br>Extra charge cover.<br>Maintenance cover<br>Contractor's plant & Machinery - Rs. 100 lakhs.<br>Cross liability.<br>Additional custom duty for imported machine (if any) for adequate value.<br>Employer & Contractor's Sub-contractor to be named as co-insured. |
| <b>C</b> | Third Party liability (Extension of MCE/EAR Policy)  |                                     | For any one occurrence<br>Rs. 50.00 lakhs  | Nil                             | (i)  | Contractors, sub-contractors to be named as co-insured.   |
| <b>D</b> | Automobile Liability<br><br>(i) M.V. Policy for motor vehicles, private cars & commercial vehicles act<br><br>(ii) CPM policy for heavy construction equipment |                                     | Anything above Rs. 100 lakhs not covered under installation all risk policy.   |                                 |  | As per local M.V. Act   |
| <b>E</b> | Workmen's Compensation   |                                     | As per statute   |                                 |  |   |
| <b>F</b> | Employer's liability   |                                     | As per statute   |                                 |  | Cumulative to workmen's compensation to cover liability not covered thereby.  |
| <b>G</b> | Group personal insurance, for contractor's & sub-contractor's employees  |                                     |  |                                 |  |   |

**Note:**

1. The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC 34.1 except for Third Party Liability, Workman's Compensation and Employer's Liability Insurances and the Contractor's Sub-Contractors shall be named as co-insured under all insurances policies taken out by the Contractor pursuant to GCC 34.1, except for the Cargo Insurance during Trans- port, Workman's Compensation and Employer's Liability Insurances. All insurers rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.
2. Notwithstanding the insurance requirements mentioned above, it would be the Contractor's responsibility to take adequate insurance cover as may be pertinent to protect his interest and interest of the Employer.

If at any point of time during execution of the Contract, the insurance policies are found to be inadequate, the Contractor shall take fresh insurance policies meeting aforesaid requirements. The Employer reserves the right to make suitable recovery from the Contractor, if any.

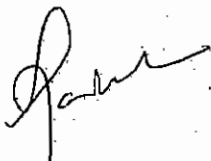
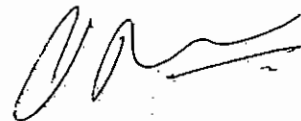
3. Any loss or damage to the plant and equipments during handling, transportation, storage, installation, commissioning, and all activities to be performed till the "Completion of Facilities" shall be to the account of the contractor. The contractor shall be responsible for preference of all claims and make good the damages or loss by way of repairs and/or replacement of plant and equipments damaged or lost .Not- withstanding the extent of insurances cover and the amount of claim available from the underwriter, the contractor shall be liable to make good the full replacement/rectification of all the equipments/materials and to ensure their availability as per project requirement without additional financial liability to the Employer.

The insurance should be in freely convertible currency and insurance policy to be taken should be on replacement value basis and/or incorporating appropriate insurance clause.

The Contractor shall follow local acts and laws as may be prevalent for insurance.

**II) Insurances to be taken by the Employer.**

The Employer shall take the insurance for its own employees, its stores and its machinery.

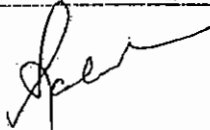



## APPENDIX-4 TO CONTRACT AGREEMENT

### TIME SCHEDULE

- 1.0 It is clearly understood and agreed that time is the essence of this Contract and shall be strictly adhered to by the Contractor. The program of furnishing, erecting, testing, commissioning and completion of facilities identifying the key phases in various areas of work like design, procurement, manufacture, field activities including civil construction works are as per approved Detailed PERT Network (commencing project activities from 11-11-2011). As per this Detailed PERT Network, the key milestones for completion of facilities are as under :

| SI No | Activity Description                             | Start<br>(in Months) | Finish<br>(in Months) |
|-------|--|----------------------|-----------------------|
| 0     | Commencement Date ( <b>ZERO DATE</b> )           | <b>11.11.2011</b>    |                       |
| 1     | Basic Engineering                                | -                    | 3                     |
| 2     | Completion of Detail Engineering                 | -                    | 24                    |
| 3     | Commencement of Manufacturing                    | 3                    | -                     |
| 4     | Site Office Opening                              | -                    | 3                     |
| 5     | Begin Supply of Foundation Material              | 3                    | -                     |
| 6     | Completion of Ordering of Major BOPs             | -                    | 19                    |
| 7     | Commencement of piling work                      | 5                    | -                     |
| 8     | Begin Supply of Main Equipment                   | 7                    | -                     |
| 9     | Commencement of Boiler Foundation                | 7                    | -                     |
| 10    | Start of Boiler Ern                              | 9                    | -                     |
| 11    | Commencement of Supply of critical Piping        | 18                   | -                     |
| 12    | Drum Lifting                                     | -                    | 15                    |
| 13    | Commencement of Condenser Erection               | 18                   | -                     |
| 14    | Commencement of TG Erection                      | 20                   | -                     |
| 15    | Boiler Hydro - Test (Drainable)                  | -                    | 25                    |
| 16    | Supply of first Mill                             | -                    | 20                    |
| 17    | Start of Mill Erection                           | 21                   | --                    |
| 18    | Despatch of 1st ID/FD Fan                        | -                    | 22                    |
| 19    | Completion of Supplies                           | -                    | 31                    |
| 20    | Readiness for BLU (C&I and Switchyard            | -                    | 29                    |
| 21    | Turbine Box-Up                                   | -                    | 30                    |
| 22    | Readiness of Control Room incl. A.C. & Lighting  | -                    | 30                    |
| 23    | Boiler Light-Up                                  | -                    | 31                    |
| 24    | Alkali Boil out & Acid Cleaning or EDTA          | 30                   | 31                    |
| 25    | Turbine Oil Flushing completion                  | -                    | 33                    |
| 26    | Steam Blowing completion & Safety Valve Floating | -                    | 34                    |

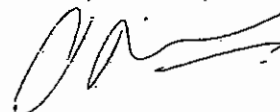


| SI No | Activity Description   | Start<br>(in Months) | Finish<br>(in Months) |
|-------|--|----------------------|-----------------------|
| 27    | Turbine on Barring Gear  | -                    | 34                    |
| 28    | Completion of supply of Mandatory spares                           | -                    | 35                    |
| 29    | Synchronisation with Coal firing<br>(commissioning)                | -                    | 36                    |
| 30    | Full Load Operation  | -                    | 37                    |
| 31    | Completion of facilities & Trail operation (COD)<br>for First Unit | -                    | 39                    |

The above schedule is for Unit-1. Phasing between Unit-1 and Unit-2 will be 04 Months for all activities except for engineering.

**Note:**

1. The above schedule is for unit#1. Phasing between unit #I and Unit# II will be 04 months for all activity except for engineering which shall remain same for two units i.e. 24 months.
2. Completion of supplies required for milestone achievement such as HT, BLU and Synchronization to be ensured 03 Month prior to each milestone.
3. All Engineering data related to BOP inputs, Interface Engg details, requiring Owner's approval / information for the owner scope items are to be given within the agreed schedule but in no case later than 45 days from the placement of this order. For bought out items the engineering input data shall be given to the owner within the agreed schedule but in no case later than 45 days from the placement of respective purchase order to the sub vendor.
- 2.0 After the Notification of Award, the contractor shall plan the sequence of work of manufacture and erection to meet the above stated dates of successful completion of facilities and shall ensure all work, manufacture, shop testing, inspection and shipment of the equipments in accordance with the required construction/erection sequence.
- 3.0 The detailed PERT Network considering the following activities has been approved:  
Engineering, Procurement, Manufacturing and Supply, Detailed Engineering, Procurement (including Brought Out Items), Manufacturing, Despatch, Shipment, Receipt at Site and activities related to Civil Works, Erection, Commissioning and Completion of Facilities.
- 4.0 Further, all engineering data related to civil input, interface engineering details, requiring employer's approval/information for Owner supplied items are to be given within the agreed schedule but in no case later than 30 days from the date of Notification of Award. For bought out items, the contractor shall furnish the engineering input data to the employer within the agreed schedule but in no case later than 30 days from placement of respective purchase order on the sub-vendors.

## 5.0 Detailed Manufacturing /Erection Schedule(L-2 Network)

BHEL will submit Unit wise Manufacturing/Erection Schedules within one month of award for Employer's approval. These schedules will cover details of Engineering, Raw materials procurement, manufacturing, shipment/delivery, field erection, testing and commissioning activities within two months of award for approval of Owner.

The network shall be supported by detailed procurement program for critical bought out items/raw materials. The erection network shall be supported by detailed pre-erection activity program covering following:

1. Manpower deployment
2. T & P mobilization
3. Detailed site mobilization plan

BHEL shall make provision for supply, erection and commissioning of acid cleaning pumps and temporary piping and steam blowing piping for the commissioning activities and shall identify separately in L2 schedule.

- 6.0 The list of Tools & Plants (T&P) required for satisfactory execution of the contract to meet the time schedule stipulated at Para 1.0 above is enclosed to NoA.

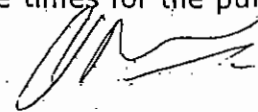
The deployment of T & Ps shall be ensured by BHEL as per actual requirement to meet project implementation schedule. The deployment schedule of T & Ps shall be mutually discussed and finalized with NTPC site before mobilization.

- 7.0 Within one week of approval of the network schedule, the Contractor shall forward to the Project Manager, copies of the Computer Initial run-Data. The type of outputs and number of copies of each type to be supplied by the Contractor shall be determined by the Project Manager.

- 8.0 Monthly progress report in the agreed format shall be submitted by BHEL by 7th of every month starting 3rd month from the zero date. The progress report shall inter-alia cover detailed status of Engg drgs submission/approval, QP finalization, Raw material and BOI procurement status, manufacturing, delivery and erection progress. Any hold up or exception affecting progress shall be clearly bought out in the beginning of the report.

- 9.0 All the networks shall be updated once in three months or at a frequency mutually agreed upon. This updated network will form part of monthly progress report. As far as possible a progress review meeting shall be held at the works within major critical/items of plant or equipment are being manufactured.

- 10.0 Access to the Contractor's and Sub-Contractor's work shall be granted to the Project Manager at all reasonable times for the purpose of ascertaining the progress.





**APPENDIX-5 TO CONTRACT AGREEMENT**

**LIST OF SUB-CONTRACTORS**

**PART 1. Nominated Sub-Contractors**

In the event that the Employer wishes to nominate any particular Sub-Contractors for the undertaking of any part or parts of the Works, these shall be identified and named by the Employer in the following schedule prior to the issue of the Bidding Documents.

Full details shall be given of the part of the Works to be executed, and the names and addresses of the Sub-Contractors to whom the part of the Works is to be sub-contracted by the Contractor.

Where more than one name is given for any part of the Work, the Contractor shall be free to select any of the named Sub-Contractors for that part.

|              |                          |
|--------------|--------------------------|
| Item of Work | Nominated Sub-Contractor |
|--------------|--------------------------|

**NIL**

**PART 2. Approved Sub-Contractors**

The following Sub-Contractors are approved for carrying out the item of work indicated. Where more than one Sub-Contractor is listed, the Contractor is free to choose between them but he must notify the Employer of his choice in good time prior to appointing any selected Sub-Contractor. In accordance with Clause GCC 19.1, the Contractor is free to submit proposals for additional Sub-Contractors from time to time. No Sub-Contracts shall be placed with any such additional Sub-Contractors until they have been approved in writing by the Employer and their names added to this list of Approved Sub-Contractors.

|        |              |                          |             |
|--------|--------------|--------------------------|-------------|
| Sl.No. | Item of Work | Approved Sub-Contractors | Nationality |
|--------|--------------|--------------------------|-------------|

**PLEASE REFER APPENDIX-D TO NOTIFICATION OF AWARD**



## APPENDIX-6 TO CONTRACT AGREEMENT

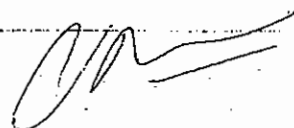
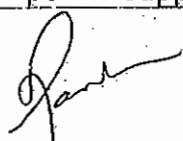
### **SCOPE OF WORKS AND SUPPLY BY THE EMPLOYER**

The following facilities, works, supplies and personnel will be provided/supplied by the Employer and the provisions of GCC Clauses 10, 21 and 24 shall apply as appropriate.

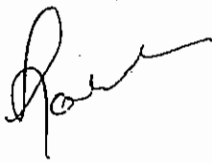
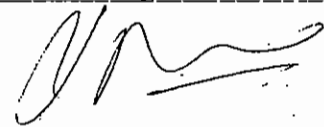
All facilities, works, supplies and personnel as described herein will be provided by the Employer in good time so as not to delay the performance of the Contractor, in accordance with the approved Time Schedule and Programme of Performance pursuant to GCC Sub-Clause 18.2.

Unless otherwise indicated, all facilities, works, supplies and personnel will be provided free of charge to the Contractor for the purpose identified hereunder :-

| Sl No | Facilities  | Charges to Contractor  |
|-------|---|--|
| 1.0   | <p><b>Space :</b></p> <p>The Contractor shall advise the Employer within (30) days from the date of acceptance of the Notification of Award, about his exact requirement of space for his office, storage area, preassembly and fabrication areas, labour and staff colony area, toilets etc. The above requirement shall be reviewed by the Employer and the space as decided by the Employer will be allotted to the Contractor for construction of his temporary structures/facilities like office, storage sheds, pre-assembly and fabrication areas, labour &amp; staff colony and toilets etc. for his own use as well as his sub-Contractor's use.</p>   | Free of Charge   |
| 2.0   | <p><b>Electricity :</b></p> <p>The Contractor shall submit to the Employer within thirty (30) days from the date of acceptance of the Notification of Award, his electrical power requirements, if any, to allow the planning of the same by the Employer. The Contractor shall be provided supply of electricity for the purposes of the Contract, only at two locations in the Employer's Site and at 415V voltage level. The Contractor shall make his own further distribution arrangement. All temporary wiring must comply with local regulations and will be subject to Employer's inspection and approval before connection to supply. Power supply for labour and staff colony shall be provided at one point within the plant boundary either at 11KV or 415V depending on the quantum and distance. It shall be the responsibility of the contractor to take the power supply upto the point of his use.</p> | Free of Charge<br><br>The supply of electricity will be 415V for labour & staff colony shall be on chargeable basis at rate prevalent at site. |



|     |  |   |
|-----|--|---|
| 3.0 | <p><b>Water :</b></p> <p>Contractor shall make all arrangements himself for the supply of construction water as well as potable water for labour and other personnel at the worksite/colony.</p>   | <p>SCCL agreed to supply the construction water as per the requirement of the contractor at one place only which will be informed by contractor and to supply the drinking water at required locations at free of cost.</p> |
| 4.0 | <p><b>Cranes :</b></p> <p>Turbine Hall EOT cranes may be used by the Contractor on chargeable basis for erection of the units / equipments under this package. For the equipments which cannot be handled by these Turbine Hall EOT cranes, the Contractor shall make his own arrangements.</p>  |   |
| 5.0 | <p><b>Communication</b></p> <p>The Employer will extend the telephone per Facility, if available at Site, for the purposes of contract</p>   | <p>on chargeable basis as charges to decided by Employer at Site .</p>  |
| 6.0 | <p><b>Personnel</b></p> <p>For the purpose of commissioning and Guarantee tests to be performed by the Contractor, the Employer, as a part of his input, will provide operating personnel for operation of the equipment. During such operation, the Employer's operating personnel shall be under the direct supervision of the Contractor's/Manufacturer's representative, who in any case shall be responsible for safety and satisfactory performance of the activity/equipments. However, the operating personnel of the Employer shall be required to do only those duties which are normally assigned to such operational staff. All other required labour shall be arranged by the Contractor.</p> | <p>Free of Charge</p>   |

31

**APPENDIX-7 TO CONTRACT AGREEMENT**

**LIST OF DOCUMENTS FOR REVIEW AND APPROVAL**

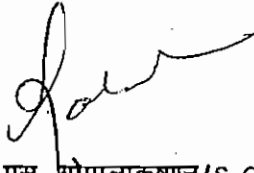
**The list of Documents for review and approval shall be finalized and  
During Detailed Engineering**



**APPENDIX-8 TO CONTRACT AGREEMENT**

**FUNCTIONAL GUARANTEES**

**Performance Guarantees as agreed for the subject project are attached  
to NoA.**



एस. गोपालाकृष्णन / S. GOPALAKRISHNAN  
कार्यपालक निदेशक (विपणन) / Executive Director (Mktg.)  
भारत हेवी इलेक्ट्रिकल्स लिमिटेड / Bharat Heavy Electricals Ltd.  
बी.एच.ई.एल. हाऊस, सीरी फोर्ट / BHEL House, Siri Fort  
नई दिल्ली - 110 049 / New Delhi - 110 049



DIRECTOR (P & P)  
THE SINGARENI COLLIERIES CO. LTD.





ఆంధ్రప్రదేశ్ రాష్ట్ర ప్రదేశ్ ANDHRA PRADESH

BG 637106

2462 28/9/13 100/-

*Biman Karan Dasgupta S/o late*  
*M/s. Mc Nally Bharat Engg Dasgupta*  
*Co. Ltd, Kolkata.*

*Bharat*  
 SUB-REGISTRAR  
 SUPERINTENDENT  
 Ex. Office Stamp Vendor  
 R.O. HYDRABAD

SCCL 2X600 MW STPP AT PEGADAPALLI (V) DISTT ADILABAD (ANDHRA PRADESH)

(BALANCE OF PLANT PACKAGE)

(First Contract)

REF NO: C1511G0342/Contract (Supply)/4534

Date: 28-09-2013

**CONTRACT AGREEMENT FOR SUPPLIES**

THIS CONTRACT AGREEMENT is made the Twenty eighth day of September, 2013

BETWEEN

(1) The Singareni Collieries Company Limited, a company incorporated under the laws of India and having its principal place of business at Head Office, P.O. Kothagudem, Distt: Khammam-507101 (Andhra Pradesh) (hereinafter called "the Employer") and (2) M/s McNally Bharat Engineering Co. Limited, a company incorporated under the laws of India and having its principal place of business at 4, Mangoe Lane, Kolkata-700001(hereinafter called "the Contractor")



WHEREAS the Employer desires to engage the Contractor for Supply of Equipments & materials including Mandatory Spares and Type Test for Balance of Plant Package for Singareni Thermal Power Project (2 x 600MW) as per Bidding Document No.CW-CM-9596-C-O-M-001 and subsequent amendments on Technical & Commercial aspects of Bidding Documents issued ("the Facilities") and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

**Article 1. Contract Documents** 1.1 **Contract Documents (Reference GCC Clause 2)**

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:

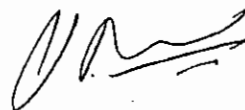
- (a) This Contract Agreement and the Appendices here to
- (b) Notification of Award bearing reference no: C1511G0342/4097 dated 12.09.2013 -Enclosed at Volume – IA
- (c) Special Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.-Enclosed at Volume II & Volume – IV
- (d) General Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.-Enclosed at Volume II & Volume - IV
- (e) Technical Specifications and Drawings read in conjunction with Amendments/Clarifications/Errata.-Enclosed at Volume III & Volume - IV
- (f) The Bid and Price Schedules submitted by the Contractor.- Enclosed at Volume V, VI, VII & VIII
- (g) Forms & Procedures - Enclosed at Volume II

1.2 **Order of Precedence (Reference GCC Clause 2)**

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.

1.3 **Definitions (Reference GCC Clause 1)**

Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions of Contract.





**Article 2.  
Contract Price and  
Terms of Payment**

**2.1 Contract Price (Reference GCC Clause 11)**

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. **The Contract Price shall be in Indian Rupees 490,01,50,000 (Rupees Four Hundred Ninety Crores One Lakh Fifty Thousands only)** or such other sums as may be determined in accordance with the terms and conditions of the Contract.

**2.2 Terms of Payment (Reference GCC Clause 12)**

The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in Appendix 1 (Terms and Procedures of Payment) hereto.

**Article 3.  
Effective Date for  
Determining Time  
for Completion**

**3.1 Effective Date (Reference GCC Clause 1)**

The Time of Completion of the Facilities shall be determined from the date of Letter of Intent No, C1511G0342/3546 dtd 17.08.2013 provided all of the following conditions have been fulfilled within a period of two (2) months from the date of said Letter of Intent:

- (a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor;
- (b) The Contractor has submitted to the Employer the performance security and the advance payment guarantee;
- (c) The Employer has paid the Contractor the Initial Advance Payment.

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

3.2 If the conditions listed under 3.1 are not fulfilled within two (2) months from the date of Letter of Intent because of reasons attributable to the Employer, the Contract would become effective only from the date of fulfillment of all the above mentioned conditions and, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

3.3 However, if any of the conditions listed under 3.1 above are not fulfilled within two (2) months from the date of Letter of Intent because of reasons attributable to the Contractor, the Contract will be effective from the date of Letter of Intent. In this case, Contract Price and / or time for completion shall not be adjusted.



Article 4.

It is expressly understood and agreed by and between the Contractor and the Employer that the Employer is entering into this Agreement solely on its own behalf and not on behalf of any other person or entity. In particular it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Employer is an Independent legal entity with power and authority to enter into contracts solely on its own behalf under the applicable laws of India and the general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Employer is not an Agent, Representative or Delegate of the Govt. of India. It is Further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Agreement.

Article 5.  
Appendices

The Appendices listed in the attached list of Appendices shall be deemed to form an integral part of this Contract Agreement.

Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.

IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by for and on behalf of the Employer

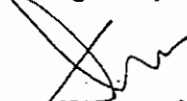
  
[Signature]

[Title]



in the presence of Ch. Prasad and Ch. Venkatesh  
(Ch. Venkatesh, Chairman, A.I. Co.)

Signed by for and on behalf of the Contractor

  
[Signature]

[Title]



in the presence of Kunal Chatterjee  
(KUNAL CHATTERJEE)  
McNALLY BHARAT ENGG CO. LTD.

**CONTRACT AGREEMENT**

dated the twenty eighth day of September, 2013

**BETWEEN**

The Singareni Collieries Company Ltd.  
["the Employer"]

And

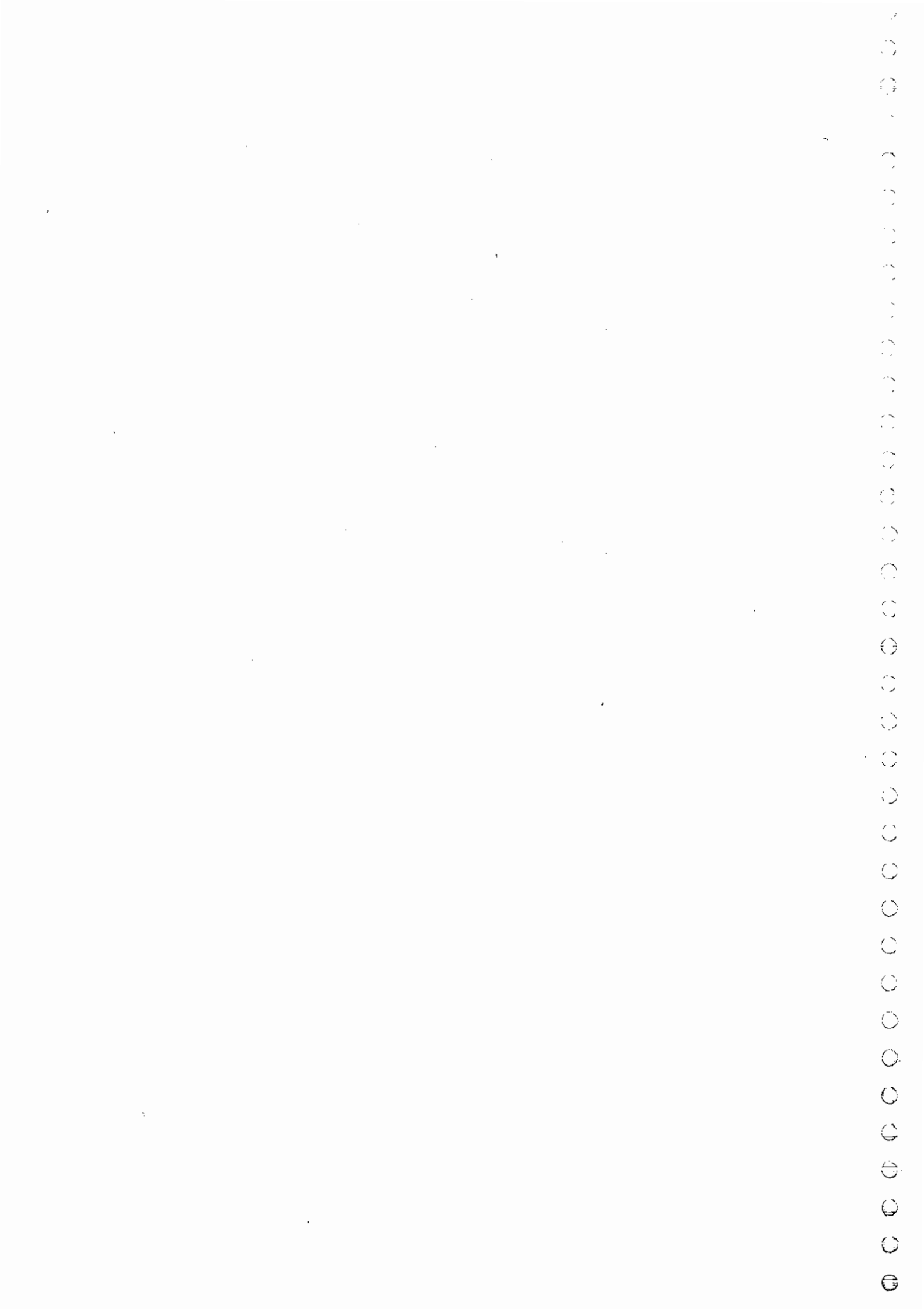
M/s McNally Bharat Engineering Co. Limited,  
["the Contractor"]

**APPENDICES**

- Appendix 1 Terms and Procedures of Payment
- Appendix 2 Price Adjustment
- Appendix 3 Insurance Requirements
- Appendix 4 Time Schedule
- Appendix 5 List of Approved Subcontractors
- Appendix 6 Scope of Works and Supply by the Employer
- Appendix 7 List of Documents for Approval or Review
- Appendix 8 Functional Guarantees

*(Handwritten signatures)*







ఆంధ్రప్రదేశ్ రాష్ట్రం ANDHRA PRADESH

BG 637104

12459 28/9/13 100

Sandipan Ghosh Slohabe Sunil Kant  
 M/s Mc Nally Bharat Engg Ghosh  
 Co Ltd, Kolkata

*Bhat*  
 SUB-REGISTRAR  
 SUPERINTENDENT  
 Ex. Office Stamp Vendor  
 R.O. HYDERABAD

SCCL 2X600 MW STPP AT PEGADAPALLI (V) DISTT ADILABAD (ANDHRA PRADESH)

(BALANCE OF PLANT PACKAGE)

(Second Contract)

REF NO: C1511G0342/Contract (Services)/4535

Date: 28-09-2013

**CONTRACT AGREEMENT FOR SERVICES**

THIS CONTRACT AGREEMENT is made the Twenty eighth day of September, 2013

BETWEEN

(1) The Singareni Collieries Company Limited, a company incorporated under the laws of India and having its principal place of business at Head Office, P.O. Kothagudem, Distt: Khammam-507101 (Andhra Pradesh) (hereinafter called "the Employer") and (2) M/s McNally Bharat Engineering Co. Limited, a company incorporated under the laws of India and having its principal place of business at 4, Mangoe Lane, Kolkata-700001 (hereinafter called "the Contractor")

*[Handwritten signature]*

*[Handwritten signature]*





WHEREAS the Employer desires to engage the Contractor for Erection of Equipment & materials, Inland Transportation, Insurance of equipment and Mandatory Spares for Balance of Plant Package for Singareni Thermal Power Project (2 x 600MW) as per Bidding Document No.CW-CM-9596-C-O-M-001 and subsequent amendments on Technical & Commercial aspects of Bidding Documents issued, ("the Facilities") and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

**Article 1. Contract Documents**      1.1      **Contract Documents (Reference GCC Clause 2)**

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:


- (a) This Contract Agreement and the Appendices here to
- (b) Notification of Award bearing reference no: C1511G0342/4098 dated 12.09.2013 -Enclosed at Volume – IB
- (c) Special Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.-Enclosed at Volume II & Volume – IV
- (d) General Conditions of Contract read in conjunction with Amendments/Clarifications/Errata.-Enclosed at Volume II & Volume - IV
- (e) Technical Specifications and Drawings read in conjunction with Amendments/Clarifications/Errata.-Enclosed at Volume III & Volume - IV
- (f) The Bid and Price Schedules submitted by the Contractor.- Enclosed at Volume V, VI, VII & VIII
- (g) Forms & Procedures - Enclosed at Volume II

1.2      **Order of Precedence (Reference GCC Clause 2)**

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.

1.3      **Definitions (Reference GCC Clause 1)**

Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions of Contract.









Article 2.  
Contract Price and  
Terms of Payment

2.1 Contract Price (Reference GCC Clause 11)

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. **The Contract Price shall be in Indian Rupees 483,00,00,000 (Rupees Four Hundred Eighty Three Crores only)** or such other sums as may be determined in accordance with the terms and conditions of the Contract.

2.2 Terms of Payment (Reference GCC Clause 12)

The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in Appendix 1 (Terms and Procedures of Payment) hereto.

Article 3.  
Effective Date for  
Determining Time  
F or Completion

3.1 Effective Date (Reference GCC Clause 1)

The Time of Completion of the Facilities shall be determined from the date of Letter of Intent No, C1511G0342/3546 dtd 17.08.2013 provided all of the following conditions have been fulfilled within a period of two (2) months from the date of said Letter of Intent:

- (a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor;
- (b) The Contractor has submitted to the Employer the performance security and the advance payment guarantee;
- (c) The Employer has paid the Contractor the Initial Advance Payment.

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

3.2 If the conditions listed under 3.1 are not fulfilled within two (2) months from the date of Letter of Intent because of reasons attributable to the Employer, the Contract would become effective only from the date of fulfillment of all the above mentioned conditions and, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

3.3 However, if any of the conditions listed under 3.1 above are not fulfilled within two (2) months from the date of Letter of Intent because of reasons attributable to the Contractor, the Contract will be effective from the date of Letter of Intent. In this case, Contract Price and / or time for completion shall not be adjusted.





Article 4.

It is expressly understood and agreed by and between the Contractor and the Employer that the Employer is entering into this Agreement solely on its own behalf and not on behalf of any other person or entity. In particular it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Employer is an Independent legal entity with power and authority to enter into contracts solely on its own behalf under the applicable laws of India and the general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Employer is not an Agent, Representative or Delegate of the Govt. of India. It is Further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Agreement.

Article 5.  
Appendices

The Appendices listed in the attached list of Appendices shall be deemed to form an integral part of this Contract Agreement.

Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.

IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by for and on behalf of the Employer

[Signature]

[Title]



in the presence of Dr. Ramulu (Sd/-) (Sd/-) (Sd/-)

Signed by for and on behalf of the Contractor

[Signature]

[Title]



in the presence of K Chatterjee  
(KUNAL CHATTERJEE)  
MCNALLY BHARAT ENGG. CO. LTD.

CONTRACT AGREEMENT

dated the twenty eighth day of September, 2013

BETWEEN

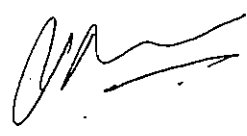
The Singareni Collieries Company Ltd.  
["the Employer"]

And

M/s McNally Bharat Engineering Co. Limited,  
["the Contractor"]

APPENDICES

- Appendix 1 Terms and Procedures of Payment
- Appendix 2 Price Adjustment
- Appendix 3 Insurance Requirements
- Appendix 4 Time Schedule
- Appendix 5 List of Approved Subcontractors
- Appendix 6 Scope of Works and Supply by the Employer
- Appendix 7 List of Documents for Approval or Review
- Appendix 8 Functional Guarantees





**TERMS AND PROCEDURES OF PAYMENT**

*In accordance with the provisions of GCC Clause 12 (Terms of Payment), the Employer shall pay the Contractor in the following manner and at the following times, on the basis of the Price Break up approved by the Employer. Payments will be made in the currencies quoted by the Bidder unless otherwise agreed between the parties. Application for payment in respect of part deliveries may be made by the Contractor as work proceeds*

**TERMS OF PAYMENT**

**A. Schedule No.1 : Plant and Equipment (excluding Type Tests and Mandatory Spares) quoted on CIF (Indian Port-of-entry) basis**

In respect of Plant and Equipment (excluding type tests & mandatory spares) supplied from abroad the following payments shall be made

**A1 For FOB Price Component of Plant and Equipment (excluding type tests & mandatory spares)**

(I) **Ten Percent (10%) of the total FOB price component as Initial Advance Payment on**

(i) Acceptance of Notification of Award and Signing of the Contract Agreement.

(ii) Submission of an unconditional Bank Guarantee covering the advance amount which shall be initially kept valid upto (ninety) 90 days beyond the schedule date for Completion of the last Facilities covered under the Package. However, in case of delay in completion of the facilities covered under the package, the validity of this Bank Guarantee shall be extended by the period of such delay. The Proforma of Bank Guarantee is enclosed in Section - VII - Bank Guarantee Form for Advance payment (Supply -FOB:Ex-Works)

(iii) Submission of an unconditional Bank guarantee(s) towards Performance Security(s) in respect of all Contracts (including the Contracts entered into with the Contractor's Assignee, if applicable in case of Foreign Contractor) initially valid upto ninety (90) days after the end of Defects Liability period of all equipment covered under Contract. The proforma of Bank Guarantee is enclosed in Section-VII-Form of Performance Security.







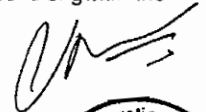
APPENDIX - 1  
PAGE 2 OF 18

- (iv) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix-4 to Form of the Contract Agreement and its approval by the Employer
- (ii) **Sixty five Percent (65%)** of FOB price component of the Contract Price for each identified equipment upon despatch of equipment from manufacturer's works on pro-rata basis on production of invoices and satisfactory evidence of shipment which shall be original Goods Receipt or receipted GR/Rail Receipt including Material Despatch Clearance Certificate (MDCC) issued by the Employer's QA & I representative.

In case the Contractor is a non resident/foreign Company, the release of first progressive payment shall be subject to submission of certificate/Ruling determining the applicable rate of Income Tax in terms of relevant provision of GCC Clause as Taxes & Duties and acceptance of same by Engineer-in-Charge.

- (iii) **Fifteen Percent (15%)** of FOB Price Component of the Contract Price for each identified equipment on receipt of equipment at site on pro-rata basis and physical verification and certification by the Project Manager for the equipment received and stored at site after adjustment of full 10% Initial Advance payment as at A1 (i) above [i.e. 25% (-) 10% = 15%].
- (iv) **Five Percent (5%)** of FOB Price Component of the Contract Price on completion of facilities including all associated auxiliaries and ancillary works for Unit-I & Unit-II of entire Balance of Plant (BOP) package and issuance of Completion Certificate by the Project Manager for Unit-I & Unit-II of entire BOP.
- (v) **Five Percent (5%)** of FOB Price Component of the Contract Price on successful completion of Guarantee Tests for Unit-I & Unit-II of entire Balance of Plant (BOP) package and issuance of Operational Acceptance Certificate by the Project Manager for Unit-I & Unit-II of entire BOP.

**NOTE: 1.** The local agent commission shall be paid to the Contractor's Agents in Indian Rupees on pro-rata basis along with the base Contract price payment. However, the local agent commission proportionate to the initial advance shall not be payable along with the initial advance but shall be clubbed and paid along with the progressive payment on pro-rata basis


145

APPENDIX - I  
PAGE 3 OF 18

2. The basis for the pro-rata payments at Sl. No. (II) and (III) above shall be the Billing Break up to be finalised subsequently based on the following guidelines:

The billing break up shall be generally on item rate basis. However, for the items which are generally supplied and billed on weight (tonnage) basis, the billing break-up may be considered on weight (tonnage) basis.

- 3 For Balance system/package : The basis of pro-rata payment at (II) and (III) above shall be the billing break up (which shall be generally on item rate basis) to be finalised subsequently.

A2 **Ocean Freight and Marine Insurance Charges (excluding Type Tests and Mandatory Spares parts) for equipment covered above :**

One Hundred percent (100%) Ocean Freight and Marine Insurance charges covered in Schedule-1 shall be paid upon shipment of equipment on pro-rata basis to the FOB price of the equipment shipped. The aggregate of all such pro-rata payments shall not exceed the total amount identified in the contract. However, whenever equipment wise Ocean Freight and Marine Insurance charges have been identified in the contract the payment of Ocean Freight and Marine Insurance Charges shall be based on such charges identified in the contract against shipment of equipment.

B **Schedule No. 2 : Plant and Equipment (excluding Type Tests and Mandatory Spares) quoted on Ex-Works (India) basis :**

In respect of Plant and Equipment (excluding type tests & mandatory spares) supplied from within the Employer's country the following payment shall be made:

**For Ex-works Price component of Plant and Equipment (excluding type tests & mandatory spares)**

- (I) Ten Percent (10%) of the total Ex-works price component as Initial Advance Payment on :
- (i) Acceptance of Notification of Award and Signing of the Contract Agreement.
  - (ii) Submission of an unconditional Bank Guarantee covering the advance amount which shall be initially kept valid upto (ninety) 90 days beyond the schedule date for Completion of the last Facilities covered under the Package. However, in case of delay in completion of the facilities covered under the package, the validity of this Bank Guarantee shall be extended by the period of such delay. The Proforma of Bank Guarantee is enclosed in Section-VII - Bank Guarantee Form for Advance Payment.



APPENDIX - I  
PAGE 4 OF 18

- (iii) Submission of an unconditional Bank guarantee(s) towards Performance Security(s) in respect of all Contracts, (including the Contracts entered into with the Contractor's Assignee, if applicable in case of Foreign Contractor) initially valid upto ninety (90) days after the end of Defects Liability period of all equipment covered under Contract. The proforma of Bank Guarantee is enclosed in Section-VII-Form of Performance Security.
- (iv) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix-4 to Form of the Contract Agreement and its approval by the Employer.
- (II) **Sixty five Percent (65%)** of Ex-Works Price component of the Contract Price for each identified equipment upon despatch of equipment from manufacturer's works on pro-rata basis on production of invoices and satisfactory evidence of shipment which shall be original Good Receipt or receipted GR/Rail Receipt including Material Despatch Clearance Certificate (MDCC) issued by the Employer's QA & I representative.
- (III) **Fifteen Percent (15%)** of Ex-works Price Component of the Contract Price for each identified equipment on receipt of equipment at site on pro-rata basis and physical verification and certification by the Project Manager for the equipment received and stored at site after adjustment of full 10% Initial Advance payment as at B(I) above [i.e. 25% (-) 10% = 15%].
- (IV) **Five Percent (5%)** of Ex-works Price Component of the Contract Price on completion of facilities including all associated auxiliaries and ancillary works for Unit-I & Unit-II of entire Balance of Plant (BOP) package and issuance of Completion Certificate by the Project Manager for Unit-I & Unit-II of entire BOP.
- (V) **Five Percent (5%)** of Ex-works Price Component of the Contract Price on successful completion of Guarantee Tests for Unit-I & Unit-II of entire Balance of Plant (BOP) package and issuance of Operational Acceptance Certificate by the Project Manager for Unit-I & Unit-II of entire BOP.

NOTE: The basis for the pro-rata payments at Sl. No. (II) and (III) above shall be the Billing Break up to be finalised subsequently based on the following guidelines:





1. The billing break up shall be generally on item rate basis. However, for the items which are generally supplied and billed on weight (tonnage) basis, the billing break-up may be considered on weight (tonnage) basis.
2. For Balance system/package . The basis of pro-rata payment at (II) and (III) above shall be the billing break up (which shall be generally on item rate basis) to be finalised subsequently.

C **Schedule 1, 2 and 6 : Payment Terms for Mandatory Spares and Recommended Spares (When ordered)**

The CIF price component of spares to be supplied from abroad and Ex-works price component of spares to be manufactured or fabricated within the Employer's country shall be paid as under :-

- (i) Seventy five percent (75%) of CIF/Ex-works price component of the spares to be paid on pro-rata basis upon despatch to site and against production of invoices and shipping documents along with Material Despatch Clearance Certificate (MDCC) issued by the Employer's QA&I representative
- (ii) Twenty five percent (25%) of CIF/Ex-works price component of the spares to be paid on pro-rata basis on receipt and storage at site and on physical verifications by the Project Manager for the spares received and stored at site.

D **Schedule No. 3 : Local Transportation**

- (a) **All Plant and Equipment including mandatory spares and recommended spares (if ordered)**

One hundred Percent (100%) Local Transportation (including port clearance, port handling and port charges etc., if applicable and inland transit insurance charges) for the plant and equipment including mandatory spares and also recommended spares (if ordered) covered in Schedule - 1 and Schedule - 2 shall be paid to the Contractor pro-rata to the value of the equipment/spares received at site and on production of invoices by the Contractor. The aggregate of all such prorata payments shall, however, not exceed the total amount identified in the Contract for Local Transportation. However, where item wise local transportation charges (including port clearance, port handling charges and port charges etc. if applicable and inland insurance charges) have been identified in the Contract, the payment for the same shall be made after receipt of the equipment/spares at site, based on the charges so identified in the Contract.



The above terms of payment shall be acceptable for Foreign Currency portion as well as Local Currency portion of the Local Transportation Component of the Contract Price, if any:

**E Schedule No. 4 : Installation Services excluding Civil and Structural Works portion:**

Foreign Currency Portion as well as Local Currency Portion of the Installation Services component of the Equipment Price shall be paid as under :

- (I) **Ten Percent (10%)** of the total installation services component of the Contract Price (excluding Civil and Structural Works Portion) will be paid to the Contractor as interest bearing advance payment on:
  - (i) Acceptance of Notification of Award and Signing of Contract Agreement.
  - (ii) Establishing their office at site preparatory to mobilisation of their erection establishment.
  - (iii) Submission of an unconditional Bank Guarantee covering the advance amount, which shall be initially kept valid upto ninety (90) days beyond the schedule date for Completion of the last Facility covered under the Package. However, in case of delay in completion of the facilities covered under the package, the validity of this advance Bank Guarantee shall be extended by the period of such delay. The Proforma of Bank Guarantee is enclosed in Section - VII - Bank Guarantee Form for Advance payment.
  - (iv) Submission of an unconditional Bank guarantee(s) towards Performance Security(s) in respect of all Contracts (including the Contracts entered into with the Contractor's Assignee, if applicable in case of Foreign Contractor) initially valid upto ninety (90) days after the end of Defects Liability period of all equipment covered under Contract. The proforma of Bank Guarantee is enclosed in Section-VII-Form of Performance Security.
  - (v) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix-4 to Form of the Contract Agreement and its approval by the Employer
- (II) The recovery of the interest component on the above advance amount shall be made from the progressive payments released to the contractor as per clause E(III) of Appendix-1, Part 3 of 3, Section-VII



The amount of interest to be recovered from a particular bill shall be calculated @ 14.5% per annum on the value of advance corresponding to the %age of total progressive payment being released. The period for which the interest is to be calculated shall be reckoned from the date of release of the advance payment to the actual date of release of the said progressive payment or the expiry of the stipulated time frame for release of such progressive payments under the contract, whichever is earlier. The interest on the advance payment shall stand fully recovered on release of all the progressive payments. If the amount payable under any interim bill is not sufficient to cover all deductions to be made for interest on the advance payment and other sums deductible therefrom, the balance outstanding shall be recovered from the next payments immediately falling due.

- (III) Eighty percent (80%) of the Erection Portion of Installation Services component of Contract Price (excluding civil / structural works) shall be paid on pro rata basis against progressive erection of the identified equipment (a) on certification by the Project Manager for the quantum of work completed (b) on certification by the Project Manager's field quality assurance & surveillance representative for the successful completion of quality check points involved in the quantum of work after adjustment of full 10% Initial Advance payment as at E(I) above [i.e. 90% (-) 10% = 80%].

Note: The release of first progressive payment for installation services shall also be subject to submission of documentary evidence by the Contractor towards having taken the insurance policy(ies) in terms of relevant provisions of GCC Clause 34 (Insurance) and acceptance of same by the Project Manager.

- (IV) Five percent (5%) of Installation services Price Component of the contract price (excluding civil / structural works) on Completion of Facilities including all associated auxiliaries and ancillary works for Unit-I & Unit-II of entire Balance of Plant (BOP) package and issue of Certification Certificate by the Project Manager for Unit-I & Unit-II of entire Balance of Plant (BOP) package.

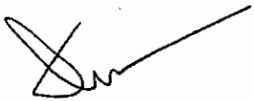
- (V) Five percent (5%) of Installation services Price Component of the contract price (excluding civil / structural works) on successful completion of Guarantee Tests for Unit-I & Unit-II of entire Balance of Plant (BOP) package and issuance of Operational Acceptance Certificate by the Project Manager for Unit-I & Unit-II of entire Balance of Plant (BOP) package



F. **Schedule No. 4 : Civil Works :**

The foreign currency portion as well as Local Currency portion of the Civil Works Price Component of the Contract Price shall be paid as under :

- (I) Ten percent (10%) of the total Civil Works Price Component of the Contract Price will be paid to the contractor as interest bearing advance payment on:
  - (i) Establishment their office at site in preparatory to commencement of Civil Works.
  - (ii) Submission of an unconditional Bank Guarantee for an equivalent amount, which shall be initially kept valid upto ninety (90) days beyond the schedule date for successful 'Completion of the Facilities' under the Package. However, in case of delay in completion of facilities the validity of this advance Bank
  - (iii) Acceptance of Notification of Award and Signing of Contract Agreement.
  - (iv) Submission of an unconditional Bank Guarantee(s) towards Performance Security(s) in respect of all Contracts (including the Contracts entered into with the Contractor's Assignee if applicable in case of Foreign Contractor) initially valid upto ninety (90) days after the end of Defects Liability Period of all the equipment covered under the contract The proforma of Bank Guarantee is enclosed in Section - VII Form of Performance Security.
  - (v) In case of Joint Undertaking by the Contractor alongwith his Collaborator/Associate forms part of the Contract then submission of an unconditional Bank Guarantee from such Collaborator(s) / Associate(s) towards faithful performance of tehe Deed of Joint Undertaking for an amount specified in the deed and valid upto ninety (90) days after the end of Defect Liability Period for all equipment covered under the Contract The proforma of Bank Guarantees) shall be as enclosed in Section-VII
  - (vi) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix-4 to Form of the Contract Agreement and its approval by the Employer.



(II) The recovery of the interest component on the above advance amount shall be made from the progressive payments released to the contractor as per clause F(III) of Appendix-1, Part 3 of 3, Section-VII. The amount of interest to be recovered from a particular bill shall be calculated @ 14.5% per annum on the value of advance corresponding to the %age of total progressive payment being released. The period for which the interest is to be calculated shall be reckoned from the date of release of the advance payment to the actual date of release of the said progressive payment or the expiry of the stipulated time frame for release of such progressive payments under the contract, whichever is earlier. The interest on the advance payment shall stand fully recovered on release of all the progressive payments. If the amount payable under any interim bill is not sufficient to cover all deductions to be made for interest on the advance payment and other sums deductible therefrom, the balance outstanding shall be recovered from the next payments immediately falling due.

(III) Eighty percent (80%) of the total Civil Works Price Component of Contract Price shall be paid progressively on certification by the Project Manager for the quantum of work completed and by Project Manager's field quality surveillance representative for the successful completion of quality check points involved in the quantum of work billed after adjustment of full 10% Initial Advance payment as at F(I) above [i.e. 90% (-) 10% = 80%].

Note: The release of first progressive payment for civil works shall also be subject to submission of documentary evidence by the Contractor towards having taken insurance policy(ies) in terms of relevant provisions of GCC Clause 34 (Insurance) and acceptance of same by the Project Manager.

(IV) Ten percent (10%) of total Civil Works Price component of Contract price shall be paid on successful completion of Guarantee Tests of entire Balance of Plant(BOP) package and issuance of Operational Acceptance Certificate by the Project Manager.

(V) Secured advance against materials (Cement & Reinforcement Steel) shall be paid to the Contractor on the certificate of Project Manager. The contractor shall be paid material secured advance upto maximum limit of 75% (exact percent of material secured advance shall be decided by Project Manager based on the requirement of Cement & Reinforcement Steel for the complete work and total cost of Civil Construction works as provided in the Contract) of the cost of Cement & Reinforcement Steel which in the opinion of Project Manager is reasonably required in accordance with the Contract and the same has been brought to site for incorporation in the works and are safeguarded against loss due to any cause whatsoever and stored as per requirement of Technical specification.





152

APPENDIX - 1  
PAGE 10 OF 18

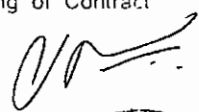
Total amount of secured advances against material (i.e. Cement & Reinforcement Steel) payable as per above provision however, shall not exceed 10% of the cost of total Civil Construction works for cement & 25% of the cost of total Civil Construction works for Reinforcement Steel.

- (VI) The material secured advance payment under clause (IV) above be fully adjusted from the payments due to contractor for the works done against Clause (II) above as and when materials are utilised in the same.
- (VII) On completion of works as per requirement of specification, if any balance materials (i.e. Cement & Reinforcement Steel) are available in the contractor's store after full adjustment of material secured advance from the payments due under clause (II) above, contractor shall be allowed by the Employer to take out the balance material (Cement & Reinforcement Steel) from the plant.
- (VIII) The Contractor store shall be opened, for supervision and verification by the Project Manager or his authorised representatives, at any time in case he so desires

G. Schedule No. 4 : Structural Works (Site Fabricated)

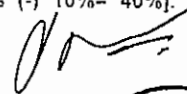
The Foreign Currency portion as well as Local currency portion of the Structural Works Price Component of the Contract Price shall be paid as under :

- (I) Ten Percent (10%) of the total Structural works Price component of the Contract Price will be paid to the Contractor as interest bearing advance payment on:
  - (i) Establishing their office at site in preparatory to commencement of structural works.
  - (ii) Submission of an unconditional Bank Guarantee for an equivalent amount, which shall be initially kept valid upto ninety (90) days beyond the schedule date for successful 'Completion of the Facilities' under the Package. However, in case of delay in completion of facilities the validity of this advance Bank Guarantee shall be extended by the period of such delay
  - (iii) Acceptance of Notification of Award and Signing of Contract Agreement.



APPENDIX - 1  
PAGE 11 OF 18

- (iv) Submission of an unconditional Bank Guarantee towards Contract Performance Security(s) in respect of both First, Second and Third Contracts (including the Contracts entered into with the Contractor's Assignee, if applicable in case of foreign Contractor) and valid upto ninety (90) days after the end of Defects Liability Period of all the equipment covered under the contract. The proforma of Bank Guarantee is enclosed in Section-VII Form of Performance Security.
- (v) In case of Joint Undertaking by the Contractor alongwith his Collaborator/Associate forms part of the Contract then submission of an unconditional Bank Guarantee from such Collaborator(s) / Associate(s) towards faithful performance of the Deed of Joint Undertaking for an amount specified in the deed and valid upto ninety (90) days after the end of Defect Liability Period for all equipment covered under the Contract. The proforma of Bank Guarantee(s) shall be as enclosed in Section-VII.
- (vi) Submission of a detailed PERT Network based on the work schedule stipulated in Appendix-4 to Form of the Contract Agreement and its approval by the Employer
- (II) The recovery of the interest component on the above advance amount shall be made from the progressive payments released to the contractor as per clause G(III) of Appendix-1, Part 3 of 3, Section-VII. The amount of interest to be recovered from a particular bill shall be calculated @ 14.5% per annum on the value of advance corresponding to the %age of total progressive payment being released. The period for which the interest is to be calculated shall be reckoned from the date of release of the advance payment to the actual date of release of the said progressive payment or the expiry of the stipulated time frame for release of such progressive payments under the contract, whichever is earlier. The interest on the advance payment shall stand fully recovered on release of all the progressive payments. If the amount payable under any interim bill is not sufficient to cover all deductions to be made for interest on the advance payment and other sums deductible therefrom the balance outstanding shall be recovered from the next payments immediately falling due.
- (III) Forty Percent (40%) of the total Structural Works Price component of Contract Price shall be paid prorata basis on receipt of material at site and physical verification and certification by the Project Manager for the material received and stored at site after adjustment of full 10% Initial Advance payment as at G(I) above [i.e. 50% (-) 10%= 40%].




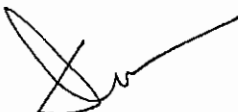
APPENDIX - 1  
PAGE 12 OF 18.

Note: The release of first progressive payment for structural works services shall also be subject to submission of documentary evidence by the Contractor towards having taken insurance policy(ies), in terms of relevant provisions of GCC Clause 34 (Insurance) and acceptance of same by the Project Manager.

- (IV) Eighteen Percent (18%) of the total Structural Works Price component of Contract Price shall be paid on pro-rata basis on fabrication of Structural Steel and certification by the Project Manager on the quantum of work performed and the Project Manager's field quality surveillance representative for successful completion of quality check points involved in the quantum of work.
- (V) Twelve Percent (12%) of the total Structural Works Price component of Contract Price shall be paid on pro-rata basis on erection of Structural Steel and certification by the Project manager on quantum of work performed and by the Project Manager's field quality surveillance representative for successful completion of quality check points involved in the quantum of work.
- (VI) Ten percent (10%) of the total Structural Works price component of Contract Price shall be paid on pro-rata basis on final alignment bolting or welding etc. including primer coats of painting on certification by the Project Manager on quantum of work performed and by the Project Manager field quality surveillance representative for successful completion of quality check points involved in the quantum of work
- (VI) Ten Percent (10%) of the total Structural Works Price Component of Contract Price shall be paid on successful completion of Guarantee Tests of entire Balance of Plant(BOP) Package and issuance of Operational Acceptance Certificate by the Project Manager

H Payment terms for Price Adjustment Amount

Any addition due to adjustment to the Contract Price shall be payable in the similar manner as provided in the clauses A to G above. The price adjustment amount corresponding to advance payment shall be clubbed with the first progressive payment of that equipment. Reduction to the Contract Price, if any, due to price adjustment provisions, shall be effected by recovering 100% of the reduction amount (including advance) from any of the Contractor's bills falling immediately due for payment




I. **Schedule - 7 : Payment Terms for Taxes & Duties**

- (i) Indian Custom Duties or levies including Stamp Duty and Import Licence Fee levied by the Government of India or any State Government in India on the Plant and Equipment covered in Schedule -1 supplied from abroad (and Recommended Spares when ordered) to be imported into India and which will become the property of the Employer shall be paid directly by the Employer to the Government of India or the concerned authorities. However, if the local laws require such payment of the custom duty to be made by the Contractor, the same shall be reimbursed to the Contractor on production of satisfactory evidence of having paid the custom duty amount to the concerned authorities
- (ii) Notwithstanding the above, if the Contractor chooses to ship the equipment in Shipper's Containers, then the custom duty levied on such Containers shall not be borne by the Employer and shall be payable by the Contractor himself
- (iii) 100% of applicable Taxes and Duties excluding service tax on type test charge (if applicable) are payable by the Employer under the Contract shall be reimbursed to the Contractor upon receipt of equipment/spares at site and on production of satisfactory documentary evidence by the Contractor/Assignee as applicable.

H. **Payment Terms for Type Test Charges Schedule-8A/8B (as applicable).**

100% of each Type Test Charges alongwith service tax (if payable under the contract) shall be paid to the Contractor upon conductance of the correspondence Type Test and Certification by the Engineer thereon.



**PAYMENT PROCEDURES**

Procedures to be followed in making application for, certifying and making payments shall be as follows :

**1 Payment Schedule/Price Break-up for Payments**

1.1 The Contractor shall prepare and submit to the Employer for approval, a break-up of the Contract Price in the currencies of the Contract. It is expected that the Contractor shall indicate the price of a single item in one currency only. However, if the Contractor intends of receive payment for some items in more than one currency, the Contractor would be required to furnish a separate breakup and type payment for such items shall be made based on the agreed rates. The tonnage rate, wherever applicable, shall then be applicable for the balance items. The Contract price break-up shall indicate the component of Entry Tax included in the Contract price separately. The Contract Price break-up shall be interlinked with the agreed detailed PERT network of the Contract setting forth starting and completion dates for the various key phases of the Facilities. However, a drawdown schedule to regulate the flow of funds shall be mutually worked out. Any payment under the Contract, sub-sequent to Advance payment, shall be made only after the Contractor's price break-up is approved by the Employer. The aggregate sum of the Contractor's price break-up shall be equal to the total Contract Price.

**2 Currency of Payment**

2.1 The Contract Price shall be paid in the currency or currencies in which the various price components have been stated and as incorporated in the Contract.

**3 Application for Payment**

3.1 The Contractor shall submit application for the payment in the proforma enclosed. The Contractor shall submit to the Project Manager separate application for payment in different currencies whenever payment is to be made in more than one currency

3.2 Each such application shall state the amount claimed and shall set forth in details, the order of the Payment Schedule, particulars of the Facilities including the Facilities executed including Facilities executed at Site and of the equipment shipped/brought on to the Site pursuant to the Contract upto the date mentioned in the application and for the period covered since the last preceding certificate, if any.



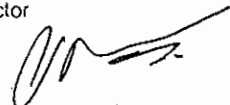
3.3 Every interim payment certificate shall certify the Contract Value of the Facilities executed upto the date mentioned in the application for the payment certificate, provided that no sum shall be included in any interim payment certificate in respect of the Facilities that according to the decision of the Project Manager, does not comply with the Contract, or has been performed prematurely as date of certificate.

4 Due Dates for Payment

- 4.1 (a) The advance payment amount shall be payable after fulfillment of all the conditions laid down in the Terms of Payment (Appendix 1 to the Contract Agreement) and receipt of the Contractor's invoice alongwith all necessary supporting documents for such advance payment
- (b) Employer will make progressive payment as and when the payment is due as per the Terms of Payment set forth in Appendix 1 to the Contract Agreement. Payment for Supply of Equipment, Mandatory spares covered in Schedule 1 and Schedule 2 shall be made within 10 days of receipt of payment claims from the Contractor. The payment shall be submitted along with pre-despatch inspection certificates etc as prescribed in the relevant clauses in Appendix 1. However, if any adjustments are required on verification of invoices vis-a material received, the same shall be done in the immediate following progressive payment claims.
- (c) Progressive payment other than that under the second contract will become due and payable by the Project Manager within thirty (30) days from the date of receipt of Contractor's bill/invoice/debit note by the Employer, provided the documents submitted are complete in all respects. The bidder shall raise invoice on monthly basis.

5. Mode of Payment

- 5.1 The Employer will establish an irrevocable Letter of Credit (L/C) in favour of the Contractor through the Employer's Bank in Employer's country for payments due, as per Terms of Payment, on despatch of equipment i.e Ex-works/CIF despatch of plant and equipment including mandatory spares covered in Schedule 1 & 2 (including due payments towards ocean freight and marine insurance). The value of L/C will be as per payment schedule for each quarter of year and the L/C shall remain valid for one quarters of a year. It will be the responsibility of the Contractor to utilise the L/C to the fullest extent in case L/C has been established by the Employer and not utilised fully/partially by the Contractor, for reasons of delay attributable to him, all reinstatement charges for the L/C for further period necessiated due to non-utilisation of L/C will be to the account of the Contractor



5.2

The payment of the advance amount, progressive payment against receipt for Supply of Equipment, Mandatory spares, Type Test Charges if any, price adjustment amounts, all other supply payments, taxes and duties (wherever admissible) inland transportation (including port handling, if any), insurance and the Installation Portion of the Facilities shall be made directly to the Contractor by the Employer electronically (RTGS) as per the details of Bank Account indicated in the contract.

No L/C shall be established by the Employer for such payments RTGS charges shall be to the account of the Employer. In case any changes to the bank account indicated in the contract, the contractor shall immediately inform the Employer. The contractor shall hold the Employer harmless and Employer shall not be liable for any direct, indirect or consequential loss or damage sustained by the Bidder on account of any error in the information on change in bank details provided to the employer in the prescribed form without intimation to Employer duly acknowledged.



FORM OF APPLICATION FOR PAYMENTS

|                    |   |                   |   |
|--------------------|---|-------------------|---|
| Project            | : | Date              | : |
| Equipment Package  | : | Contract No       | : |
| Name of Contractor | : | Contract Name     | : |
| Contract Value     | : | Applicable Serial | : |
| Unit Reference     | : | Number            | : |

To

.....  
(Name of Employer)

Dear Sirs,

APPLICATION FOR PAYMENT #

- 1 Pursuant to the above referred Contract Agreement dated.....  
the undersigned hereby applies for payment of the sum of .....  
.....(Specify amount and currency in which  
claim is made).
- 2 The above amount is on account of (check whichever applicable);  
Advance payment (Schedule \*\*)  
Progressive payment against despatch of equipment (Schedule \*\*)  
Progressive payment against despatch of mandatory spares (Schedule \*\*)  
Progressive payment against receipt of equipment (Schedule \*\*)  
Progressive payment against receipt of mandatory spares (Schedule \*\*)  
Progressive payment against Erection (Schedule \*\*)  
Ocean freight & marine insurance (Schedule \*\*)  
Payment against Inland transportation (Schedule \*\*)  
including inland transit Insurance  
Payment against Taxes & duties (Schedule \*\*)  
Payment against Price adjustment (Schedule \*\*)



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APPENDIX - 1  
PAGE 18 OF 18

Extra work not specified in contract  
(Ref. Contract change order No.....)

Others (specify)

Final payment (Schedule \*\*)

as detailed in the attached schedule(s) which form an integral part of this application.

3 The payment claimed is as per item(s) No.(s) .. of the payment schedule annexed to the above mentioned Contract.

4 The application consists of this page, a summary of claim statement (Schedule \*\*), and the following signed schedules

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

The following documents are also enclosed :

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

Signature of Contractor/  
authorised Signatory

Application for payment will be made to 'Project Manager' as to be designated for this purpose at the time of Notification of Award

# Prepare separate application for claims in different currencies

\*\* Proforma for the Schedules will be mutually discussed and agreed to during the finalisation of the Contract Agreement.



**PRICE ADJUSTMENT**

- (i) The Contract Price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of labour and material components etc in accordance with the provisions described below.
- (ii) The price adjustment provisions shall be applicable separately for price components relating to supply of Equipment and Erection, as per price break-up furnished by the Contractor in Schedule-1/ Schedule-2 and Schedule-4
- (iii) Only following components of the Contract Price will be subject to Price adjustment :
- (a) Ex-Works (India) price of plant and equipment excluding Mandatory Spares manufactured within the Employer's Country and Type Tests Charges (covered in Schedule 2) and FOB price component for plant and equipment excluding Mandatory spares supplied from abroad and Type Tests Charges (covered in Schedule 1)
  - (b) Installation Services component of the Contract Price (covered in Schedule 4).
- (iv) Price adjustment amounts towards aforesaid components of Contract Price shall be paid in the respective currencies of Contract. Specified ceilings on amount of price adjustment shall be applicable for each of the Contract currencies separately.
- (v) The indices for price adjustment shall necessarily be of the country of origin of the goods and labour shall be well established and nationally recognised in that country. Preferably Government indices shall be used.
- (vi) The price adjustment formula for the components of the Contract Price, as mentioned at Sl.No (iii) above shall be as stipulated hereinafter.
- (vii) **Ex-Works/FOB price component of Plant and Equipment excluding mandatory spares and Type Tests Charges**

It is understood that the price component of the equipment for any shipment/despatch comprises of a fixed portion (designated as 'F' and the value of which is specified hereunder) and a variable portion linked with the indices for various materials and labour (description and co-efficients as enumerated below).



APPENDIX - 2  
PAGE 2 OF 16

The amount of price adjustment towards variable portion payable/recoverable on each shipment/despatch shall be computed as under :

$$EC = EC_1 \cdot EC_2$$

EC<sub>1</sub> will be computed as follows

$$EC_1 = EC_0 \left\{ F + a \times \frac{A_1}{A_0} \times f_1 + b \times \frac{B_1}{B_0} \times f_2 + c \times \frac{C_1}{C_0} \times f_3 + \dots \dots \dots \right.$$

$$\left. + Lb \times \frac{L_1}{L_0} \times f_{(n)} \right\}$$

Where

- EC = Adjustment to Ex-Works/FOB price component expressed in the currency of the Contract payable to the contractor for each shipment/despatch
- EC<sub>1</sub> = Adjusted amount of Ex-works/FOB price component expressed in the currency of the Contract payable to the Contractor for each shipment/despatch
- EC<sub>0</sub> = Ex-works/FOB price for the plant and equipment in the currency of the Contract, shipment/despatchwise
- The fixed portion of the ex-works/FOB component of the Contract Price (F) shall be 0.20.
- a,b,c etc. shall be co-efficients of major materials/items involved in the ex-works/FOB component of the Contract Price. The sum of these co-efficients shall be between 0.55 to 0.60.
- A,B,C etc. shall be published price indices of corresponding major materials/items. Such indices shall necessarily be of the country of origin of goods.
- 'Lb' shall be co-efficient for labour component in the ex-works/FOB component of the Contract Price which shall be between 0.20 to 0.25.
- 'L' shall be labour index.



Sum of all the material co-efficients and the labour co-efficient shall be 0.85.

$f_1, f_2, f_3$  etc. are Exchange rate correction factors for the respective materials and  $f_0$  is the exchange rate correction factor for labour with reference to the currency of the country of origin of index and the respective contract currency, such that

$$f = \frac{Z_c}{Z_1}$$

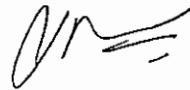
where Z is the no. of units of the currency of the country of the origin of index, which is equivalent to one unit of the respective contract currency. The exchange rates to be used for calculation of factor 'f' shall be as per Bills Selling Exchange Rates established by the STATE BANK OF INDIA

For the indices, subscript 'o' refers to indices as on 30 days prior to date set for opening of bids. For 'Z<sub>o</sub>' subscript 'o' refers to value as on the date of opening of bids.

Subscript '1' refers to indices/exchange rates as of

- (a) three months/ninety (90) days prior to the date of shipment/despatch for labour, and
- (b) at the expiry of two third (2/3) period from the date of Notification of Award to the date of shipment/despatch, for material.

For the purpose of this clause, the date of shipment/despatch shall mean the Schedule date of shipment/despatch or actual date of shipment/despatch, whichever is earlier. The schedule date of shipment/despatch shall be as identified in line with provisions of Time Schedule, Appendix-4 to the Contract Agreement



APPENDIX - 2  
PAGE 4 OF 16

In case of shipments/despaches which are delayed beyond the schedule date of shipment/despatch for reasons attributable to the Contractor the price adjustment provision shall not be applicable for the period of time between the schedule date of shipment/despatch and the actual date of shipment/despatch. For this purpose, the schedule date of shipment/despatch shall be as given above.

The above formula for price adjustment will be applicable if the currency in which the contract price is expressed is different from the currency of the country of origin of labour and material indices. In other case, formula shall be applied without the exchange rate correction factor 'f'.

(viii) **Installation Services Component**

(A) **Erection Price Portion**

It is understood that the price component for installation services comprises of a fixed portion and a variable portion linked with the index of labour (description and co-efficients as enumerated)

The monthly price adjustment amount for the installation services component of the Contract Price will be computed separately for Indian currency and for foreign currency portion, if any, related to expatriate supervision/labour as per the formula given below :

(a) **Indian Rupee portion of the Installation Services**

$$ER = ER_1 \cdot ER_0$$

ER<sub>1</sub> will be computed as follows :

$$ER_1 = ER_0 \left( 0.15 + 0.85 \frac{F_1}{F_0} \right)$$



165

Where

- ER = Adjustment to Installation services component of contract price expressed in Indian Rupees payable to the contractor for each billing.
- ER<sub>a</sub> = Adjusted amount of Installation services component of Contract Price expressed in Indian Rupees payable to the Contractor
- ER<sub>c</sub> = Value of the Erection work done in the billing period, which shall be calculated as under

For the purpose of computing ER<sub>c</sub>, each bill (which is excluding Initial Advance and amount payable on completion of the Facilities and on successful completion of Guarantee test) during the Erection period upto the 'Completion of the Facilities' as per approved schedule shall be divided by a factor as indicated below:

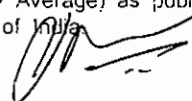
|  |  |
|--|--|
| Installation component of the Contract Price | -[Initial Advance amount + Installation component of the Contract Price payable on Completion of the Facilities + Installation component of the Contract Price payable on successful completion of Guarantee test] |
|--|--|

---

Installation component of the Contract Price

The payment of price adjustment amount so computed (refer Sr.No. F, Appendix-1) shall be made against a separate invoice, linking the corresponding invoice for Installation payment after retaining the pro-rata amount due on completion of the Facilities and on Completion of the Guarantee Tests. The amounts so retained shall be paid on completion of the Facilities and on successful completion of Guarantee Tests respectively.

F = Indian field labour index namely, All India Consumer Price Index for Industrial Workers (All India Monthly Average) as published by Labour Bureau, Simla, Government of India


APPENDIX - 2  
PAGE 6 OF 16

(b) Foreign Currency portion of the Installation Services

$$EE = EE_1 - EE_0$$

EE<sub>1</sub> will be computed as follows .

$$EE_1 = EE_0 (0.15 + 0.85 \frac{EF_1}{EF_0} \times f)$$

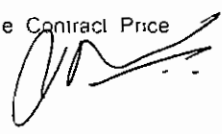

Where

- EE = Adjustment to Installation services component of Contract Price expressed in foreign currency payable to the contractor for each billing.
- EE<sub>1</sub> = Adjusted amount of Installation services component of Contract Price expressed in foreign currency payable to the contractor for each billing.
- EE<sub>0</sub> = Value of foreign currency portion of Erection work done in the billing period which shall be calculated as under

For the purpose of computing EE<sub>0</sub>, each bill (which is excluding Initial Advance and amount payable on Completion of the Facilities and on successful Completion of the Guarantee test) during the Erection period upto the 'Completion of the Facilities' shall be divided by a factor as indicated below:

|  |   |
|--|---|
| Installation component of the Contract Price | - [Initial Advance amount + Installation component of the Contract Price payable on Completion of the Facilities + Installation component of the Contract Price payable on successful completion of Guarantee test] |
|--|---|

Installation component of the Contract Price



The payment of price adjustment amount so computed (refer S.No F, Appendix-1) shall be made against a separate invoice, linking the corresponding invoice for Erection Portion of Installation payment after retaining the pro-rata amount due on completion of the Facilities and on Completion of the Guarantee Tests. The amount so retained shall be paid on completion of the facilities and on successful completion of the Guarantee Tests respectively.

- EF = Index for Expatriate field labour component of Price for Installation work. Such index shall necessarily be of the country of nationality of the labour
- f = Exchange rate correction factor for expatriate labour with reference to currency of country of origin of index for expatriate labour and the respective contract currency, such that

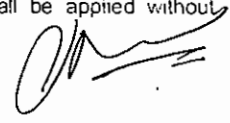

$$f = \frac{Z_1}{Z_0}$$

where Z is the no. of units of the currency of the country of origin of index, which is equivalent to one unit of the respective contract currency. The exchange rates to be used for calculation of factor 'f' shall be as per Bills Selling Exchange Rates established by the STATE BANK OF INDIA

For the indices, subscript 'o' refers to indices as on 30 days prior to date set for opening of bids. For 'Z<sub>0</sub>', subscript 'o' refers to value as on the date of opening of bids

For the indices, subscript '1' refers to the indices as applicable for the month of execution of the erection work. For the exchange rates, subscript '1' refers to the exchange rates as applicable on the last day of the month of execution of the erection work. For the purpose of this clause month of execution of erection work shall mean the schedule month of execution of the erection work or actual month of execution of the erection work, whichever is earlier. The schedule for completion of a particular erection activity shall be as identified in line with provisions of Time schedule, Appendix-4 to the Contract Agreement.

The above formula for foreign exchange portion of Installation Component of Contract Price shall be applicable if the currency in which the contract price has been expressed is different from the currency of country of origin of indices for foreign labour. In other cases, the formula shall be applied without exchange rate correction factor 'f'





APPENDIX - 2  
PAGE 8 OF 16

Price adjustment on Installation component of the contract price shall be without any ceiling.

In case of erection activities which are delayed beyond the schedule for reasons attributable to the contractor, the price adjustment provision shall not be applicable for the period of time between the scheduled completion and actual completion of the respective erection activity. For this purpose, the schedule for completion of a particular erection activity shall be as given above.

(ix) **Price adjustment for Civil works component of the Contract Price (including construction materials)**

The prices quoted by the bidder shall be base price, which will be subjected to price adjustment in accordance with the conditions and formula prescribed herein and further subject to satisfying the requirement specified in this clause.

A fixed percentage of the civil works component of the contract price shall be firm and shall not be subject to any price adjustment. The balance portion of the civil works component of the contract price shall be subject to price adjustment on account of changes in materials and labour as detailed below

$$CV = CV1 - CVo$$

CV1 will be computed as follows

$$CV1 = CVo (F+m \times \frac{M1f1}{Mo} + dx \frac{D1f2}{Do} + Sx \frac{S1f3}{So} + Lbx \frac{L1f4}{Lo} + Cx \frac{C1f5}{Co} )$$



Where.

- CV = Adjustment to civil works component expressed in the currency of the contract payable to the contractor for each billing period.
- CV1 = Adjusted contract price i.e value of work done after application of above price adjustment formula in the billing period
- CVo = Base contract price, subject to price adjustment, i.e. the value of the work done in the billing period as per the monthly billing schedule for which the price adjustment is to be calculated
- F = Fixed portion of the contract price which will not be subjected to any adjustment under this formula or otherwise which will be 0.20.



APPENDIX -2  
PAGE 9 OF 16

- m = Coefficient of material (excluding cement & steel) content in the cost of civil portion of the work which will be 0.15
- d = Coefficient of High Speed Diesel Oil (P.O.L) content in the cost of civil portion of the work which will be 0.05
- s = Coefficient of steel content in the cost of civil portion of work which will be 0.25.
- c = Coefficient of cement content in the cost of civil portion of work which will be 0.10.
- Lb = Coefficient of labour (for all categories) content in the cost of civil portion of the work which will be 0.25.
- M = Material Index, namely, Index No. of wholesale price under group "All commodities" as published by office of the Economic Adviser, Government of India
- D = High Speed Diesel Oil price, namely price of High Speed diesel oil, at Pump Station of India Oil Corporation nearest to the project site. (selling price inclusive of taxes and duties as per litre of H.S.D. Oil).
- S = Index for iron & steel as published by Ministry of Industry GOI for subgroup iron & steel under the group of Basic Materials. Alloys and metal products.
- L = Labour Index, namely, Consumer Price Index for Industrial Workers (Gen.) applicable to "All India" as published by Labour Bureau, Simla of the Govt. of India.
- C = Index for cement as published by Ministry of Industry for subgroup cement, lime and plaster under the group of non metallic mineral products.
- f1 f2  
f3 f4  
f5 = Exchange rate correction factors for respective material and labour indices with respect to country of origin of Material and labour and currency of payment such that
- Z0
- F = -----
- Z1

APPENDIX -2  
PAGE 10 OF 16

Where Z is the number of units of the currency of the origin of the index which is equivalent to one unit of the respective contract currency. The exchange rates to be used for calculation of factor 'f' shall be as per Bills Selling Exchange Rates established by the State Bank of India.

Subscript


- '0' = Refers, to the values of above mentioned labour, material, steel and cement indices, and for diesel price as on 7 days prior to the date of opening of bids. For ZO subscript '0' refers to value as on the date of opening of bids.
- '1' = Refers to values of corresponding labour, material, steel and cement indices, and for diesel price as applicable for the month prior to month in which the work is executed

The total price adjustment amount for civil work shall not exceed 15% of the component of the contract price for civil work. The specified ceiling of 15% of the adjusted amount towards civil work shall be applicable for each of the contract prices separately and shall be computed and payable in respective currencies

In case the billing period of civil works falls beyond the time period identified for completion of facilities as per the contract for the reasons attributable to the contractor, the price adjustment provisions shall not be applicable for the time between such date identified in the contract for the completion of facilities and actual completion period/date.

The bidder shall indicate below the base date of indices for labour, material, high speed diesel, cement and steel in its bid.

| Item | Index    | Source of Indices used*   | Base date Indices |
|------|----------|---|-------------------|
| 1.   | Labour   | Consumer price index for industrial workers (All India General) as published by Labour Bureau, Simla. |                   |
| 2.   | Material | Index no. of wholesale Price under group all commodities as published by Ministry of Industries       |                   |


| Item | Index             | Source of Indices used*   | Base date Indices |
|------|-------------------|---|-------------------|
| 3.   | High Speed Diesel | Price of high speed diesel oil per litre at the Indian Oil Corpn. outlet nearest to the project (selling price inclusive of taxes & duties if any)      |                   |
| 4    | Steel             | Index for iron and steel published by Ministry of Industry, GOI. for subgroup iron and steel under the group of basic metals, alloys and metal products |                   |
| 5    | Cement            | Index for cement as published by Ministry of Industry, GOI. for subgroup cement, lime and plaster under the group of non metallic mineral products.     |                   |

\* In case of foreign indices, bidder is required to specify the same

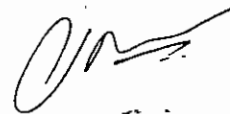
(x) **Structural Works Price Component**

It is understood that the Structural Works Price Component comprises a fixed portion (designated as 'F' and the value of which is specified hereunder) and variable portion linked with the indices for various materials and labour (description and coefficients as enumerated below).

The amount of price adjustment towards variable portion payable/recoverable shall be computed as follows:

$$ESW = ESW_1 - ESW_2$$

ESW will be computed as follows


$$ESW_1 = ESW_0 \left\{ F + a \times \frac{A_1}{A_0} \times f_1 + b \times \frac{B_1}{B_0} \times f_2 + c \times \frac{C_1}{C_0} \times f_3 + d \times \frac{D_1}{D_0} \times f_4 + L_c \times \frac{L_1}{L_0} \times f_{Lb} \right\}$$

Where.

ESW = Adjustment to Structural Works Price Component expressed in the currency of the Contract.

ESW<sub>1</sub> = Adjusted amount of Structural Works Price Component expressed in the currency of the Contract.

For the purpose of computing ESW<sub>1</sub>, each structural bill (which is excluding initial advance and amount payable on completion of Guarantee test) during the structural period upto the completion of the facilities' shall be divided by a factor as indicated below

|  |   |   |
|--|---|---|
| Structural Component of the contract price | - | {Initial Advance amount + structural component of the contract price payable after successful completion of Guarantee Test} |
|--|---|---|

-----  
Structural Component of the Contract Price

- The fixed portion of the Structural Works Price Component shall be 0.20.
- a, b, c & d shall be co-efficient of major materials/items involved in the Structural Works Price Component of the Contract Price. The sum of coefficient shall be 0.65
- A, B, C, D shall be published price indices of corresponding major material/items.
- "L<sub>c</sub>" shall be co-efficient for labour component for Structural Works Price Component of Contract Price which shall be 0.15
- L shall be labour index.



Sum of all the material co-efficient and the labour coefficient shall be 0.80.

$f_1, f_2, \dots, f_n$  &  $f_L$  = Exchange rate correction factors for the respective materials and  $f_L$  is the exchange rate correction factor for labour with reference to the currency of the country of index and the respective contract currency such that

$$f = \frac{Z_i}{Z_c}$$

where Z is the no. of units of the currency of the country of origin of the index, which is equivalent to one unit of the respective contract currency. The exchange rates to be used for calculation of factor 'f' shall be as per Bills Selling Exchange Rates established by the STATE BANK OF INDIA.

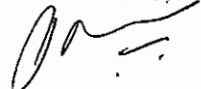
Subscript 'o' refers to indices as on 7 days prior to date set for opening of bids except in case of 'Z<sub>i</sub>'. For Z<sub>c</sub> subscript 'o' refers to value as on the date of opening of bids

For the indices, subscript '1' refers to the indices as applicable for one month prior to the month of execution of the structural work except "Structural Steel". For structural steel the index 1 refers to the indices as applicable for 90 days prior to the month of execution of the structural work. For the exchange rates, subscript '1' refers to the exchange rates as applicable on the last day of one month prior to the month of execution of the structural work. For the purpose of this clause month of execution of structural work shall mean the schedule month of execution of the structural work or actual month of execution of the structural work, whichever is earlier. The schedule date for completion shall be as identified in line with provisions of Time schedule. Appendix-4 to the Contract Agreement.

The price adjustment on Structural Works Price Component of the contract price shall be without any ceiling.

The above formula for price adjustment will be applicable if the currency in which the contract price is expressed is different from the currency of the country of origin of labour and material indices. In other case, formula shall be applied without the exchange rate correction factor 'f'

In case of Structural Works activities which are delayed beyond the schedule date for reasons attributable to the contractor, the price adjustment provision shall not be



APPENDIX -2  
PAGE 14 OF 16

applicable for the period of time between the schedule date of completion and actual date of completion of the respective erection activity. For this purpose, the schedule date for completion of a particular erection activity shall be as given above.

(xi) The following components of the contract price shall not be subject to price adjustment and shall remain firm during the execution of the contract

- (1) Ocean Freight and Marine Insurance for Plant and Equipment, mandatory spares and recommended spares.
- (2) Ex-works/FOB price component for Mandatory spares & Recommended Spares.
- (3) Inland Transportation charges (including Inland Transit Insurance, port clearance, port handling & port charges) for plant & equipment and Spare Parts.
- (4) Type Test Charges

(xii) The source and origin of applicable indices and their base values for the purpose of computing price adjustment under the contract shall be as under

A. Ex-works/FOB price component of Plant and equipment (excluding spares and Type Tests Charges)\*\*

NAME OF CURRENCY \*\*\* : .....

| S.No | Item          | Value of Coefficient | Source of Indices used | Value of Base Date Indices (as on 30 days prior to date of opening of bids) |
|------|---------------|----------------------|------------------------|---|
| 1    | Fixed portion | F = 0.15             |                        |   |
| 2    | Material      | a =                  |                        |   |
| 3    |               | b =                  |                        |   |
| 4    |               | c =                  |                        |   |
| 5    | Labour        | Lb =                 |                        |   |



B. Installation Services Component

NAME OF CURRENCY\*\*\* : .....

| S.No. | Item                    | Value of Coefficient | Source of Indices used   | Value of Base Date Indices (as on 30 days prior to date of opening of bids) |
|-------|-------------------------|----------------------|--|---|
|       | Fixed Portion           | F = 0.15             | --   | --  |
|       | Expatriate Labour (EF)  | 0.85                 |  |   |
|       | Indian Field Labour (F) | 0.85                 | All India Consumer Price index for industrial workers (All India Monthly Average) published by Labour Bureau, Simla, Govt of India |   |

C. Civil Works

| Item                                    | Coefficient | Value of Coefficients | Name of Indices used | Base Date Indices |
|---|-------------|-----------------------|----------------------|-------------------|
| <b>Material</b>                         |             |                       |                      |                   |
| a) Material other than steel and cement | (a)         | 0.15                  |                      |                   |
| b) Steel                                | (b)         | 0.25                  |                      |                   |
| c) Cement                               | (c)         | 0.10                  |                      |                   |
| d) High Speed Diesel Oil                | (d)         | 0.05                  |                      |                   |
| Labour                                  | L           | 0.25                  |                      |                   |



*[Handwritten signature]*

*[Handwritten signature]*



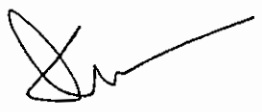
APPENDIX - 2  
PAGE 16 OF 16

D. Structural Price Component

| Item                | Coefficient    | Value of Coefficients | Name of Indices used | Base Date Indices |
|---------------------|----------------|-----------------------|----------------------|-------------------|
| Material            |                |                       |                      |                   |
| a) Structural Steel | (a)            | 0.50                  |                      |                   |
| b) Electrodes       | (b)            | 0.05                  |                      |                   |
| c) Oxygen gas       | (c)            | 0.05                  |                      |                   |
| d) Acetylene gas    | (d)            | 0.05                  |                      |                   |
| Labour              | L <sub>n</sub> | 0.15                  |                      |                   |

- \*\* This information shall be filled in at the time of signing of Contract Agreement based on Price adjustment data submitted by the successful bidder in Attachment-17 to his bid and/or as mutually discussed and agreed upon
- \*\*\* Sheets of like size and format shall be annexed in case no. of currencies are more

The above appendix for Price Adjustment to be read in conjunction with the amendment / clarification to the Bid Document (including amendment 5, commercial dated 06.06.2013, For Indices please refer MOM on Commercial Issues dated 05.08.13 to 08.08.2013, enclosed with NOA.





INSURANCE REQUIREMENT

(1) Insurance to be taken by the Contractor

In accordance with the provisions of GCC Clause 34, the Contractor shall at his expense take out and maintain in effect, or cause to be taken out and maintain in effect, during the performance of the Contract the insurances set forth below in sums and with the deductibles and other conditions specified. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, such approval not to be unreasonably withheld.

| Insurance  | Amount insured   | Deductible                      | Conditions  |
|--|--|---------------------------------|---|
| A Manne Cargo  | (i) 110% of CIF value in case of Plant & Equipment including all spare parts and Type Test Charges to be supplied from abroad/110% of Ex-works value in case of Plant & Equipment including all spare parts and Type Test Charges to be supplied from within the Employer's country<br>(ii) Applicable taxes and duties including custom duty<br>(iii) Escalation i.e 5% on (i) & (ii) | Not applicable                  | (i) Employer to be named as co-insured<br>(ii) Open policy<br>(iii) All risk institute cargo clause 'A'<br>(iv) War, SRCC, terrorism<br>(v) Institute replacement clause special replacement clause (Air duty) and deferred unpacking clause<br>(vi) Insurers right of subrogation against all parties (excluding<br>(vii) Warehouse to warehouse carrier) waived basis                       |
| B Storage at site & Installation all risk              | (i) 110% CIF and/or Ex-works value of plant & equipment<br>(ii) Applicable taxes and duties including custom duty<br>(iii) Cost of indigenous procurement and free issue materials<br>(iv) 10% escalation (i), (ii) & (iii)<br>(v) Cost of installation including Civil Works  | Minimum as per insurance policy | (i) Installation all risk, RSMTD<br>(ii) Air freight cover.<br>(iii) Extra charge cover.<br>(iv) Maintenance cover for Defect Liability Period<br><br>(v) Contractor's plant & machinery - Rs 100 Lakhs<br>(vi) Cross liability.<br>(vii) Additional custom duty for imported machine (if any) for adequate value.<br>(viii) Employer & Contractor's sub-contractor to be named as co-insured |
| C Third party liability (Extension of (MCE/EAR Policy) | For any one occurrence Rs. 50.0 lakhs  | Nil                             | (i) Contractor's sub-contractors to be named as co-insured  |



| Insurance  | Amount insured   | Deductible | Conditions  |
|--|--|------------|---|
| <b>D. Automobile liability</b>   |  |            |   |
| (i) M.V. policy for motor vehicles, private cars & commercial vehicles               |  |            | As per local M.V. Act   |
| (ii) CPM policy for heavy construction equipment                                     | Anything above Rs.100 lakhs covered under erection all risk policy |            |   |
| <b>E. Workmen's Compensation _____ As per statute _____</b>                          |  |            |   |
| <b>F. Employer's liability _____ As per statute _____</b>                            |  |            |   |
|  |  |            | Cumulative to workmen's compensation to cover liability not covered thereby |
| <b>G. Group personal insurance for contractor's &amp; sub-contractor's employees</b> |  |            |   |

**Note :**

- 1 The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC 34.1 above Except for Third Party Liability, Workman's Compensation and Employer's Liability Insurances and the Contractor's Sub-Contractors shall be named as co-insureds under all insurances policies taken out by the Contractor pursuant to GCC Clause 34.1 above except for the Cargo, insurance during transport, Workman's Compensation and Employer's Liability Insurances. All insurers rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.
- 2 Notwithstanding the insurance requirements mentioned above it would be the Contractor's responsibility to take adequate insurance cover as may be pertinent to protect his interest and interest of the Employer. If at any point of time during execution of the Contract, if it is found that the insurance policies are inadequate, the Contractor shall take fresh insurance policies meeting aforesaid requirements. The employer reserves the right to make suitable recovery from the Contractor, if any



3. Any loss or damage to the plant and equipment during handling, transportation, storage, erection, putting the equipment into satisfactory operation and all activities to be performed till the "Completion of Facilities" shall be to the account of the contractor. The contractor shall be responsible for preference of all claims and make good the damages or loss by way of repairs and/or replacement of plant and equipment damaged or lost. Notwithstanding the extent of insurances cover and the amount of claim available from the underwriter, the contractor shall be liable to make good the full replacement/rectification of all the equipment/materials and to ensure their availability as per project requirement without additional financial liability to the Employer.

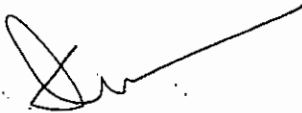
The insurance should be in freely convertible currency and insurance policy to be taken should be on replacement value basis and/or incorporating insurance clause.

The Contractor shall follow local acts and laws as may be prevalent for insurance

4. Upon grant of extension of time for completion by Employer, the Contractor shall promptly furnish documentary evidence to Project Manager towards extension of insurance policies for the period of time extension without any cost implication to Employer

II) Insurances to be taken by the Employer

The Employer shall take the insurance for its own employees, its stores and its machinery.



**TIME SCHEDULE**

1.0 It is clearly understood and agreed that time is the essence of this Contract and shall be strictly adhered to by the Contractor. The program of furnishing, erection, testing, commissioning and completion of facilities identifying the key phases in various areas of work like design, procurement, manufacture, field activities shall be as per detailed PERT Network enclosed as Annexure-I (the detailed PERT Network submitted by the Bidder as per item no. 9 of Bid Data Sheet and as mutually discussed and agreed before Notification of Award shall be enclosed as Annexure-I to this Appendix-4). As per this detailed PERT Network, the key milestones for completion of facilities are as under:

| Sl. No. | Milestones  | Schedule in months from LOI* |        |
|---------|---|------------------------------|--------|
|         |   | Start                        | Finish |
| 1.      | Basic Engineering   | --                           | 03     |
| 2.      | Completion of Detail Engg.  | --                           | 16     |
| 3.      | Commencement of Manufacturing   | 02                           | 22     |
| 4.      | Opening of Site Office  | --                           | 01     |
| 5.      | Ordering of BOI   | --                           | 10     |
| 6.      | Dispatch (Ex works) including Structural Steel  | 03                           | 22     |
| 7.      | Receipt at site   | 04                           | 23     |
| 8.      | <b>Civil &amp; Structural Works</b>   |                              |        |
|         | a) Track Hopper   | --                           | 20     |
|         | b) Stacker Re-claimer   | --                           | 19     |
|         | c) Crusher  | --                           | 16     |
|         | d) Ash slurry P/H & Sump  | --                           | 17     |
|         | e) Ash Water P/H  | --                           | 17     |
|         | f) Ash water re-circulation P/H & Sump  | --                           | 22     |
|         | g) Make up Water P/H  | --                           | 15     |
|         | h) CW P/H   | --                           | 16     |
|         | i) Clarifier & Associated Structure (For BLR)   | --                           | 12     |
|         | j) Cooling Tower including SACW - CT  | --                           | 20     |
|         | k) Chimney (Windshield)   | --                           | 14     |
|         | l) Pipe / cable support galleries & trestles with foundation for priority BOP facilities i.e. Make up, PT-DM, CW, Compressed Air etc. for BLU | --                           | 19     |
|         | m) Admin Bldg & Auditorium (Complete including Electrical, Air Conditioning and other works)  | --                           | 28     |
| 9.      | Completion of BOP Civil works   | --                           | 23     |
| 10.     | Readiness of Make-up Water Pump   | --                           | 14     |
| 11.     | Availability of DM water for Unit# 1 (1st stream), Boiler fill pump, DM makeup pump & DM regeneration on manual mode                          | --                           | 16     |
| 12.     | Readiness of CW pump, SACW & ACW pump along with associated pipe lines for BLU  | --                           | 19     |



## APPENDIX - 4 (Rev. 01)

Page 2 of 6

| Sl. No. | Milestones  | Schedule in months from LOI |        |
|---------|---|-----------------------------|--------|
|         |   | Start                       | Finish |
| 13.     | Readiness of Chimney for BLU i.e. completion of erection of steel liner including insulation work (One flue)      | --                          | 20     |
| 14.     | Complete readiness of Chimney   | --                          | 24     |
| 15.     | Readiness of Coal Handling Plant (1st stream) through track hopper for Unit # 1                                   | --                          | 26     |
| 16.     | Readiness of Compressed air system  | --                          | 18     |
| 17.     | Readiness of Fire Detection & Protection system   | --                          | 20     |
| 18.     | Readiness of Air Conditioning system for water system control room and other priority buildings                   | --                          | 20     |
| 19.     | Readiness of Ventilation system for other priority buildings  | --                          | 25     |
| 20.     | Readiness of Ash handling Plant for U-1 including Bottom ash slurry and fly ash disposal system                   | --                          | 26     |
| 20.A    | Aux. Cooling Tower  | --                          | 16     |
| 21.     | Readiness of Cooling Tower-1  | --                          | 25     |
| 22.     | Readiness of Ash water recirculation system   | --                          | 26     |
| 23.     | Readiness of Ash dyke   | --                          | 26     |
| 24.     | Commissioning of Station C&I (for BLU)  | --                          | 20     |
| 25.     | Station Piping (for BLU)  | --                          | 20     |
| 26.     | Readiness of Hydrogen Generation system   | --                          | 22     |
| 27.     | Completion of site delivery of Mandatory Spares   | --                          | 27     |
| 28.     | Completion of systems/ packages required for Trial Operation of Unit - 1  | --                          | 28     |
| 29.     | Completion of systems/ packages required for Trial Operation of Unit - 2 and balance facilities under the package | --                          | 32     |

**Note:**

\* LOI date - 17.08.2013

01. - Deleted -
02. - Deleted -
03. Completion of supplies required for each BOP package including Mandatory Spares to be ensured 01 month prior to readiness of respective system.
04. All Engineering data related to BOP inputs, Interface Engg. details, requiring Owner's approval / information for the owner scope items are to be given within the agreed schedule but in no case later than 45 days from the placement of this order. For bought out items, the engineering input data shall be given to the owner within the agreed schedule but in




APPENDIX - 4 (Rev. 01)  
Page 3 of 6

no case later than 45 days from the placement of respective purchase order to the sub vendor.

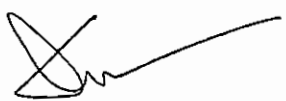
05. The vendor shall also be required to submit a brief integrated PERT network (L1 schedule) matching with the above work schedule. The L1 schedule shall, inter-alia, include at least following activities for each systems listed below, showing their inter-relationship duration so as to meet the above mentioned milestone dates:

(i) Milestones to be incorporated in L1 Network to be submitted with bid:

1. Ordering on sub vendor (wherever applicable)
2. Start of Engineering
3. Completion of Engineering
4. Start of manufacturing / fabrication
5. Completion of manufacturing / fabrication
6. Commencement of despatch
7. Completion of supplies
8. Completeness of site delivery of mandatory spares
9. Commencement & completeness of civil works
10. Commencement & completeness of erection works
11. Commissioning of the system.
12. Completeness of Facilities civil works

(ii) Milestones at (i) above are to be indicated for each of the following systems:

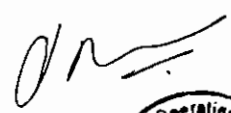

1. Station Piping
2. AC & Ventilation system
3. Fire Detection & Protection system
4. H2 Generation system



83

APPENDIX - 4 (Rev. 01)  
Page 4 of 6

5. Air Compressor system
6. Ash Handling system
7. Coal Handling Plant
8. Raw Water Make up system
9. Pre-Treatment Plant
10. DM Plant & CW Treatment system
11. CW system equipment
12. Cranes & Hoists in BOP area
13. Sewage water treatment Plant & Effluent treatment plant
14. Cooling towers
15. Make up water pipes
16. Admin bldg. & Auditorium
17. Station C&I
18. Instrumentation cables for BOP C&I
19. BOP Civil works
20. Chimney & Chimney elevator
21. Ash Dyke
22. Ash water recirculation system
23. Workshop & Lab equipment
24. Weigh bridge





2.0 After the Notification of Award, the contractor shall plan the sequence of work of manufacture and erection to meet the above stated dates of successful completion of commissioning of equipment and shall ensure all work, manufacture, shop testing, inspection and shipment of the equipment in accordance with the required construction/ erection sequence.

3.0 The detailed PERT Network (to be enclosed as Annexure-I to this Appendix -4) shall interalia include the following activities:

Engineering, procurement, manufacturing and supply, detailed Engineering, procurement (including brought out items), manufacturing, despatch, shipment, receipt at site and activities related to erection and commissioning and completion of facilities.

4.0 Further, all engineering data related to civil inputs, interface engineering details, requiring SCCL/ NTPC's approval / information, for owner manufactured items are to be given within the agreed schedule but in no case later than 30 days after placement of this order. For Bought out items, the Engineering input data shall be given to NTPC within the agreed schedule but in no case later than 30 days from placement of respective purchase order to their sub vendor.

5.0 **Detailed Manufacturing / Erection Schedule (L2 Network)**

Contractor will submit Manufacturing/Erection Schedules within one month of award for Employer's approval. These schedules cover details of Engineering, Raw materials procurement, manufacturing, shipment/delivery, field erection, testing and commissioning activities within two months of award for approval of Employer.

**Pre-Erection Activity Programme**

The erection network will be supported by detailed Pre-erection activity programme covering the following :

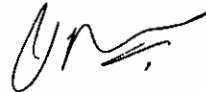
- (A) Manpower Deployment
- (B) T&P Mobilization
- (C) Detailed Site Mobilization Plant

6.0 An indicative list of major Tools & Plants (T&P) for erection required for satisfactory execution of the Contract and to meet the time schedule stipulated at para 1.0 above is enclosed as Annexure-II to this Appendix-4. The bidder shall furnish the list of T&P to be deployed by him in Annexure-11 along with the methodology of construction and erection which shall be discussed and mutually agreed to before

Notification of Award along with the schedule of deployment of such T&P. The finalised list of T&P along with the schedule of deployment shall then be enclosed as Annexure-II to Appendix-4 of the Contract Agreement).



- 7.0 Within one week of approval of the network schedule, the Contractor shall forward to the Project Manager, copies of the Computer Initial run-Data. The type of outputs and number of copies of each type to be supplied by the Contractor shall be determined by the Project Manager.
- 8.0 Monthly progress report in the agreed format shall be submitted by Contractor by 7th of every month starting from zero date. The progress report shall inter-alia cover detailed status of Engg. Drgs. submission / approval, QP finalization, Raw material and BOI procurement status, manufacturing, delivery and erection progress. Any hold up or exception affecting progress shall be clearly brought out in the beginning of the report.
- 9.0 All the networks shall be updated once in three months or at a frequency mutually agreed upon. This updated network will form part of monthly progress report. As far as possible a progress review meeting shall be held at the works within major critical/items of plant or equipment are being manufactured.
- 10.0 Access to the Contractor's and Sub-Contractor's work shall be granted to the Project Manager at all reasonable times for the purpose of ascertaining the progress.



REGD.POST WITH ACK.DUE

5-15

CONSENT ORDER FOR ESTABLISHMENT

Order No. 64/PCB/CFE/RO-NZB/HO/2010 818

Dt.16.06.2011

Sub: PCB - CFE - M/s. Singareni Collieries Company Limited, (2 x 600 MW Coal based Thermal Power plant), Pegadapalli (V), Gangipalli (V), Elkanti (V), Settipalli (V), Tekumatla (V), Indaram (V), Ramaraopet (V) of Jaipur (M), Adilabad District - Consent for Establishment of the Board for expansion under Sec.25 of Water (P & C of P) Act, 1974 and Under Sec.21 of Air (P&C of P) Act, 1981 - Issued - Reg.

For  
16/6/11

- Ref: 1) Public hearing conducted on 8.9.2010 at Jaipur (V & M), Adilabad District.  
2) Environmental Clearance dt. 27.12.2010 issued by MOE&F, GOI.  
3) Industry's application received through SWCC on 18.11.2010 and additional information received on 12.1.2011  
4) R.O's inspection report dt. 20.1.2011  
5) CFE Committee meeting held on 18.3.2011

1. In the reference 3<sup>rd</sup> cited, an application was submitted to the Board seeking Consent for Establishment (CFE) for setting up of Coal Based Thermal Power Plant to produce the following with installed capacities as mentioned below, with a project cost of Rs. 5527.33 Crores:

| Sl No. | Product                                     | Capacity             |
|--------|---|----------------------|
| 1.     | Electric Power<br>(Fuel - Coal - 15420 TPD) | 1200 MW (2 X 600 MW) |

| Sl No. | Fuel   | Capacity                       |
|--------|--|--------------------------------|
| 1.     | Indian Coal<br>From SRP OC-I, SRP OC-II & RKP OC Phase -I in Andhra Pradesh belong to M/s. Singareni Collieries Co. Ltd.<br>Ash & sulphur content shall be less than 34% & 0.5% respectively | 15420 TPD or 4.784 million TPA |

2. As per the application, the above activity is to be located at Pegadapalli (V), Gangipalli (V), Elkanti (V), Settipalli (V), Tekumatla (V), Indaram (V), Ramaraopet (V) of Jaipur (M), Adilabad District in an area of 300.972 Ha.
3. The above site was inspected by the Environmental Engineer (FAC) and Asst. Environmental Engineer, Regional office, Nizamabad, A.P Pollution Control Board on 4.1.2011 and found that the site is surrounded by

- 182
- North** : Open barren lands, Mancherial- Chennur National Highway about 200m from boundary, dry agricultural lands.
- South** : Dry agricultural lands, Elkanti (V), about 1.0 Km from boundary.
- East** : Barren lands, agricultural lands, Pegadapalli (V), adjoining the boundary of the plant.
- West** : Barren lands, Agricultural lands, Peddavagu flowing from North to South in the Western direction of plant boundary.

4. The Board, after careful scrutiny of the application and verification report of Regional Officer, hereby issues **CONSENT FOR ESTABLISHMENT** to your unit Under Section 25 of Water (Prevention & Control of Pollution) Act 1974 and Section 21 of Air (Prevention & Control of Pollution) Act, 1981 and the rules made there under. **This order is issued to manufactured the products as mentioned at para (1) only.**
5. This Consent Order now issued is subject to the conditions mentioned in Schedule 'A' and Schedule 'B'.
6. This order is issued from pollution control point of view only. Zoning and other regulations are not considered.

Encl: Schedule 'A'  
Schedule 'B'

Sd/-  
MEMBER SECRETARY

To,  
M/s. Singareni Collieries Company Limited,  
(Thermal Power Plant) Jaipur (V), Adilabad),  
Kothagudem Collieries, Bhadrachalam Road,  
Khamma district - 507 101.

- Copy to: 1. The JCEE, Z.O., R.C. Puram for information and necessary action.  
2. The E.E., R.O, Nizamabad for information and necessary action.

/// T.C.F.B.O///

  
JOINT CHIEF ENVIRONMENTAL ENGINEER(CFE)

SCHEDULE - A

1. Progress on implementation of the project shall be reported to the concerned Regional Office, A.P. Pollution Control Board once in six months.
2. Separate energy meters shall be provided for Effluent Treatment Plant (ETP) and Air pollution Control equipments to record energy consumed.
3. The proponent shall obtain Consents for Operation (CFO) from APPCB, as required Under Sec.25/26 of the Water (P&C of P) Act, 1974 and under sec. 21/22 of the Air (P&C of P) Act, 1981, before commencement of the activity.
4. Notwithstanding anything contained in this conditional letter or consent, the Board hereby reserves its right and power Under Sec.27(2) of Water (Prevention and Control of Pollution) Act, 1974 and Under Sec.21(4) of Air (Prevention and Control of Pollution) Act, 1981 to review any or all the conditions imposed herein and to make such alternation as deemed fit and stipulate any additional conditions by the Board.
5. The consent of the Board shall be exhibited in the factory premises at a conspicuous place for the information of the inspecting officers of different departments.
6. Compensation is to be paid for any environmental damage caused by it, as fixed by the Collector and District Magistrate as civil liability.
7. Floor washing shall be admitted into the effluent collection system only and shall not be allowed to find their way in storm drains or open areas. The industry shall maintain a good housekeeping. All pipe valves, sewers, drains shall be leak proof. Dyke walls shall be constructed around storage of chemicals.
8. Rain Water Harvesting (RWH) structure (s) shall be established on the plant site. The proponent shall ensure that effluent shall not enter the Rain Water harvesting structure.
9. The rules and regulations notified by Ministry of Law and Justice, GOI, regarding the Public Liability Insurance Act, 1991 shall be followed.
10. This order is valid for period of 5 years from the date of issue.



SCHEDULE - B

Water:

1. The source of water is River Pranahila near Devalawada and infiltration galleries in river Godavari near Shattipalli village. The maximum permitted water consumption is 88,800 KLD.

| Sl. No. | Description                                     | Quantity (KLD)   |
|---------|---|------------------|
| 1.      | Cooling water makeup                            | 74,880.0         |
| 2.      | Boiler feed makeup                              | 4,342.00         |
| 3.      | Service water                                   | 4,800.00         |
| 4.      | Domestic water for plant & colony               | 600.00           |
| 5.      | Clarifier sludge                                | 360.00           |
| 6.      | Evaporation loss + Seepage loss + Design margin | 600.00           |
|         | <b>Total</b>                                    | <b>88,800.00</b> |

2. The maximum Waste Water Generation (KLD) shall not exceed the following:

| Sl. No | Source   | Quantity (KLD) | Treatment facilities   |
|--------|--|----------------|--|
| 1      | Back wash from Clariflocculator and Filter Back Wash | 5160           | Sludge thickener, Centrifuge, Clear Water for Reuse.                     |
| 2      | DM Plant regeneration effluent                       | 372            | Neutralization pit, Central Monitoring Basin (CMB), Clarifier & RO Plant |
| 3      | Boiler blow down                                     | 288            | CMB, Clarifier & RO Plant  |
| 4      | C.T. Blowdown  | 16,160         | CMB, Clarifier & RO Plant  |
| 5      | Ash pond effluent                                    | 1382           | Infiltration system in ash pond, CMB, clarifier & RO Plant               |
| 6      | Plant & Colony Domestic                              | 540            | STP, with Extended Aeration System.                                      |
| 7      | Others (Oil and coal handling areas)                 | 384            | Oil separator, CMB, Clarifier & RO Plant                                 |
|        | <b>Total</b>   | <b>24,286</b>  |  |

**Disposal:**

The total effluent generation from various sources is 24,286 KLD; out of that 13,416 KLD shall be recycled and reused for dust suppression at coal handling plant, coal storage yard, transfer points, loading and unloading points, internal roads, washings and gardening etc.; about 8,441 KLD to discharge into Takumatla vagu and Elakanti tank and about 2429 KLD will be evaporation loss as furnished by the proponent vide even letter dated.

- The Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) shall be constructed and commissioned along with the commissioning of the activity. All the units of the ETP & STP shall be impervious to prevent ground water pollution.
- The effluents shall be treated to inland surface water standards as stipulated under Schedule -VI under Environment (Protection) Rules, 1986, notified by Ministry of Environment and Forests, Government of India vide G.S.R.422 (E), dt.19.05.1993 and its amendments thereof.
- The proponent shall regularly monitor the water quality at the upstream and downstream of treated effluent joining point into Takumatla vagu and also in Elakanti tank. They shall provide online monitoring system for the purpose of monitoring prescribed pollutants in the treated effluents at the outlet of the industry.
- The proponent shall submit copy of approval obtained from competent authorities for discharging of treated effluents into Takumatla vagu and Elakanti tank.
- The proponent shall regularly monitor the ground water quality for mercury and other heavy metals (Hg, Cr, As, Pb., etc) around the ash handling area including surface water bodies in the vicinity. The monitoring data shall be compared with baseline data and requisite measures shall be implemented to prevent any kind of direct/ indirect contamination of water resources in the project surroundings.

- 8. The proponent shall adopt COC of 5 in closed circuit cooling system with natural draft. The effluents from cooling tower shall be treated as per prescribed norms.
- 9. The proponent shall install flow meters for the purpose of measuring the hydraulic load of treated effluents recycled/ reused and discharged into inland surface water bodies subject to compliance of prescribed discharge standards.
- 10. Separate meters with necessary pipe-line shall be provided for assessing the quantity of water used for each of the purposes mentioned below.
  - a) Industrial cooling, boiler feed.
  - b) Domestic purposes.
  - c) Processing, whereby water gets polluted and pollutants are easily bio-degradable.
  - d) Processing, whereby water gets polluted and the pollutants are not easily bio-degradable.

**Air:**

- 11. The Air pollution Control equipment shall be installed along with the commissioning of the activity and shall comply with the following for controlling air pollution.

| Sl. No | Details of stack                    | Stack 01  |
|--------|-------------------------------------|---|
| a)     | Attached to                         | Boilers (2 Nos)   |
| b)     | Capacity                            | 2 x 600 MW of power generating turbine  |
| c)     | Fuel quantity                       | 15420 TPD or 4.784 million TPA having ash & sulphur content less than 34% & 0.5% respectively |
| d)     | Stack height :                      | 275 m (bi-flue stack)   |
| e)     | Control equipment.                  | ESP to each boiler separately   |
| f)     | Concentration of particulate matter | < 50 mg/Nm <sup>3</sup>   |

- 12. The industry shall install high efficiency Electrostatic Precipitators (ESP) to each boiler separately to achieve **emissions of Particulate Matter less than 50 mg/Nm<sup>3</sup>** in the stack emissions as per E.C. dated. 27.12.2010.
- 13. The industry shall provide adequate space for installation of flue gas desulphurization (FGD), if required at later stage, as stipulated by MoE&F, Govt.
- 14. Regular monitoring of ground level concentration of SO<sub>2</sub>, NO<sub>x</sub>, Hg, PM<sub>10</sub> & PM<sub>2.5</sub> shall be carried out in the impact and buffer zone and records shall be maintained. If at any stage these levels are found to exceed the prescribed limits, requisite restorative measures shall be implemented immediately. The location of the monitoring stations shall be fixed in consultation with the Regional Officer of the Board. Consolidated daily reports shall be submitted to the concerned Regional Officer on monthly basis.

15. The source of coal for the project will be met from abandoned coal mines in Andhra Pradesh as per Govt. A.P., Energy Department letter dt. 03.09.2010. The proponent to ensure that ash and sulphur content in the indigenous coal proposed to use for the project shall be less than 34% & 0.5% respectively. They shall regularly monitor the quality of coal and furnish reports to Board.
16. The proponent shall ensure compliance of the National Ambient Air quality standards notified by MoEF, Gol vide notification No. GSR 826(E), dated. 16.11.2009 during construction and regular operational phase of the project.
17. Adequate dust extraction system such as cyclones/ bag filters and water spray system in dusty areas such as surroundings of coal stacking area, coal crushing, transfer lines and other coal handling and ash handling points, transfer areas and other vulnerable dusty areas shall be provided as per E.C. dated. 27.12.2010.
18. All the internal roads shall be concreted / asphalted to reduce the fugitive dust due to vehicular movement.
19. A sampling port with removable dummy of not less than 15 cm diameter shall be provided in the stack at a distance of 8 times the diameter of the stack from the nearest constraint such as bends etc. A platform with suitable ladder shall be provided below 1 meter of sampling port to accommodate three persons with instruments. A 15 AMP 250 V plug point shall be provided on the platform.
20. The generator shall be installed in a closed area with a silencer and suitable noise absorption systems. The ambient noise level shall not exceed 75 dB(A) during day time and 70 dB(A) during night time.

**Solid Waste:**

21. The proponent shall comply with the following:

| S. No | Solid waste | Quantity    | Method of disposal  |
|-------|-------------|-------------|---|
| 1     | Fly Ash     | 3316.02 TPD | To cement & brick manufacturing units. 100% fly ash utilization shall be ensured.   |
| 2     | Bottom Ash  | 1421.15 TPD | To Ash Pond. If it is proposed for back filling of mines area, prior permission from DGMS shall be obtained as per E.C. dt. 27.12.2010. |

22. Fly ash shall be collected in dry form and storage facility (silos) shall be provided. 100% fly ash utilization shall be ensured from 4<sup>th</sup> year of commissioning of the unit. Unutilized fly ash shall be disposed off in the ash pond in the form of slurry form. Mercury and other heavy metals (As, Hg, Cr, Pb etc.) shall be monitored in the bottom ash as also in the effluents emanating from existing ash pond. No ash shall be disposed off in low lying area as per E.C. dated. 27.12.2010.
23. The industry shall collect fly ash and bottom ash separately in dry form (page no.10.17 of EIA) and shall be stored in silo's and hydro-bins respectively. They shall ensure adequate buffer capacity silo's and hydro-bins for handling of entire ash generated from the proposed power plant and shall ensure that there shall not be any open piling.



- 192
24. The ash slurry is to be conveyed to the ash pond by ash slurry pumps & pipes. The ash pond is to be constructed in compartments such that the dyke is formed to contain the ash slurry.
  25. Ash pond shall be lined with impervious lining. HDPE/LDPE or any other suitable impermeable lining materials such that at any instances no leachate takes place. Adequate safety measures shall also be implemented to protect the ash dyke from getting breached. After settlement of slurry, the overflow shall be collected in settling tank form where the treated wastewater shall be pumped back to the plant for reuse.
  26. Regular monitoring of ground water in and around the ash pond area including heavy metals (Hg, Cr, As, Pb etc.) shall be carried out. Records shall be maintained and half yearly reports shall be furnished to the concerned Regional Officer. The data obtained shall be compared with the baseline data so as to ensure that the ground water quality is not affected during implantation and operational phase of the project.
  27. Adequate safety measures shall be provided in the plant area to check / minimize spontaneous fires in coal yard, especially during summer season.
  28. Storage facilities for auxiliary liquid fuel such as LDO /HFO/LSHS shall be made in the plant area where risk is minimum to the storage facilities. Disaster Management Plan shall be prepared to meet any eventuality in case of an accident taking place. Mock drills shall be conducted regularly and based on the same, modifications required, if any shall be incorporated in the Disaster Management Plan. Sulphur content in the liquid fuel shall not exceed 0.5 % as per E.C. dt. 27.12.2010.
  29. The following rules and regulations notified by the MoE&F, GoI shall be implemented.
    - a) Hazardous waste (Management, Handling and Transboundary) Rules, 2008.
    - b) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
    - c) Fly ash notification S.O.2804 (E), dt. 3.11.2009.
    - d) Batteries (Management & Handling) Rules, 2010.

**Other Conditions:**

30. Green belt of atleast 100 m width shall be developed all along the periphery of the plant wherever 100 m not possible, minimum 50 m width of greenbelt shall be maintained by submitting proper justification as per E.C. order dt. 27.12.2010. Green belt development shall be started along with the construction activity.
31. The recommendations / commitments made during the Public Hearing held on 8.9.2010 at Jaipur (V & M), Adilabad District shall explicitly be followed from pollution control point of view.
32. **The proponent shall comply with all the conditions stipulated in the Environmental Clearance vide order dt. 27.12.2010 issued by MOE&F, GOI.**
33. The proponent has submitted copy of requisition letters from M/s. Orient Cement, Adilabad district vide Ir.dt. 19.4.2008 and M/s. KesoramCements, Basanth Nagar vide Ir.dt. 21.04.2008 for utilization of fly ash from the proposed coal based power plant. They shall ensure 100% utilization of fly ash and transport ash in closed trucks only.

- 197
34. The proponent shall implement High Concentration Slurry Disposal System (HCSD) from Agitator Retention Tank (ART). The proponent shall make adequate provisions for collection of seepage from ash pond and to reuse for ash handling. The details shall be submitted regularly to the Board.
  35. The proponent shall ensure that there shall not be any change in the process technology and scope of working without prior approval from the Board.
  36. The proponent shall strictly implement all the recommendations made in CREP for Thermal Power plants.
  37. The proponent shall implement adequate measures to ensure compliance with discharge standards for environment pollutants and guidelines for discharge point for condenser cooling water as notified at S.No.84 of Schedule-I of E(P), Rules, 1986 and amendments thereof.
  38. The proponent shall comply with all the directions issued by the Board from time to time.
  39. Concealing the factual data or submission of false information/ fabricated data and failure to comply with any of the conditions mentioned in this order may result in withdrawal of this order and attract action under the provisions of relevant pollution control Acts.
  40. The Board reserves its right to modify above conditions or stipulate any additional conditions in the interest of environment protection.

Sd/-  
MEMBER SECRETARY

To,  
M/s. Singareni Collieries Company Limited,  
(Thermal Power Plant at Jaipur (V), Adilabad),  
Kothagudem Collieries, Bhadrachalam Road,  
Khamma district - 507 101.

/// T.C.F.B.O///

  
JOINT CHIEF ENVIRONMENTAL ENGINEER(CFE)



भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

No.AAI/20012/1438/2008 -ARI (NOC)

Dated : 25-Aug-08

M/S Singareni Collieries Co. Ltd.,  
SCCL, Kothagudem Collieries,  
Kothagudem, Khammam Dt.  
Andhra Pradesh.

DUPLICATE

Sub:- Issue of NOC.

1. Please refer to your letter No. HYD/500 MW/MPP/36/139 Dated 26-06-08 on the subject mentioned above.
2. This office has no objection to the construction of the proposed CHIMNEY by M/S SINGARENI COLLIERIES CO. LTD., here in after referred to as the applicant(s) at location MERCHANT POWER PLANT OF SCCL(2X250MW +20%) NEAR VILLAGE JIAPUR OF JIAPUR MANDAL, ADILABAD DIST, ANDHRA PRADESH [COORD: 18°49'00"N 079°34'00"E] to height 275 Mtrs. (Two Seven Five metres) ABOVE GROUND LEVEL, so that the top of the proposed structure when erected shall not exceed 143 meters. (Site Elevation)+ 275 meters (Height of the structure) i.e. 418 meters ABOVE MEAN SEA LEVEL.
3. This no objection certificate is being issued on the express understanding that the site-elevation reduced level (height above mean sea level) viz 143/M, relative location of the proposed Bldg./Structure & its distances and Bearings from the ARP/Runway ends, as tendered by the applicant (s) are correct. If, However, at any stage it is established that the said data as tendered by the said applicant is actually different from the one rendered & which could adversely affect aircraft operations, the structure or part(s) thereof in respect of which this 'NOC' is being issued will have to be demolished at his own cost as may be directed by the Airports Authority of India. The applicant(s) is/are therefore advised in his/their own interest to verify the elevation and other data furnished for the site, before embarking on the proposed construction.
4. The issue of the 'NOC' is further subject to the provisions of Section 9-A of the Indian Aircraft Act, 1934 and those of any notifications issued thereunder from time to time and under which the applicant may be called upon by the Airports Authority of India to demolish in whole or in part the structure now being authorised vide this 'NOC'.
5. No radio TV Antenna, lighting arresters, staircase, Muntee, Overhead water tank and attachments of fixtures of any kind shall project above the height indicated in para 2.
6. The use of oil fired or electric fired furnace is obligatory, within 8 Kms. Of the Aerodrome.
7. The certificate is valid for a period of SEVEN years from the date of its issue. If the building/ structure/Chimney is not constructed & completed within the above mentioned period of SEVEN years he will be required to obtain a fresh 'No Objection Certificate' from the Chairman Airports Authority of India and/or the G.M (Aero), SOUTHERN REGION. The date of completion of Building/Structure/Chimney should be intimated to the AAI and/or General Manager (Aero.), SOUTHERN REGION. No light or a combination of lights which by reason of its intensity, configuration of colour may cause confusion with the aeronautical ground lights of the Airport shall be installed at the site at any time during or after the construction of the building.  
Day & Night markings with secondary power supply may be provided as per ICAO standards.

"NOC FOR HEIGHT CLEARANCE ONLY"

This Certificate is issued with the approval of Competent Authority.

*Tarun Chandolia*  
25/08/2008  
(Tarun Chandolia)  
Sr. Manager (ATC)

For General Manager (ATM-NOC), AAI

File  
3/10/08

Copy to:

1. The Regional Executive Director(SR), AAI, Chennai Airport, Chennai-27.
2. Guard file.
3. GM(NOC) Bundle.





**J-13012/88/2008-IA.II (T)**  
**Government of India**  
**Ministry of Environment & Forests**

**BY SPEED POST**

Paryavaran Bhawan  
 CGO Complex, Lodi Road  
 New Delhi-110 003

Dated: December 27, 2010.

To

M/s The Singareni Collieries Co. Ltd.  
 Kothagudem Collieries-507 101  
 Bhadrachalam Road Rly. Station  
 Khammam District, **Andhra Pradesh**

**Sub: 2x600 MW Coal Based TPP of M/s The Singareni Collieries Company Ltd. at village Jaipur, in Mandal Jaipur, in Adilabad Distt., in Andhra Pradesh - reg. environmental clearance.**

Sir,

The undersigned is directed to refer to letter no. CRP/ENV/A/577A/563, dated 13.09.2010 on the subject mentioned above.

2. The Ministry of Environment & Forests has examined the application. It has been noted that the proposal is for setting up of 2x600 MW Coal Based thermal power plant at village Jaipur, in Jaipur Mandal, in Adilabad Distt., in Andhra Pradesh. Out of total land requirement of 300.972 ha, 110.044 ha is irrigated 157.328 ha unirrigated 1.023 ha of fallow land, 22.734 ha under other and 8.286 ha under mango orchard. Coal requirement will be 4.784 MTPA, which will be obtained from own mines viz. (i) SRP OC-1; (ii) SRP OC-II; (iii) RKP OC phase-I. Environmental clearances for these mines have been obtained. Quantity of fly ash to be generated will be 1.022 MTPA. MOU has been entered with M/s Kesoram cement and M/s Orient cement industries. Water requirement will be 88.8 MLD, which will be obtained from Pranahita river near Devalawada village through a pipeline over the distance of 40 km and Godavari River through a pipeline over a distance of 9km. Water allocation has been obtained from government of Andhra Pradesh. There are no National park, wild life sanctuary, Biosphere/ tiger /Elephant reserves, Heritage sites etc within 10km of the project boundary. Public hearing was held on 8.9.2010. Cost of the project will be Rs. 5527.33 crores.

3. The project has been considered in accordance with the provisions of the EIA notification issued by the Ministry of Environment & Forests vide S.O. 1533 (E), dated September 14, 2006.

4. Based on the information submitted by you, as at Para 2.0 above and others and presentation made by your consultant M/s Ramky Enviro Engineers Ltd., the Ministry of Environment and Forests hereby accords environmental clearance under the provisions of EIA notification dated

196  
September 14, 2006, subject to the compliance of the following Specific and General conditions:

**A. Specific Conditions:**

- (i) Environmental Clearance shall be subject to obtaining concurrence of the Ministry of Coal for utilizing coal from own mine for running the power plant. A copy of the Ministry of Coal concurrence shall be submitted to the Regional Office of the Ministry.
- (ii) Vision document specifying prospective plan for the site shall be formulated and submitted to the Ministry **within six months**.
- (iii) Mango Orchard in the project area shall not be removed.
- (iv) DGMS permission shall be obtained for back filling of mined out area. In any case, mine back filling shall be carried out only after detailed likely impact studies are carried out and by adopting adequate mitigation measures such as providing adequate layer of clay lining before filling.
- (v) Sulphur and ash contents in the coal to be used in the project shall not exceed 0.5 % and 34 % respectively at any given time. In case of variation of coal quality at any point of time, fresh reference shall be made to MOEF for suitable amendments to environmental clearance condition wherever necessary.
- (vi) A stack(s) of 275 m height shall be provided with continuous online monitoring equipments for SO<sub>x</sub>, NO<sub>x</sub> and Particulate Matter (PM<sub>2.5</sub> & PM<sub>10</sub>). Exit velocity of flue gases shall not be less than 22 m/sec. Mercury emissions from stack shall also be monitored on periodic basis.
- (vii) No ground water shall be extracted for use in operation of the power plant even in lean season.
- (viii) Source sustainability study of water requirement shall be carried out by an institute of repute. The study shall also specify the source of water for meeting the requirement during lean season. The report shall be submitted to the Regional Office of the Ministry **within six months**.
- (ix) Hydro geological study of the area shall be reviewed annually and report submitted to the Ministry. No water bodies including natural drainage system in the area shall be disturbed due to activities associated with the setting up / operation of the power plant.
- (x) Minimum required environmental flow suggested by the Competent Authority of the State Govt. shall be maintained in the Channel/ River (as applicable) even in lean season.

- (xi) COC of 5.0 shall be adopted.
- (xii) Local employable youth shall be trained in skills relevant to the project for eventual employment in the project itself. The action taken report and details thereof to this effect shall be submitted to the Regional Office of the Ministry and the State Govt. Dept. concerned from time to time.
- (xiii) Additional soil for leveling of the proposed site shall be generated within the sites (to the extent possible) so that natural drainage system of the area is protected and improved.
- (xiv) Provision for installation of FGD shall be provided for future use. High Efficiency Electrostatic Precipitators (ESPs) shall be installed to ensure that particulate emission does not exceed 50 mg/Nm<sup>3</sup>.
- (xv) Adequate dust extraction system such as cyclones/ bag filters and water spray system in dusty areas such as in coal handling and ash handling points, transfer areas and other vulnerable dusty areas shall be provided.
- (xvi) Utilisation of 100% Fly Ash generated shall be made from 4<sup>th</sup> year of operation of the plant. Status of implementation shall be reported to the Regional Office of the Ministry from time to time.
- (xvii) Fly ash shall be collected in dry form and storage facility (silos) shall be provided. Unutilized fly ash shall be disposed off in the ash pond in the form of slurry form. Mercury and other heavy metals (As, Hg, Cr, Pb etc.) will be monitored in the bottom ash as also in the effluents emanating from the existing ash pond. No ash shall be disposed off in low lying area.
- (xviii) Ash pond shall be lined with HDPE/LDPE lining or any other suitable impermeable media such that no leachate takes place at any point of time. Adequate safety measures shall also be implemented to protect the ash dyke from getting breached.
- (xix) For disposal of Bottom Ash in abandoned mines (if proposed to be undertaken) it shall be ensured that **the bottom and sides of the mined out areas are adequately lined with clay before Bottom Ash is filled up.** The project proponent shall inform the State Pollution Control Board well in advance before undertaking the activity.
- (xx) Old abandoned ash dyke (if any) shall be appropriately capped and rehabilitated so that no possible emission of fly ash takes place.
- (xxi) Green Belt consisting of three tiers of plantations of native species around plant and at least 100 m width shall be raised. Wherever 100 m width is not feasible a 50 m width shall be raised and adequate

justification shall be submitted to the Ministry. Tree density shall not less than 2500 per ha with survival rate not less than 75 %.

- (xxii) For the tribal families (if any) affected directly or indirectly by the project, specific schemes for upliftment of their sustainable livelihood shall be prepared with time bound implementation and in-built monitoring programme. The status of implementation shall be submitted to the Regional Office of the Ministry from time to time.
- (xxiii) The project proponent shall also adequately contribute in the development of the neighbouring villages. Special package with implementation schedule for free potable drinking water supply in the nearby villages and schools shall be undertaken in a time bound manner.
- (xxiv) An amount of Rs 22.10 Crores shall be earmarked as one time capital cost for CSR programme. Subsequently a recurring expenditure of Rs 4.30 Crores per annum shall be earmarked as recurring expenditure for CSR activities. Details of the activities to be undertaken shall be submitted within one month along with road map for implementation.
- (xxv) While identifying CSR programme the company shall conduct need based assessment for the nearby villages to study economic measures with action plan which can help in upliftment of poor section of society. Income generating projects consistent with the traditional skills of the people besides development of fodder farm, fruit bearing orchards, vocational training etc. can form a part of such programme. Company shall provide separate budget for community development activities and income generating programmes. This will be in addition to vocational training for individuals imparted to take up self employment and jobs.
- (xxvi) It shall be ensured that in-built monitoring mechanism for the schemes identified is in place and annual social audit shall be got done from the nearest government institute of repute in the region. The project proponent shall also submit the status of implementation of the scheme from time to time.

**B. General Conditions:**

- (i) The treated effluents conforming to the prescribed standards only shall be re-circulated and reused within the plant. There shall be no discharge outside the plant boundary except during monsoon. Arrangements shall be made that effluents and storm water do not get mixed.
- (ii) A sewage treatment plant shall be provided (as applicable) and the treated sewage shall be used for raising greenbelt/plantation.



- 199
- (iii) Rainwater harvesting should be adopted. Central Groundwater Authority/ Board shall be consulted for finalization of appropriate rainwater harvesting technology within a period of three months from the date of issue of clearance and details shall be furnished to the Regional Office of the Ministry.
  - (iv) Adequate safety measures shall be provided in the plant area to check/minimize spontaneous fires in coal yard, especially during summer season. Copy of these measures with full details along with location plant layout shall be submitted to the Ministry as well as to the Regional Office of the Ministry.
  - (v) Storage facilities for auxiliary liquid fuel such as LDO and/ HFO/LSHS shall be made in the plant area in consultation with Department of Explosives, Nagpur. Sulphur content in the liquid fuel will not exceed 0.5%. Disaster Management Plan shall be prepared to meet any eventuality in case of an accident taking place due to storage of oil.
  - (vi) Regular monitoring of ground water level shall be carried out by establishing a network of existing wells and constructing new piezometers. Monitoring around the ash pond area shall be carried out particularly for heavy metals (Hg, Cr, As, Pb) and records maintained and submitted to the Regional Office of this Ministry. The data so obtained should be compared with the baseline data so as to ensure that the ground water quality is not adversely affected due to the project.
  - (vii) Monitoring surface water quantity and quality shall also be regularly conducted and records maintained. The monitored data shall be submitted to the Ministry regularly. Further, monitoring points shall be located between the plant and drainage in the direction of flow of ground water and records maintained. Monitoring for heavy metals in ground water shall be undertaken.
  - (viii) First Aid and sanitation arrangements shall be made for the drivers and other contract workers during construction phase.
  - (ix) Noise levels emanating from turbines shall be so controlled such that the noise in the work zone shall be limited to 75 dBA. For people working in the high noise area, requisite personal protective equipment like earplugs/ear muffs etc. shall be provided. Workers engaged in noisy areas such as turbine area, air compressors etc shall be periodically examined to maintain audiometric record and for treatment for any hearing loss including shifting to non noisy/less noisy areas.
  - (x) Regular monitoring of ground level concentration of SO<sub>2</sub>, NO<sub>x</sub>, PM<sub>2.5</sub> & PM<sub>10</sub> and Hg shall be carried out in the impact zone and records maintained. If at any stage these levels are found to exceed the

prescribed limits, necessary control measures shall be provided immediately. The location of the monitoring stations and frequency of monitoring shall be decided in consultation with SPCB. Periodic reports shall be submitted to the Regional Office of this Ministry. The data shall also be put on the website of the company.

- (xi) Provision shall be made for the housing of construction labour (as applicable) within the site with all necessary infrastructure and facilities such as fuel for cooking, mobile toilets, mobile STP, safe drinking water, medical health care, crèche etc. The housing may be in the form of temporary structures to be removed after the completion of the project.
- (xii) The project proponent shall advertise in at least two local newspapers widely circulated in the region around the project, one of which shall be in the vernacular language of the locality concerned within seven days from the date of this clearance letter, informing that the project has been accorded environmental clearance and copies of clearance letter are available with the State Pollution Control Board/Committee and may also be seen at Website of the Ministry of Environment and Forests at <http://envfor.nic.in>.
- (xiii) A copy of the clearance letter shall be sent by the proponent to concerned Panchayat, Zila Parishad / Municipal Corporation, urban local Body and the Local NGO, if any, from whom suggestions/representations, if any, received while processing the proposal. The clearance letter shall also be put on the website of the Company by the proponent.
- (xiv) An Environmental Cell shall be created at the project site itself and shall be headed by an officer of appropriate seniority and qualification. It shall be ensured that the head of the Cell shall directly report to the head of the organization.
- (xv) The proponent shall upload the status of compliance of the stipulated EC conditions, including results of monitored data on their website and shall update the same periodically. It shall simultaneously be sent to the Regional Office of MOEF, the respective Zonal Office of CPCB and the SPCB. The criteria pollutant levels namely: SPM, RSPM (PM<sub>2.5</sub> & PM<sub>10</sub>), SO<sub>2</sub>, NO<sub>x</sub> (ambient levels as well as stack emissions) shall be displayed at a convenient location near the main gate of the company in the public domain.
- (xvi) The environment statement for each financial year ending 31<sup>st</sup> March in Form-V as is mandated to be submitted by the project proponent to the concerned State Pollution Control Board as prescribed under the Environment (Protection) Rules, 1986, as amended subsequently, shall also be put on the website of the company along with the status of compliance of environmental clearance conditions and shall also be sent to the respective Regional Offices of the Ministry by e-mail.

- (xvii) The project proponent shall submit six monthly reports on the status of the implementation of the stipulated environmental safeguards to the Ministry of Environment and Forests, its Regional Office, Central Pollution Control Board and State Pollution Control Board. The project proponent shall upload the status of compliance of the environment of the environmental clearance conditions on their website and update the same periodically and simultaneously send the same by e-mail to the Regional Office, Ministry of Environment and Forests.
- (xviii) Regional Office of the Ministry of Environment & Forests will monitor the implementation of the stipulated conditions. A complete set of documents including Environmental Impact Assessment Report and Environment Management Plan along with the additional information submitted from time to time shall be forwarded to the Regional Office for their use during monitoring. Project proponent will up-load the compliance status in their website and up-date the same from time to time at least six monthly basis. **Criteria pollutants levels including NO<sub>x</sub> (from stack & ambient air) shall be displayed at the main gate of the power plant.**
- (xix) Separate funds shall be allocated for implementation of environmental protection measures along with item-wise break-up. These cost shall be included as part of the project cost. The funds earmarked for the environment protection measures shall not be diverted for other purposes and year-wise expenditure should be reported to the Ministry.
- (xx) The project authorities shall inform the Regional Office as well as the Ministry regarding the date of financial closure and final approval of the project by the concerned authorities and the dates of start of land development work and commissioning of plant.
- (xxi) Full cooperation shall be extended to the Scientists/Officers from the Ministry / Regional Office of the Ministry at Bangalore / CPCB/ SPCB who would be monitoring the compliance of environmental status.
4. The Ministry of Environment and Forests reserves the right to revoke the clearance if conditions stipulated are not implemented to the satisfaction of the Ministry. The Ministry may also impose additional environmental conditions or modify the existing ones, if necessary.
5. The environmental clearance accorded shall be valid for a period of 5 years to start operations by the power plant.
6. Concealing factual data or submission of false/fabricated data and failure to comply with any of the conditions mentioned above may result in withdrawal of this clearance and attract action under the provisions of Environment (Protection) Act, 1986.

7. In case of any deviation or alteration in the project proposed including coal transportation system from those submitted to this Ministry for clearance, a fresh reference should be made to the Ministry to assess the adequacy of the condition(s) imposed and to add additional environmental protection measures required, if any.

8. The above stipulations would be enforced among others under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986 and rules there under, Hazardous Wastes (Management and Handling) Rules, 1989 and its amendments, the Public Liability Insurance Act, 1991 and its amendments.

Yours faithfully,

*P. Ahujara*  
**(Dr. P.L. Ahujara)**  
**Director**

Copy to:

1. The Secretary, Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi 110001.
2. The Secretary (Environment), Forests and Environment Department Government of Andhra Pradesh.
3. The Chairman, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi-110066.
4. The Chairman, Andhra Pradesh State Pollution Control Board, Paryavarana Bhawan, A-3, Industrial Estate, Sanath Nagar, Hyderabad -500 018.
5. The Chairman, Central Pollution Control Board, Parivesh Bhawan, CBD-cum-Office Complex, East Arjun Nagar, Delhi- 110032.
6. The Chief Conservator of Forests, Regional Office (SZ) Kendriya Sadan, 4<sup>th</sup> Floor E&F Wings 17<sup>th</sup> Main Road, 1 Block, Koranmangala, Bangalore -560 034.
7. The District Collector, Adilabad District, Govt. of Andhra Pradesh.
8. The Director (EI), MOEF.
9. Guard file
10. Monitoring file.

**(Dr. P.L. Ahujara)**  
**Director**

8/8

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

I&CAD Dept.-IWS Supply water for the proposed 2 x 600 MW Coal Based Thermal Power Plant to be established by the Singareni Collieries Company Ltd., (SCCL) at Pegadapalli (V), Jaipur (M), Adilabad district - Request for sparability of 34 MGD (2 TMC/Annum) of Surface Water from River Pranahita near Devalawada (V) - Adilabad district - 1 Km on upstream of the confluence point of Pranahita and Godavari - Orders - Issued

**IRRIGATION & C.A.D (P.W- MAJ.IRR.VIII) DEPARTMENT**

**G.O.Rt.No.474**

**Dated:19.07.2010**

**Read the following:-**

From the Engineer-in-Chief (Irrigation), I&CAD Department, Hyderabad, Lr.No. ENC(I)/DCE IV/OTM5/S2/26/2010, dated.22.05.2010.

\*\*\*

**ORDER**

In the circumstances reported by the Engineer-in-Chief(Irrigation), I&CAD Dept, Hyderabad in the letter read above, Government after careful consideration, hereby accord permission to draw 2 TMC/Annum of surface water by the firm of Singareni Collieries Company Limited from Pranahita River near Devalawada (V), Adilabad District which is about 1 Km. on upstream of the confluence point of Pranahita and Godavari subject to the concurrence of District Collector, Adilabad and clearance of Pollution Control Board as at the cost as determined by the Chief Engineer, Dr.B.R.Ambedkar Pranahita-Chevella Sujala Sravanthi. This water will be made available after completion of the Dr.B.R.Ambedkar Pranahita-Chevella Sujala Sravanthi.

3. The Engineer-in-Chief (Irrigation), I&CAD Dept, Hyderabad shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**ADITYA NATH DAS  
SECRETARY TO GOVERNMENT**

To

The Engineer-in-Chief(Irrigation), I&CAD Dept., Hyderabad  
The Chief Engineer, Dr.B.R.Ambedkar Pranahita-Chevella Sujala Sravanthi, Hyderabad  
The Chief Engineer, Inter State and Water Resources, Erram Manzil, Hyderabad  
The Superintending Engineer, Medium Irrigation Project Circle, Bellampally, Adilabad District  
The District Collector, Adilabad  
The Chairman & MD, SCCL, Adilabad district.

Copy to:

O.S.D to Hon'ble Minister (M&MI)  
PS. to Pricipal Secretary to Govt. I & CAD Department.  
P.S.to secretary to Govt, I&CAD Dept.,  
SF/SC

//FORWARDED::BY ORDER//

*27.7.2010*  
SECTION OFFICER

*35 Pamb  
P. J. in m...  
Kareem*

204

GOVERNMENT OF ANDHRA PRADESH  
GROUND WATER DEPARTMENT

From:  
K. Manohar Reddy, M.Sc.,  
Deputy Director,  
Ground Water Department,  
NIRMAL - 504 106,  
Adilabad district.

To:  
Chief General Manager (Civil),  
Singareni Collieries Company Ltd.,  
KOTHAGUDAM - 507 101  
Badrachalam Road Railway stn.,  
Khammam district

Lr.No.157/T/2008

Dated: 07-08-2008.

Sir,

Sub:- Ground Water Department, Nirmal - Adilabad district - Integrated surveys conducted for supply of 26MGD water for proposed 500 MW Merged thermal power plant by SCCL at Jaipur village & Mandal Adilabad district - Recommendations communicated - Regarding.

- Ref:-
1. Director, GWD Hyd. Lr.No. 2789/Hg.II(2)/2008, dated 7.3.2008.
  2. Your Lr.No. CRP/CVL/GEN/1090, dated 18.03.2008.
  3. This office Lr.No. 157/T/2008, dated 21.4.2008.
  4. Director, GWD Hyd. Memo No. 2789/Hg.II(2)/2008, dt 29.7.2008.

-:oOo:-

With reference to the above 2<sup>nd</sup> cited, integrated surveys conducted for studying the availability of 26 MGD ground water for proposed 500 MW Merchant thermal power plant by SCCL at Jaipur village & mandal, Adilabad district and submitted the report to the Director, Ground Water Department, Hyderabad for approval.

The Director, Ground Water Department, Hyderabad has approved the report vide reference 4<sup>th</sup> cited with recommendations to construct an infiltration gallery in River Godavari at Bhatpally village subject to the following terms and conditions.

1. Recommended to draw 18 MGD of water through infiltration galleries against the total requirement is 26 MGD water for the proposed 500 MW Merchant Thermal Power Plant, and the remaining quantity may be met from other sources like water from mining pit and Yellampalli project etc. the methods like recycling/reuse should be adapted for the propose.
2. The design and motors for infiltration gallery, the SCCL may take technical advise from RWS, APSIDC and Public Health Department etc. and experts in the field.
3. The quantity of water pumping must be restricted to 18 MGD during non flow period in the river and during flow period, the SCCL may obtain permission to draw surface water from irrigation Department.
4. As the requirement is very high so as to assess the impact of pumping, establish piezometer/OB wells in and around the pumping area and plant area, and also collect water samples for analysis and submit both the data to the Deputy Director, Ground Water Department, Nirmal, Adilabad regularly.
5. The Ground Water Department Government reserves the right to stop pumping of the ground water at any point of time, if found necessary or in the case of any violation of terms and conditions.
6. Water harvesting measures should be taken up in and around plant area.

The integrated survey report is herewith enclosed.

Yours faithfully,

*K. Manohar Reddy*  
Deputy Director

*15/8/08*

*19-08*  
Copy submitted to the Director, Ground Water Department,  
Hyderabad for favour of kind information.

TRANSLATION

Certificate of Incorporation issued by the Office of the Registrar, Joint-Stock Companies, H.E.H. The Nizam's Dominions, in the City of Hyderabad.

Serial No. (5)

Seal of the Office of the Registrar, Joint Stock Companies H.E.H. The Nizam's Dominions.

I do hereby certify that "THE SINGARENI COLLIERIES COMPANY LIMITED" has submitted its Memorandum of Association in this Office in accordance with the Companies Act, No. 4 of 1320 Fasli, of His Exalted Highness the Nizam's Dominions and has duly been entered in the Register of Joint-Stock Companies as a Limited Concern, i.e., Limited by Shares.

Written this day the 20th Bahman, 1330 Fasli, in the City of Hyderabad (23-12-1920).

Sd/- Mir Faiz-ur-Rahman,  
Registrar,  
Joint-Stock Companies  
H.E.H. The Nizam's Dominions

CERTIFICATE

Certified that this is a true translation of the original Urdu document.

3rd April, 1924.

Sd/-  
Major  
Comptroller Magistrate,  
SECUNDERABAD

**CERTIFIED TO BE TRUE COPY**  
of The Singareni Collieries Co. Ltd.

:: TRUE COPY ::

(J. Rama Krishna)  
G.M. (Corporate Affairs)  
Company Secretary.

2/2/16





**C O N T E N T S**

|  | Page No. |
|--|----------|
| MEMORANDUM OF ASSOCIATION              | 1 to 5   |
| ARTICLES OF ASSOCIATION                |          |
| Preliminary (Applicability of Table A) | 9        |
| Authorised Share Capital               | 10       |
| Joint Holders of Shares                | 11       |
| Calls on Shares                        | 12       |
| Transfer of Shares                     | 13       |
| Transmission of Shares                 | 14       |
| Forfeiture of Shares and Lien          | 15       |
| Share Warrants                         | 17       |
| Alteration of Share Capital            | 17       |
| Modification of Rights                 | 19       |
| Borrowing Powers                       | 19       |
| General Meetings                       | 22       |
| Proceedings at General Meetings        | 24       |
| Votes of Members                       | 26       |
| Form of Proxy                          | 27       |
| Directors                              | 27       |
| Powers of Directors                    | 28       |
| Disqualification of Directors          | 30       |
| Rotation of Directors                  | 31       |
| Alternate Directors                    | 33       |
| Managing Directors                     | 33       |
| Local Managers                         | 33       |
| Proceedings of Directors               | 34       |
| Trustees                               | 36       |
| The Seal                               | 37       |
| Branch Register                        | 37       |
| Dividends                              | 37       |
| Reserve Fund                           | 38       |
| Accounts                               | 38       |
| Audit                                  | 40       |
| Notices                                | 40       |
| Arbitration                            | 41       |
| Winding up                             | 41       |

107

## Memorandum of Association of The Singareni Collieries Company Limited

1. The name of the company is The Singareni Collieries Company Limited.
2. The Registered Office of the Company will be situated in the state of Andhra Pradesh.
3. The objects for which the Company is established are :-
  - (a) To prospect for, explore, open, raise, win, get and quarry coal, minerals, oils, metals and precious metals, diamonds and other precious stones, and other mineral substances, stones of all kinds, clay, brick, earth and slate; to develop and turn to account any mines, mineralogical or metalliferous land and quarries, clay, brick, earth and slate; to coke; to extract gas and oil, and other byproducts, crush, smelt, refine amalgamate and prepare for market the produce of any mines, quarries, clay, brick, earth and slate; to burn and prepare lime and treat in any manner which the company may think fit all mineral and quarry products whether the property of the company or not, and whether in the state of Andhra Pradesh or Indian Union or any of the states in the Indian Union, or elsewhere and to carry on any other metallurgical and mineralogical operations which may seem capable of being usefully or profitably carried on in connection with any business of the company; and to sell, dispose of, and deal in such produce, either in a manufactured state or otherwise, and any materials or substances or by-products resulting from or to be obtained in the process of coking or extracting gas oil crushing, smelting, refining, or manufacturing such produce and either free from or in combination with other substances and to acquire and use plant for the above purposes or any of them.
  - (b) To purchase, take on lease, or otherwise acquire under any tenure hold and acquire options in any mines, metalliferous or mineralogical land mining rights, prospectors' or other claims, diggers' licenses and quarries in the state of Andhra Pradesh, Indian Union and the states of Indian Union or elsewhere or in all or any of them together with the whole or part of such assets of the Proprietors of the premises so acquired used in connection with or belonging thereto or which may usefully be employed in or about the premises so taken over; and to undertake all or any of the businesses carried on in connection with such premises and to undertake and satisfy the liabilities of the proprietors of the premises so acquired and of the business or businesses carried on in connection with such premises.
  - (c) To acquire under any tenure (including leasehold tenure) and to hold land and any interest in land, whether of a mineral character or not which may be suitable for the purposes of the company, buildings, stock, chattels and effects and real and personal estate of any description in the State of Andhra Pradesh, Indian Union and the States of the Indian Union and elsewhere for the purpose of opening, working and developing mines and minerals of any kind and quarries getting, smelting, coking, extracting gas and oil and other by-products manufacturing and otherwise dealing with all coal, minerals, oils, metals, precious metals, diamonds and other precious stones and other mineral products or substances, stones, clay, brick earth and slate, and to enter into any lease or leases of property which the company may desire to acquire for the purposes of its business, to pay or provide any premium as the consideration or part of the consideration for the granting of any such lease or leases and to enter into any obligation under any such lease or leases.
  - (cc) To carry on the business of establishing, developing and maintaining industrial parks, special economic zones, technology parks, software parks, industrial area and industrial estates by providing infrastructure facilities including power, water supply, tele-communication, roads, bridges, common social infrastructure and other essential facilities for their speedy development and for the purpose to acquire, sell, dispose-off, lease, hire properties and/or services of any nature and to provide consultancy and advisory services of any kind in this regard and other activities incidental or ancillary thereto including investing in other companies with similar business activities.

- (d) To pay either wholly or in part of the consideration for the acquisition of any property or rights which the company may desire to acquire by the issue to the vendors or their nominees of fully paid up or partly paid up shares in the capital of the company or the debentures or debenture stock of the company.
- (e) To acquire and take over as a going concern the business of Colliery Proprietors now carried on by the Hyderabad (Deccan) Company Limited at Singareni under lease from H. E. H. The Nizam of Hyderabad and to take over the rights of the said Hyderabad (Deccan) Co., Ltd., to lease from H.E.H. The Nizam of Hyderabad of the Coal Field at Kothagudem Penugonda both such properties being situated in the Dominions of His Exalted Highness The Nizam of Hyderabad together with the whole of the real and personal property of the said Hyderabad (Deccan) Company Limited used in such Dominions in connection with the said Colliery and Coal Field and to undertake all or any of the liabilities of the said business and with a view thereto to enter into and carry into effect with or without modifications the agreement which has already been prepared and engrossed and is expressed to be made between the Hyderabad (Deccan) Company Limited of the one part and this Company of the other part a copy of which agreement has for the purposes of identification been signed by Sir John Prescott Hewett G.C.S.I., K.B.E., the Chairman of the Hyderabad (Deccan) Company Limited and a member of the Firm of Messrs. Best and Company Limited of Madras on behalf of the Promoters of the Company.
- (f) To carry on as a Joint Stock Company Limited the business and properties so acquired by the Company to carry on in connection with the same such other businesses as may be conveniently or profitably carried on therewith or may be usefully employed or turned to account or may enhance the value of any of the Company's property.
- (g) To construct acquire execute use equip improve work develop maintain manage or control in the State of Andhra Pradesh, Indian Union and any of the States in the Indian Union and elsewhere works and conveniences of all kinds which expression includes all mining and quarrying operations, pits, wells, sidings, tramways, railways, rolling stock, roads, bridges, aqueducts, docks, harbours, piers, wharves, canals, reservoirs, and embankments mills, irrigation reclamation improvement sewage drainage sanitary water gas electric light illuminating telegraphic telephonic and heating and electric water gas and steam power supply crushing hydraulic and other works machinery furnaces lime kilns ships vessels houses factories hotels warehouses markets and other buildings and all other necessary and usefull works and conveniences directly or indirectly conducive to the objects of the company and to supply to any other persons corporations companies or public bodies electric water gas and steam power water supply heating or light for such consideration as the company may think fit.
- (gg) To promote, organise or carry on the business of consultancy services/ job works/ works contracts either independently or through suitable tie-ups with other organisations both in India and abroad in any field of activity in which the company is engaged in or connected therewith as also in such other field or activities where the Company has developed expertise by virtue of its dealing in such areas and rendering consultancy and advisory services to clients and any such other services and to trade, buy, import, supply, sell coal, lignite, gases and other mineral resources
- (h) To carry on any trade or business incidental to the proper or more profitable dealing with or turning to account of the rights and property of the Company and to manufacture buy sell use or otherwise deal in property of all kinds for any of the purposes of the Company or conducive to any of the objects or for the convenience of the employees of the Company.
- (i) To sell lease let license the use of mortgages or otherwise deal with all or any part of the business property or rights of the Company for such consideration as the Company may think fit and in particular for shares debentures debenture stock or securities of any other Company.

- 209
- (j) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
  - (k) To promote or form or assist in the promotion or formation of any subsidiary allied affiliated or other Companies or Associations and whether for the purpose of acquiring all or any of the business property liabilities or rights of the Company or otherwise and to make and carry into effect arrangements with respect to amalgamation or the union of interests whether in whole or in part with any other Company or public or private undertaking carrying on any business which the Company is authorised to carry on and carry into effect any arrangements with any Railway Tramway Transport or Navigation Company and any other Company or person for improving or facilitating the carrying on of any business of the Company which it is authorised to transact and for any of such purposes to subscribe for purchase take hold distribute sell purchase or deal with any stocks or securities of any Government or the shares stocks or securities of any other Company person or undertaking.
  - (l) To borrow raise and lend money and make and give guarantees and create and issue mortgages debentures debenture stock and other securities for money and with or without being charged upon, all or any property of the Company including or excluding as may be thought expedient called and uncalled capital and to carry-out the above objects and otherwise to conduct any financial transactions connected with the objects aforesaid according to the regulations of the Company from time to time existing.
  - (m) To establish agencies or branches in India or elsewhere.
  - (n) To draw make accept endorse discount execute and issue bills of exchange bills of lading promissory notes dock and other warrants and other instruments so as to be negotiable or transferable by delivery or to order or otherwise.
  - (o) To acquire register and complete in the State of Andhra Pradesh, Indian Union and any of the States in the Indian Union and in any other Country or state patents license or protection for any process or accessory to the business which the Company is authorised to transact and to sell such patents or grant licenses for using such patents in such State, Union and in any of such Countries or States.
  - (p) To pay all or any expenses incurred in connection with the formation promotion and incorporation of the Company or to contract with any person firm or Company to pay the same and to pay commissions to brokers and others for underwriting placing selling or guaranteeing the subscription of any shares debentures or securities of this Company or of any Company promoted by this Company.
  - (q) To remunerate any person firm or Company rendering services to this Company and in particular any servant or employee of the Company.
  - (r) To establish, provide, maintain and conduct or otherwise, subsidise, research laboratories and experimental workshops for scientific and research experiments and to undertake and carry on all scientific and technical researches, experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing, subsidising, endowing or assisting individuals, institutions, laboratories, workshops, libraries, lectures and conferences and providing remunerations of scientific or technical professors or teachers and by providing for the award of scholarships, prizes, grants and subsidies to students or otherwise and generally to encourage, promote and help studies, researches, investigations, experiments, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

- (s) To enter into any arrangements with any Government or authorities, supreme, municipal, local or otherwise that may seem conducive to the interests of the Company.
- (t) To take all necessary or proper steps in any legislature (Central or Provincial) or with the authorities Government, Local, Municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations, co-operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interests of its members, and to oppose any steps taken by any person or Company which may be considered likely, directly or indirectly to prejudice the interests of the Company or its members.
- (u) To employ and pay experts, Indian and Foreign consultants and other persons in connection with prospecting and exploitation of coal and for executing the several schemes of the Company.
- (v) To enter into any arrangements with the Government of India or any local State Government in India or other persons, and to obtain any rights, powers, privileges, licences, grants and concessions, which the company may consider desirable to obtain and to carry on, exercise and complete any such arrangements, rights, privileges and concessions.
- (w) To undertake and carry on scientific, technical and economic surveys, technical researches, experiments and tests of all kinds of by providing subsidies endowing or assisting laboratories, workshops and by providing or contribution of the remuneration of scientific or technical professors, teachers and academicians and by providing or contributing to the award of scholarships, prizes, grants to students and other and generally to encourage, promote and reward studies, researches, investigations, experiments that may be considered likely to assist any business which the Company is authorised to do.
- (x) To grant annuities, pensions, allowances, gratuities and bonuses to any employees or ex-employees of the Company or dependants of any such persons, and to establish or support associations, institutions, clubs, schools, funds, schemes and trusts (religious, scientific, educational, provident or otherwise) which may be considered and calculated to benefit any such persons or otherwise/members and to establish and contribute any scheme for purchase by/advance the interests of the Company or of its trustees of shares in the Company to be held for the benefit of the Company's employees and to lend money to the Company's employees and to support or subscribe to any charitable objects and institutions and to clubs, societies or funds, other than those of any political organisations.
- (y) It is hereby declared that :
  - (a) the word 'Company' in the clauses aforesaid except, wherever used in reference to this company, shall be deemed to include any partnership or other body of persons whether corporate or unincorporate; and,
  - (b) the objects specified in each of the paragraphs shall be regarded as independent objects and shall in no way be limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs define the objects of a separate and distinct company, and

(c) to do all such other things as the Company may deem incidental or conducive to

4. The Authorised share capital of the Company is Rs.1800 crores (Rupees eighteen hundred crores only) divided into 180,00,00,000 equity shares of Rs.10/- each.

5. 0/- each.

We the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

| Names, addresses and descriptions of Subscribers                        | Number of Shares taken by each Subscriber |
|---|---|
| L. C. Croslegh,<br>Director, Hyderabad (Deccan) Co., Ltd., Secunderabad | One                                       |
| W. H. Ruddle,<br>Chartered Accountant, Secunderabad.                    | One                                       |
| B. Lightfoot,<br>Geologist, Secunderabad.                               | One                                       |
| E. H. Hunt,<br>F. R. C. S., Secunderabad.                               | One                                       |
| Archibald Pocock,<br>Barrister-at-Law, Secunderabad.                    | One                                       |
| N. A. Sprott,<br>M.Ch., Secunderabad.                                   | One                                       |
| D. D. Richards,<br>Accountant, Messers Best & Co., Ltd., Secunderabad.  | One                                       |

Dated : the 18th day of December, 1920.  
Witness to the Signature of all the above subscribers :

D. Chandler,  
Stewards,  
Secunderabad Club

**ARTICLES OF ASSOCIATION**

# Articles of Association

OF

THE SINGARENI COLLIERIES CO., LTD.

## PRELIMINARY

### Applicability of Table A.

1. Regulations contained in Table A in the first Schedule to the Companies Act, 1956 shall apply so far and so far only as they are not inconsistent with any of the provisions contained in these Articles.

### Interpretation

2. (1) In these presents, unless there be something repugnant to the subject or context.
  - (a) "the Act" or "the Statute" means the Companies Act, 1956.
  - (b) "The Company" means The Singareni Collieries Company Limited.
  - (c) "the Directors" shall mean the Directors for the time being of the Company and include a committee of the Directors duly authorised and acting by resolution passed at duly constituted meeting or by circulation and subject to any restrictions and conditions on their powers then existing.
  - (d) "Dividend" includes bonus.
  - (e) "Government" means the Government of India.
  - (f) "Month" means Gregorian calendar month.
  - (g) "the Office" means the Registered Office for the time being of the Company.
  - (h) "the Register" means the register of Members to be kept pursuant to Section 150 of the Act.
  - (i) "State Government" means the Government of Andhra Pradesh.
  - (j) "In Writing" or "Written" includes printing, lithography, cyclostyling and other modes of representing or reproducing words in a visible form.
- (2) Words in the singular shall include the plural and vice versa.
- (3) Words importing the masculine gender shall include feminine.
- (4) Words importing persons shall include Corporations.
- (5) Words or expressions contained in these articles and defined in the Act have the same meanings as stated in the Act.



**Agreement to be confirmed**

3. The first business of the Company shall be to acquire the business and undertaking of the Singareni Colliery and the Kothagudem Pengudpa Coal Field in the Dominions of His Exalted Highness the Nizam of Hyderabad, and for the purpose of so doing the Directors shall forthwith take into consideration and, if approved, shall enter into on behalf of the Company (either with or without modification the Agreement referred to in Clause 3, Sub-Clause (E) of the Memorandum of Association. The Company is formed on the basis that the said Agreement shall be entered into with or without modification, and no objection shall be taken to the said Agreement, nor shall any Promoter or Director be liable to account to the Company for any profit or benefit derived by him under the said Agreement by reason of any Promoters or Directors of the Company being Vendors to the Company or otherwise interested in the said Agreement, or by reason of the purchase consideration having been fixed by the Vendors without any independent valuation having been made, or of the Board of Directors not being in the circumstances an independent Board; but every Member of the Company, present and future, shall be deemed to have notice of the Provisions of the said Agreement, and to have assented to all the terms thereof.

**Company not to deal in its own shares**

4. No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's Shares.  
5. It is not intended that there shall be any invitation to the public to subscribe for the first issue of the shares of the Company and the Company may commence business and exercise its borrowing powers as soon after the incorporation of the Company as the Directors shall think fit although the whole of its or capital shall not have been subscribed.

**Commission for placing shares and debentures.**

6. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares in or debentures of the Company, but so that if the commission in respect of shares shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with, and the amount or rate of commission shall not exceed five per cent of the price at which the shares are issued or two and a half per cent of the price at which the debentures are issued. The commission may be paid in cash or satisfied in shares or debentures of the Company. The amount or rate per cent of the commission paid or agreed to be paid, and the number of shares or debentures in respect of which commission has been paid or agreed to be paid shall be disclosed in the prospectus or statement in lieu of prospectus subject to the provision of section 76 of the Act.

**AUTHORISED SHARE CAPITAL**

**Capital**

The Authorised share capital of the Company is Rs.1800 crores (Rupees eighteen hundred crores only) divided into 180,00,00,000 equity shares of Rs.10/- each.

**Allotment of Shares**

8. (a) Subject to the provisions of the Agreement referred to in Article 3 hereof, the Shares shall be under the control of the Directors, who may allot and dispose of, the same to such persons, on such terms, and in such manner as they think fit. Shares may be issued at par or at a premium.

- 15
- (b) The certificates of title for shares in the Company and the debentures of the Company shall be issued in the manner prescribed by the Companies (Issue of share certificate) Rules 1960.
- Difference in amounts paid on Shares** 9. The Directors may make arrangements on the issue of Shares for a difference between the Holders of such Shares in the amount of Calls to be paid and in the time of payment of such Calls.
- Trusts not recognised.** 10. The Company shall be entitled to treat the person whose name appears upon the Register in respect of any Share as the absolute owner thereof, and shall not be under any obligation to recognise any trust or equity of equitable claim to or interest in such Share, whether or not it shall have express or other notice, thereof.
- Members right.** 11. (a) Every Member shall be entitled to one Certificate for the shares registered in his name, or if the directors so approve (upon paying such fee as the directors may from time to time determine) to several certificates each for one or more of such shares. Every certificate of shares shall specify the numbers denoting the shares in respect of which it is issued and the amount paid up thereon.
- Limitation of time for issue of certificate of shares and debentures.** (b) The Company shall, within three months after the allotment of any of its shares or debentures, and within two months after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and the debentures, unless the conditions of issue of the shares or debentures otherwise provide.
- As to issue of new certificate in place of one defaced, lost or destroyed.** 12. (a) If any Certificate be worn out defaced, torn or old or decrepit, then upon production thereof the directors may order the same to be cancelled and may issue a new certificate in lieu thereof, from time to time and in the manner laid down in the Companies (Issue of share certificate) Rules, 1960.
- (b) If any certificate be lost or destroyed then no duplicate share certificate in lieu thereof, can be issued without the prior consent of the Board of Directors or without payment of such fee, if any, and on such reasonable terms if any as to evidence and indemnity and payment of actual expenses incurred by the Company in investigating evidence as the Board thinks fit and in the manner laid down in the Companies (Issue of Share Certificate) Rules, 1960.

#### JOINT HOLDERS OF SHARES

- Joint Holders** 13. Where two or more persons are registered as the Holders of any Share they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the provisions following :-
- Maximum number** (A) The Company shall not be bound to register more than three persons as the Holders of any Share;
- Liability several as well as joint** (B) The joint Holders of any Share shall be liable, severally, as well as jointly, in respect of all payments which ought to be made in respect of such Shares.

- Survivors of Joint Holders only recognised** (C) On the death of any one of such Joint Holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such Share; but the Directors may require such evidence of death as they may deem fit.
- Receipts** (D) Any one of such Joint Holders may give effectual receipts for any Dividend, Bonus, or return of Capital payable to such Joint Holders,
- Who entitled to Certificate, votes, & c.** (E) Only the person whose name stands first in the Register of Members as one of the Joint Holders of any Share shall be entitled to delivery of the Certificate relating to such Share, or to receive notices from the Company, or to attend or vote at General Meetings of the Company, and any notice given to such person shall be deemed notice to all the Joint Holders; but any one of such joint Holders may be appointed the proxy of the person entitled to vote on behalf of the said Joint Holders, and, as such proxy to attend and vote at General Meetings of the Company.

**CALLS ON SHARES**

- Calls** 14. (a) The Directors may, from time to time, make such calls as they think fit upon the members in respect of all moneys unpaid on the Shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the Company and at the times and places appointed by the Directors. A call may be made payable by instalments, and shall be deemed to have been made when the resolution of the Directors authorising such call was passed.
- Calls to be made on uniform basis.** (b) All calls for further share capital shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.
- Notice to Calls.** (c) Not less than fourteen days' notice to any call shall be given specifying the time and place of payment and to whom such call shall be paid. A call may be revoked or postponed at the discretion of the Board.
- Amount payable at fixed times or by instalments payable as calls,** 15. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given; and all the provisions herein contained in respect of call shall relate to such amount or instalment accordingly.
- When Interest on call or instalment payable.** 16. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the Holder for the time being of the share in respect of which the call shall have been made, or the instalment shall be due shall pay interest for same at the rate of 9 per cent per annum from the day appointed for the payment thereof to the time of the actual payment; or at such other rate as the Directors may determine. The Directors shall have power to waive the interest wholly or in part.

**Evidence in  
action for Call.**

17. At the hearing of any suit for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders of the shares in respect of which such debt accrued; that the resolutions making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued, in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**Payment of  
Call in advance**

18. The Directors, may, if they think fit, receive from any Member willing to advance all or any part of the moneys uncalled or unpaid upon any shares held by him; and upon the money so paid in advance the Directors may (untill the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding six per cent) without the sanction of the Company in General Meeting, as may be agreed upon between the member paying the sum in advance and the Directors.

Provided, nevertheless, that when the amount due upon the Shares is paid up in advance upon the footing that the same shall carry interest such amount so paid shall not whilst carrying interest confer a right to participate in profits.

#### TRANSFER OF SHARES

**Transfer not to  
be registered ex-  
cept on production  
of instrument of  
transfer.**

19. The Company shall not register a transfer of Shares in, or debentures of, the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by and on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or debentures or pucca transfer receipt or if no such certificate is in existence, along with the letter of allotment of the shares or debentures.

Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Directors may think fit.

Provided further that nothing in this article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right of any shares in or debentures of the Company has been transmitted by operation of Law.

**Form of  
transfer.**

20. The instrument of transfer of any Shares or debentures shall be in writing in the form prescribed by the Act.

**In what cases  
Directors may  
decline to register  
transfer,**

21. (a) The Directors may at their absolute and uncontrolled discretion, decline to register any transfer of shares, and shall not be bound to give any reasons for such refusal. This clause shall apply also to the case of a transferee who is already a shareholder. If the Directors decline to register the transfer of any shares, the Company shall within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal.

(b) When the transferee is not acceptable to the Directors in accordance with the provisions contained in the Articles of Association of the Company and when the President of the concerned Stock Exchange so requests, he may be taken into confidence as to the reasons for such rejection.

**Transfer to be left at office and evidence of title given.**

(c) Every instrument of transfer shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred, and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same.

**When transfer books and register may be closed.**

(d) The Company may on giving seven days previous notice by advertisement in some newspapers circulating at the place where the registered office of the Company is situated close the register of members or the register of debenture holders for any time or times not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.

#### TRANSMISSION OF SHARES

**Transmission of registered shares as to survivorship.** 22.

The executor or administrator of or the holder of a succession certificate in respect of the estate of a deceased member by whatever personal law he may be governed (not being one of several joint holders) shall be the only person recognised by the Company, as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executor or administrator or holder of succession certificate unless such executor or administrator or holder of succession certificate shall have first obtained Probate or Letters of Administration or succession certificate as the case may be from a Court of Competent Jurisdiction;

Provided that in any case where the Directors in their absolute discretion think fit, they may dispense with the production of Probate or Letters of Administration or Succession Certificate under the next article, and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased shareholder. In case of the death of any one or more of the joint registered holders of any shares the survivors shall be the only persons recognised by the Company, as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

**Representative Shareholder to be registered or nominate another person.** 23.

Any person becoming entitled to a Share in consequence of the death, bankruptcy, or insolvency of any Member (herein referred to as a person entitled by transmission) shall, within three months of becoming so entitled, produce to the Company such evidence as may be reasonably required by the Directors to prove his title, including, in case of death, probate or letters of administration, registered in India, and declare in writing his election either to be himself registered as a Member in respect of the Share, or instead of being registered himself, to make such transfer as the deceased, bankrupt, or insolvent person could have made: Provided that the Directors shall have the same discretion to refuse to register a transferee as in the case of transfer by a registered member.

219  
**Registration of  
representative  
Shareholder or his  
nominee.**

24. If any person entitled to any Shares by transmission shall give the required proof of his title, and shall declare his election to be himself registered as a Member of the Company, the Directors may, upon payment of a fee not exceeding Rupees two, place his name upon the Register in respect of the said Shares; and if such person as aforesaid shall give the required proof and nominate some other person to be registered, the person so nominating and the person so nominated shall respectively, as transferor and transferee, execute, an instrument of transfer, and the name of the transferee may, upon payment of a fee not exceeding Rupees two, be placed upon the Register in respect of the said Shares.

**Penalties for  
not registering.**

25. Until any person becoming entitled to Shares by transmission shall have complied with the terms of the preceding Articles, the Company may retain any Dividend or Bonus declared upon such Shares, and shall not be bound to recognise the title of the person claiming under such transmission; and if such person so becoming entitled to any partly paid Shares shall not have complied with the terms of the said Articles for a period of three months from the time of so becoming entitled, the Directors may cause to be served on him a notice requiring him to comply with the said terms within a period not being less than one month from the date of such notice and stating that if he does not comply with the requirements of the said notice, the Shares in respect of which such notice is given will be liable to forfeiture; and if the person on whom such notice has been served shall not comply with the requirements thereof within the time named therein, the Shares in respect of which the said Notice was given shall be liable to be forfeited by a resolution of the Directors passed at any time before the requirements of the said notice shall have been complied with.

26. Every shareholder shall from time to time, leave in writing at the office a place of address in India, or after the Company shall, under the provisions of Article 126, have opened a register in any country where the Law permits a place of address in such country to be registered as his place of residence, and the place so from time to time registered in India, or in such other country after the opening of such Register therein shall, for the purposes of the Statute and these presents, be deemed his place of residence. In default of doing so, the Office of the Company shall be deemed his place of residence and registered address.

**Guardians and  
Committee may be  
placed on Register.**

27. The guardians of an infant Member, and the committee or other legally constituted representative of the estate of a lunatic Member, may, upon producing to the Directors such evidence of their position as may be reasonably required, be placed upon the Register in respect of the Shares held by such infant or lunatic Member, as the case may be.

#### FORFEITURE OF SHARES AND LIEN

**Notice may be  
served requiring  
payment of Call or  
Instalment.**

28. If any Member fails to pay any Call or instalment of a Call on the day appointed for payment thereof the Directors may, at any time thereafter during such time as any part of the Call or instalment remains unpaid, serve a notice on him requiring him to pay so much of the Call or instalment as is unpaid, together with interest accrued and any expenses incurred by reason of such non-payment.

**What the notice is to State.** 29. The notice shall name a further day (not being earlier than the expiration of fourteen days from the date of the notice) on or before which such Call or instalment and all interest accrued and expenses incurred by reason of such non-payment are to be paid, and it shall also name the place where payment is to be made, such place being either the Registered Office of the Company or some other place at which Calls of the Company are usually made payable. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the Shares in respect of which such Call or instalment is payable will be liable to forfeiture.

**If notice not complied with share may be Forfeited.** 30. (a) If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time, thereafter, before payment of all Calls, or instalments, interest, and expenses, due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares, and not actually paid before the forfeiture.

**Notice after forfeiture.** (b) When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.

**Forfeited share to become property of Company** 31. (a) Any Share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit;

**Power to annual forfeiture.** (b) The Directors may, at any time before any share so forfeited shall have been sold, reallocated, or otherwise disposed of, annual the forfeiture thereof upon such conditions as they think fit.

**Liability to pay Calls after forfeiture.** 32. Any person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding remain liable to pay to the Company all Calls and instalments owing upon such Shares at the time of forfeiture, together with interest thereon, at such rate not exceeding Ten per centum per annum as the Directors shall appoint, down to the date of payment; but the Directors may, if they shall think fit, remit the payment of such interest or any part thereof.

**Entry of particulars.** 33. When any Shares have been forfeited an entry shall forthwith be made in the Register of Members of the Company recording the forfeiture and the date thereof, and as soon as the Shares so forfeited have been disposed of an entry shall also be made of the manner and date of the disposal thereof.

**Lien.** 34. The Company shall have a first and paramount lien upon all Shares not fully paid-up held by any Member of the Company (whether alone or jointly with other persons), and upon all Dividends and Bonuses which may be declared in respect of such Shares for all debts, obligations, and liabilities of such Member to the Company: Provided always that if the Company shall register a transfer of any Shares upon which it has such a lien as aforesaid without giving to the transferee notice of its claim the said Shares shall be freed and discharged from the lien of the Company.

21  
**As to enforcing  
lien by Sale.**

35. For the purpose of enforcing lien the Directors may sell the Shares subject thereto in such manner as they think fit, but no sale shall be made until the expiration of 14 days after a notice in writing of the intention to sell shall have been served on such member, his executors or administrators, and default shall have been made by him or them in the payment, fulfilment, or discharge or such debts, liabilities or engagements.

**Proceeds how  
applied.**

36. Upon any sale being made by the Directors of any Shares to satisfy the lien of the Company thereon, the proceeds shall be applied: First, in the payment of all costs of such sale; next, in satisfaction of the debts or obligations of the Member to the Company, and the residue (if any) shall be paid to the person entitled to the Shares at the date of the sale, or as he shall direct.

**What neces-  
sary to give title  
to purchaser.**

37. An entry in the Minute Book of the Company of the forfeiture of any Shares, or that any Shares, have been sold to satisfy a lien of the Company, shall be sufficient evidence, as against all persons entitled to such Shares, that the said Shares were properly forfeited or sold; and such entry, and the receipt of the Company for the price of such Shares, shall constitute a good title to such Shares, and the name of the purchaser shall be entered in the Register as a member of the Company, and he shall be entitled to a Certificate of Title to the Shares, and shall not be bound to see to the application of the purchase money. The remedy of the former Holder of such Shares, and of any person claiming under or through him shall be against the Company and in damages only.

38. The Directors may accept the surrender of any Share on such terms as they think fit.

#### SHARE WARRANTS

**Power to issue  
share Warrants**

39. The Company, with respect to fully paid up Shares may with the previous approval of the Central Government issue under its seal, Warrants (hereinafter called "Share Warrants") stating that the bearer is entitled to the Shares therein specified, and may provide, by coupons or otherwise for the payment of future dividend on the shares specified in such Warrants.

**As to condition  
in which share  
Warrants shall be  
issued.**

40. The Directors may determine, and from time to time vary, the conditions upon which share Warrant shall be issued and in particular, the conditions upon which a new Share warrant or coupon will be issued in the place of worn out, defaced, lost, or destroyed or upon which the bearer of a share warrant shall be entitled to attend and vote at General Meetings, or upon which a share warrant may be surrendered, and the name of the bearer entered in the register in respect of the shares therein specified. The bearer of a share Warrant shall be subject to the conditions for the time being in force, whether made before or after the issue of such Warrant.

41. Share Warrants shall not be taken into account as constituting or contribution to the qualification of a director.

#### ALTERATION OF SHARE CAPITAL

**Conversion of  
shares into stock  
and reconversion.**

42. The Company by resolution in General Meeting may convert any paid-up shares into stock and may convert any stock into paid-up shares of any denomination.



43. When any shares have been converted into stock, the several holders of such stock, may henceforth transfer their respective interests, therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which fully paid-up shares in the Company's capital may be transferred, or as near thereto as circumstances will admit. But the Directors may from time to time, if they think fit fix the minimum amount of stock transferable and direct that the fractions of a rupee shall not be dealt with, but with power nevertheless, at their discretion to waive such rules in any particular case.

**Right of Stockholders**

44. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and votings at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except the participation in profits of the Company, or in the assets of the Company, on a winding up, shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit apply to stocks as well as to shares.

**Power to alter share capital.**

45. The Company may, by an ordinary resolution alter the conditions of its Memorandum as follows that is to say, it may;

- (a) increase its Authorised Share Capital by such amount as may be deemed expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing Shares;
- (c) sub-divide its shares, or any of them into shares of smaller amount than is fixed by its memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (d) cancel shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**On what conditions new shares may be issued.**

46. The new shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the special resolution resolving upon the creation thereof, shall direct, and if no direction be given as the directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a special or without any right of voting.

27  
How far new shares to rank with shares in Original Capital.

47. Except so far as otherwise provided by the conditions of issue, or by these presents any capital raised by the issue of further shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

Reduction of Capital.

48. The Company subject to the provisions of Section 100 of the Act, may, from time to time, by special resolution, reduce its share capital, and in particular and without prejudice to the generality of the foregoing power, may;

(a) Extinguish or reduce the liability of any of its shares in respect of share capital and not paid up;

(b) either with or without extinguishing or reducing liability of any of its shares cancel any paid-up share capital which is lost, or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company.

and may, if so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

Sub-division into preferred and ordinary.

49. The special resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other.

#### MODIFICATION OF RIGHTS

Alteration of rights of special classes of shares.

50. (1) If, at any time, the share capital of the Company is divided into different classes of shares other rights attached to any class of shares unless otherwise provided by the terms of issue of the shares of that class may be varied.

(a) with the consent in writing of the holders of not less than three fourths of the issued shares of that class, or

(b) with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.

(2) All the provisions herein contained as to General Meetings shall, *mutatis mutandis* apply to every such separate meeting of the holders of shares whose rights are to be varied except that the quorum there of shall be members holding, or representing by proxy one-tenth of the nominal amount of the issued shares of that class.

#### BORROWING POWERS

Powers to borrow.

51. The Directors may subject to the provisions contained in section 293 (1) (d) of the Act, from time to time, at their discretion, borrow, or secure the payment of, any sum or sums of money for the purposes of the Company.

**Bonds, Debentures & c. to be subject to control of Directors.** 52.

Any Bonds, Debentures, Debenture Stock, or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

**Conditions on which money may be borrowed.** 53.

(a)(1) The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage, charge, or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

(2) The Board may keep alive redeemed debentures for the purpose of re-issue and it shall have the power either to re-issue the same debentures or issue other debentures in place of those redeemed as it may think fit.

**Securities may be assignable free from equities.**

(b)(1) Debentures, debenture stock, bonds, or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

(2) Any debentures, debenture stock, bonds or other securities may be issued at a discount premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors, and otherwise; provided that no debentures shall be issued carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

**Indemnity may be given.** 54.

If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

**Copies of instruments creating charges and Register of charges to be kept.** 55.

(a)(1) The Company shall cause a copy of every instrument creating any charge requiring registration under the Act, to be kept at the Registered Office of the Company provided that, in the case of a series of uniform debentures, a copy of one debenture of the series shall be sufficient.

(2) The Company shall keep at its Registered Office a register of charges and enter therein all charges specifically affecting property of the Company and all floating charges on the undertaking or any property of the Company, giving in each case.

- i) a short description of the property charged.
- ii) the amount of the charge; and
- iii) except in the case of securities to bearer, the names of the persons entitled to the charge.

25

**Endorsement of certificate of registration on debentures.**

(b) The Company shall cause a copy of every certificate of registration given by the Registrar of registration of any charge registered with him to be endorsed on every debenture or certificate of debenture stock which is issued by the Company and the payment of which is secured by the charge so registered;

Provided that nothing in this article shall be construed as requiring the Company to cause a certificate of registration of any charge so given to be endorsed on any debenture or certificate of debenture stock issued by the Company before the charge was created.

**Right to inspect copies of instruments creating charges and Company's Register of Charges.**

(c)(1) The copies of instruments creating charges and the register of charges shall be open during business hours (but subject to such reasonable restrictions as the Company in General Meeting may impose so that not less than two hours in each day are allowed for inspection) to the inspection of any creditor or member of the Company without fee at the Registered Office of the Company.

(2) The register of charges shall also be open during business hours but subject to the reasonable restrictions aforesaid, to the inspection of any other person on payment of a fee of one rupee for each inspection at the Registered Office of the Company.

**Register and index of debenture holders.**

56. (1) The Company shall keep in one or more books a register of the holders of its debentures and enter therein the following particulars namely;

(a) the name and address, and the occupation, if any, of each debenture holder;

(b) the debentures held by each holder distinguishing each debenture by its number; and the amount paid or agreed to be considered as paid on these debentures.

(c) the date at which each person was entered in the register as a debenture holder; and

(d) the date at which any person ceased to be a debenture holder.

(2)(a) In the event of the Company having more than fifty debenture holders, the Company shall unless the register of debenture holders is in such a form as in itself to constitute an index, keep an index (which may be in the form of a card index) of the names of the debenture holders of the Company and shall within fourteen days after the date on which any alteration is made in the register of debenture holders make the necessary alteration in the index.

(b) the index shall, in respect of each debenture holder contain a sufficient indication to enable the entries relating to that holder in the register to be readily found.

**Power to close register of debenture holders.**

(3) The Company, may after giving not less than seven days previous notice by advertisement in some newspapers circulating in Andhra Pradesh, close the register of debenture holders for any period or periods not exceeding in the aggregate forty five days in each year, but not exceeding thirty days at any one time.

GENERAL MEETINGS

57. All General Meetings other than the Annual General Meeting of the Company shall be called Extraordinary General Meetings.

**Annual General Meeting.**

58. (1) The Company shall, in addition to any other meetings hold a general meeting which shall be styled as its Annual General Meeting at the intervals and in accordance with the provisions specified below :

The Annual General Meeting shall be held by the Company within six months after the expiry of each financial year : provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next or within the extension in time granted by the Central Government under the provisions of the Companies Act.

(2) Every Annual General Meeting shall be called for a time, during business hours, on a day that is not a public holiday, and shall be held either at the Registered Office of the Company or at some other place within the city in which the Registered Office of the Company is situated.

**When Extraordinary General Meeting to be called.**

59. (1) The Directors may, whenever they think fit convene an Extraordinary General Meeting and they shall, on the requisition of such number of members of the Company as held at the date of the deposit of the requisition, not less than one tenth of such paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed to call an Extraordinary General Meeting of the Company.

(2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the registered office of the Company.

(3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(4) Where two or more distinct matters are specified in the requisition, the provisions as to the number of members who may make a requisition shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions as to the number of members who may make a requisition is fulfilled.

(5) If the directors do not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of these matters on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called :

(a) by the requisitionists themselves;

(b) by such of the requisitionists as represent a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit of the requisition carried the right of voting in regard to that matter, whichever is less.

EXPLANATION : For the purposes of this clause, the directors shall, in the case of a meeting at which a resolution is to be proposed as a special resolution be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 2 of section 189 of the Act.

(6) A meeting called under clause (5) by the requisitionists or any of them :

(a) shall be called in the same manner, as nearly as possible as that in which meetings are to be called by the directors; but

(b) shall not be held after the expiration of three months from the date of the deposit of the requisition.

EXPLANATION : Nothing in clause (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of that period.

(7) Where two or more persons held any shares in the Company jointly, a requisition, or notice calling a meeting, signed by one or some only of them, shall, for the purpose of this article, have the same force and affect as if it had been signed by all of them.

(8) Any reasonable expenses incurred by the requisitionists by reasons of the failure of the directors duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the directors as were in default.

**Length of Notice of any General Meeting.**

60. (1) A general meeting of the Company may be called by giving not less than twenty one days notice in writing.

(2) A general meeting may be called after giving shorter notice than that specified in clause (1) if consent is accorded thereto :

(i) in the case of any annual general meeting, by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

Provided that where any members of the Company entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others; those members shall be taken into account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the latter.

61. Every notice of meeting of a Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

- Contents and manner of service of notice and persons on whom it is to be served.**
62. Notice of every meeting of the Company shall be given :
- (i) to every member of the Company in the manner in which notices are to be served on members :
  - (ii) to the persons entitled to a share on consequence of the death or insolvency of member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
  - (iii) to the auditor or auditors for the time being of the Company, in any manner authorised by these articles in the case of any member or members of the Company.
63. The accidental omission to give notice to or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
- Explanatory statement to be annexed to notice.**
64. (1) For the purpose of this article :
- (a) in the case of an annual general meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to (i) the consideration of the Accounts, Balance Sheet and the Reports of the Directors and auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in the place of those retiring and (iv) the appointment of and fixing of the remuneration of the auditors and
  - (b) in the case of any other meeting all business shall be deemed special.
65. (1) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particulars the nature of the concern or interest if any, therein of every Director if any, and the Manager, if any.
- (2) Where any item of business consists of according approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
- Notice to specify that proxies are permitted.**
66. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a member.

#### PROCEEDINGS AT GENERAL MEETINGS

- Business of Meeting.**
67. The business of an Ordinary General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the Directors and Auditors, to elect Directors in place of those retiring, to elect Auditors and fix their remuneration, and to sanction a Dividend. All other business transacted at an Ordinary Meeting, and all business transacted at an Extraordinary Meeting shall be deemed special.

68. Any act of the Directors within the powers of the Company which shall have been expressly or by implication, and either previously or subsequently, approved by the Company in General Meeting, shall not be afterwards questioned on any grounds whatsoever.
- Quorum to be present when business commenced.** 69. Five members personally present shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business.
- When, if Quorum not present meeting to be dissolved, and when to be adjourned.** 70. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if that day is a public holiday, till the next succeeding day which is not a public holiday; at the same time and place, or to such other day, time and place as the directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, notwithstanding what is stated in the Article 69 any two members who are personally present shall be a quorum, and may transact the business for which the meeting was called.
- A Chairman** 71. The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, or if at any Meeting he be not present within fifteen minutes after the time appointed for holding the Meeting, or is unwilling to act as Chairman, the Members present shall choose one of the Directors present to be Chairman; or if no Director shall be present and willing to take the Chair, the Members present shall choose one of their number to be Chairman.
- Adjournment with consent of Meeting.** 72. The Chairman may, with the consent of any Meeting at which a quorum is present, adjourn the Meeting from time to time and from place to place; but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.
- What is to be evidence of the passing of a resolution where poll not demanded.** 73. At any general meeting, unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up, a declaration by the Chairman that a resolution has on a show of hands been carried or carried by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- Poll** 74. If a poll is demanded as aforesaid, it shall subject to the provisions of these Articles, be taken in such manner at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise, but not exceeding 48 hours from the time when the



demand is made and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the question of adjournment shall be taken forthwith.

The demand of a poll may be withdrawn at any time before the poll is taken by the person or persons who made the demand. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.

**When poll taken without adjournment.**

- 75. A poll demanded upon the election of a Chairman or upon a question of adjournment shall be taken forthwith. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

**Votes**

- 76. Upon a show of hands every Member present in person shall have one vote only. Upon a poll every Member present in person or by proxy shall have one vote for every Share held by him.
- 77. A Shareholder personally present at any General Meeting may decline to vote any question thereat but shall not by so declining be considered absent from the Meeting.

**By Committee or curator.**

- 78. If any Member be a lunatic or idiot he may vote by his committee, curator bonis or other legal curator.

**Votes of persons whose calls are un-paid.**

- 79. No Member shall be entitled to vote at any General Meeting unless all Calls due from him have been paid.

**Proxy**

- 80. On a poll votes may be given by a Member entitled to vote either Personally or by proxy.

**Proxies**

- 81. (1) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.  
  
(2) The instrument appointing a proxy shall be in writing and be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a body corporate be under its seal and be signed by an officer or an attorney duly authorised by it.

**When to be deposited at Office.**

- 82. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or any office copy or noterially certified copy of that power or authority shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid, but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

291

**Form of Proxy.** 83. An instrument appointing a proxy shall be in the following form, or in any other form of which the Directors shall approve;

FORM OF PROXY

"THE SINGARENI COLLIERIES COMPANY LIMITED"

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him, \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting / General Meeting (not being an annual general meeting) of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

DIRECTORS

**Number of Directors.** 84. The Board shall consist such number of Directors as a General Meeting shall from time to time determine and until and subject to such determination shall consist of any number not more than 11 and not less than 3.

**First Directors** 85. The following persons shall be the first Directors of the Company:  
Sir Gordon Fraser, L. C. Croslegh, T. M. Ross.

The first Directors and any others appointed by General Meeting within one year from the incorporation of the Company (except such of them as shall vacate their offices under any of the provisions of these presents) shall continue in office for two years from the incorporation of the Company.

**Qualification Shares.** 86. The qualification of a Director shall be the holding of at least one share in the Company. It shall be his duty to obtain such qualification within two months after his appointment, and to comply with the provisions of any Act which may be from time to time in force in respect of obtaining such qualification.

His office shall be vacated if he does not within two months from the date of such appointment obtain such qualification or if after the expiration of such period he ceases at any time to hold his qualification; and a person vacating office under this article shall be incapable of being reappointed a Director of the Company until he has obtained his qualification.

**Remuneration of Directors.** 87. (i) The remuneration payable to the Directors who are in the whole time employment of the Company including the Managing Director shall be in accordance with the provisions of the Act.

(ii) The Director who is not in the whole time employment of the Company shall be paid a sum of Rs. 100/- or such other sum not exceeding Rs. 250/- as may be fixed from time to time by the Board for every Board meeting / or Committee thereof or selection committee meeting attended by him.

iii) If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution of his remuneration above provided.

iv) In addition to the remuneration above specified the directors shall also be entitled to be repaid all travelling and other expenses incurred by them respectively in connection with their attending meetings of directors or of committees of directors or which they may otherwise incur in or about the performance of their duties as directors.

POWERS OF DIRECTORS

**General Powers of Company vested in Directors.**

88. The Management of the business of the Company will be vested in the directors, and the directors may exercise all such powers and do all such acts and things as the Company is by its Memorandum and Articles of Association or otherwise authorised to exercise and do, and are not, hereby or by statute directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act, and of these presents, and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting.

Provided that no such regulation shall invalidate any prior act of the directors, which would have been valid if such regulation had not been made.

**Express Powers**

89. without prejudice to any of the powers by these Articles or by law conferred upon the Directors, it is hereby declared that they shall have the following powers: viz:

**Carryout Preliminary Agreement.**

(A) To Carry into effect (with or without modifications) the Agreement referred to in Clause 3, Sub. Clause (E) of the Memorandum of Association.

**Pay Preliminary expenses.**

(B) To pay all the preliminary expenses incurred in or about the formation, promotion, and registration of the Company and the procuring its Capital to be subscribed.

**Acquire Property.**

(C) To purchase or otherwise acquire on behalf of the Company any property, rights, or things which the Company may purchase or acquire.

**Appoint Servants & Agents.**

(D) To appoint, remove, or suspend any managers, Secretaries, officers, clerks, agents, or servants, and to direct and control them, and fix and pay their remuneration either by way of salary, commission or participation in profits or any one or more of these methods.

**Negotiate and make contracts.**

(E) To enter into negotiations and agreements or contracts (Preliminary, conditional, or final) and to give effect to, modify, vary, or rescind the same.

**Appoint Attorneys.**

(F) To appoint agents and attorneys for the Company in India or abroad, with such powers (including power to subdelegate) as may be thought fit, and to provide if necessary, for the Management of the affairs of the Company by any other Company or any firm or person.

- Arrange joint working.** (G) To enter into any arrangement with any Company firm, or person carrying on any business similar to that of this Company for mutual concessions, or for any joint working or combination or for any restriction upon competition, or for any pooling of business or profits that may seem desirable, and to carry the same into effect.
- Grant Pensions.** (H) To give award, or allow any pension, gratuity, or compensation to any employee of the Company, or his widow or children, that may appear to the Directors just or proper, whether such employee, his widow or children, have or have not a legal claim upon the Company.
- (I) To promote maintain and manage a provident fund or funds for the benefit of the employees of the Company and to contribute to such provident fund or funds from the funds of the Company.
- Conduct or compromise litigation.** (J) To commence and carry on, or defend, abandon, or compromise any legal proceedings whatsoever, including proceedings in bankruptcy, on behalf of the Company, or to refer any claims or demands by or against the Company to arbitration, and to observe and perform the awards and to accept compositions from or give time to any debtor or contributory owing money or alleged to owe money to the Company.
- Give Receipts.** (K) To give receipts, releases, and discharges on behalf of the Company.
- Invest Money.** (L) To invest and deal with any of the moneys of the Company not immediately required for the purposes of its business in such manner as they may think fit, and to vary such investments or realise the amount invested therein, provided that they shall not purchase or make advances upon any of the Shares of the Company.
- Give Indemnities.** (M) To give indemnities to any Director or other person who has undertaken or is about to undertake any liability on behalf of the Company, and to secure such Director or other person against loss by giving him subject to the rights of the existing debenture holders a mortgage or charge upon the whole or any of the property of the Company by way of security.
- Remunerate for services.** (N) To remunerate any person rendering services to the Company, whether in its regular employment or not, in such manner as may seem fit, whether by cash, salary, Bonus, or Shares or Debentures, or by a commission or shares of profits, either in any particular transaction or generally, or howsoever otherwise.
- (O) To issue any of the shares as fully or in part paid-up, in payment for any property which the Company is authorised to acquire and out of capital or other moneys of the Company and either in cash or fully or partly paid up Shares of the Company or in any other way pay all expenses incurred or agreed to be paid.
- Borrowing Powers.** (P) To borrow and raise from time to time such moneys as they may think necessary for the purposes of the company at such rate of interest and upon such terms as they may think proper and to execute mortgages or issue debentures or debenture stock redeemable or irredeemable in respect of such moneys and subject to the rights of existing debenture holders charge any property of the Company or calls made or to be made on share capital and create and

Issue such mortgages debentures of debenture stock in discharge of any obligations of the Company or for any purposes of the Company and accept and endorse bills of exchange or promissory notes in the name of and on behalf of the Company but so that the moneys at any one time owing shall not without the sanction of a General Meeting exceed the paid-up capital and free reserves of the Company.

- (Q) To direct the manner in which all payments shall be made but no person except the Directors and persons authorised in writing by them and acting within the limits of the authority so given shall have any authority to make, accept or endorse any promissory note bill of exchange or cheque on behalf of the Company or to enter into any contract or engagement so as to impose thereby any liability on the Company or otherwise to pledge the credit of the Company.
- (R) To appoint the place at which the Registered Office shall be situated and if thought fit from time to time alter the same and open such other office or offices elsewhere as they may think fit.

DISQUALIFICATION OF DIRECTORS

- Disqualification.** 90. The office of a Director shall be vacated :
- (A) If he become bankrupt or insolvent or compound with his creditors :
  - (B) If he become of unsound mind or be found a lunatic :
  - (C) If he be convicted of an indictable offence :
  - (D) If he cease to hold the necessary qualification in Shares, or do not obtain the same within two months from the date of his appointment.
  - (E) If he absent himself from three consecutive meetings of Directors without leave of absence from the Board.
  - (F) If he resigns his office.

But any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice has been served upon the Directors or an entry has been made in the Directors' Minute book stating that such Director has ceased to be a Director of the Company.

- Director may contract with Company.** 91. A Director shall not be disqualified by his office from entering into contracts, arrangements, or dealings with the Company, nor shall any contract, arrangement, or dealing with the Company be voided, nor shall a Director be liable to account to the Company for any profit arising out of any contract, arrangement, or dealing with the Company by reason of such Director being party to or interested in or deriving profit from any such contract, arrangement, or dealing, and being at the same time a Director of the Company, provided that such Director discloses to the Board at or before the time when such contract, arrangement, or dealing is determined upon his interest therein, or, if his interest be subsequently acquired, provided that he on the first occasion possible discloses to the Board the fact that he has acquired such interest. But except, in respect of the Agreement referred to in Article 3 hereof, and in respect of any indemnity to a Director under

35

Article 89 (M) hereof, no Director shall vote as a Director in regard to any contract, arrangement, or dealing in which he is interested, or upon any matter arising thereout, and if he shall so vote his vote shall not be counted, nor shall he be reckoned for the purpose of constituting a quorum of Directors.

**Directors may act notwithstanding vacancy.**

92. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors is reduced below the number fixed by or pursuant to the Regulations of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.

#### ROTATION OF DIRECTORS

**Rotation and retirement of Directors.**

93. At the first annual general meeting of the Company and at every subsequent annual general meeting one third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office and be eligible for re-election.

**Directors to retire.**

94. The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment. A retiring director shall be eligible for re-election and shall act as director throughout the meeting at which he retires.

**Power for General Meeting to increase or reduce number of Directors.**

95. (a) Subject to the provisions of Section 259 of the Act, the Company in general meeting may, subject to the provisions of these articles from time to time appoint new Directors and may increase or reduce the number of directors in office and may alter their qualifications.

**Meeting to fill up vacancies.**

(b) The Company at any General Meeting at which any directors retire in manner aforesaid may fill up the vacated offices by electing a like number of persons to be directors.

**Retiring Directors to remain in office till successors are appointed.**

96. If, at any general meeting at which an election of directors ought to take place, the place of any director retiring by rotation is not filled up, and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting also the place of retiring director is not filled up, and that meeting also has not expressly resolved not to fill the vacancy, a director retiring by rotation shall be deemed to have been reappointed at the adjourned meeting, unless:

- i) at that meeting or at the previous meeting a resolution for the re-appointment of such directors has been put to the meeting and lost;

- ii) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed;
- iii) he is not qualified or is disqualified for appointment.
- iv) a resolution, whether special or ordinary is required for his appointment or reappointment by virtue of any provisions of the Act, or
- v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case;

**Number of Directors may be varied.**

97. The Company may from time to time in General Meeting increase or reduce the number of Directors, and may also determine in what rotation and in what number such increased or reduced number is to go out of office.

**Casual vacancies.**

98. The Directors shall have power at any time and from time to time to appoint any other qualified person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number herein before fixed. Any Director so appointed shall hold office only until the next following Ordinary General Meeting of the Company, when he shall retire, but shall be eligible for re-election.

**Removal of a Director.**

99. Subject to the provisions of Section 284 of the Act, the Company in General Meeting may, by an Ordinary Resolution remove any Director before the expiration of his period of office, and may by an Ordinary Resolution, appoint another person in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

**Right of persons other than retiring directors to stand for directorship.**

100. (1) A person who is not retiring director shall subject to the provisions of the Act, be eligible for appointment to the office of director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left that the office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office, as the case may be (alongwith a deposit of five hundred rupees which shall be refunded to such person or, as the case may be to such member if the person succeeds in getting elected as a Director).

(1A) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting :

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in English language and the other in the regional language of that place.

## ALTERNATE DIRECTORS

- Appointment of alternate Director.** 101. Where a director goes out of the State in which meetings of the Board are ordinarily held or is about to go out, the directors may appoint any person to be an alternate director during his absence from the State in which meetings of the Board are ordinarily held for a period of not less than 3 months and such appointment shall have effect and such appointee whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly, but he shall not be required to hold any qualification, and he shall ipso facto vacate office if and when the original director returns to the State or vacates office as director.
102. If the term of office of the original director is determined before he so returns to the State aforesaid, any provision for the automatic re-appointment of retiring Directors in default of another appointment, shall apply to the original and not to the alternate director.

## MANAGING DIRECTORS

- Power to appoint Managing Director.** 103. The Government of Andhra Pradesh in consultation with the Central Government will be at liberty to appoint a director as the Managing Director for such period as it may think fit with power to remove or dismiss him from such office and appoint another Managing Director in his place. The director shall not while he continues to hold the office of Managing Director, be subject to retirement by rotation.
- What provisions he will be subject to** 104. A Managing Director shall not be reckoned as a Director for the purpose of determining the rotation of retirement of directors or infixing the number of directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other directors of the Company and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of director from any cause.
- Remuneration of Managing Director.** 105. The remuneration of a Managing Director shall subject to the provisions in the Act, from time to time be fixed by a resolution passed by the Directors and may be by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- Powers may be delegated.** 106. The Directors may from time to time entrust to and confer upon the Managing Director or Managing Directors all or any of the powers of the Directors (not including the power to make calls, forfeit Shares, borrow money, or issue Debentures) that they may think fit. But the exercise of all powers by the Managing Director or Managing Directors shall be subject to all such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied.

## LOCAL MANAGERS

- Local Management.** 107. The directors may from time to time provide for the Management and transaction of the affairs of the Company in any specified locality in India,



or elsewhere in any part of the world, in such manner as they may think fit and the provisions contained in the four next following articles shall be without prejudice to the General powers conferred by this article.

**Local Board** 108. The directors from time to time and at any time, may establish any local boards or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local board, or any managers or agents and may fix their remuneration. And the directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the directors, other than the power of making calls and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit, and the directors may at any time remove any person so appointed and may annual or vary any such delegation.

**Powers of Attorney.** 109. And any such appointment may (if the directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company or of the members, directors, nominees, or managers of any Company or firm, or in favour of any fluctuation body of persons whether nominated directly or indirectly by the directors, and any such power of attorney may contain such provisions for the protection or convenience of or persons dealing with such attorney or attorneys as the directors may think fit.

**Sub-delegation.** 110. Any of such delegates or attorneys as aforesaid may be authorised by the directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

111. All agreements, bills of exchange, promissory notes, and other instruments which require to be signed on behalf of the Company, but do not require to be sealed, shall be signed with the authority of the Board, either by one Director and the Secretary or by some person or persons authorised by the Board and no other signature shall be binding on the Company.

#### PROCEEDINGS OF DIRECTORS

**Meetings of Directors and Quorum.** 112. (a) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

(b)(i) A director may at any time and the Secretary upon the request of a Director, shall convene a meeting of the Directors.

**Notice.** (ii) Notice of every meeting of the Board of Directors of a Company shall be given in writing to every Director for the time being in India, and at his usual address in India, to every director.

**Quorum for meetings.** (c) The quorum for a meeting of the Board of Directors shall be one-third of its total strength (any fraction contained in that one third being rounded

39

off as one), or two directors whichever is higher provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength, the number of the remaining directors who are not interested, shall be the quorum during such time. In this article "total strength" means the total strength of the Board of Directors after deducting there from the number of directors, if any, whose places may be vacant, at that time; and "interested director" means any director whose presence cannot by reason of Section 300 of the Act, count for the purpose of forming a quorum at a meeting of the Board of Directors at the time of discussion or at the time of vote on any matter.

- Chairman.** 113. The Government of Andhra Pradesh in consultation with the Central Government will be at liberty to appoint a director as Chairman for such period as it may think fit with power to remove or dismiss him from such office and appoint another Chairman in his place. The Director shall not, while he continues to hold the office of the Chairman, be subject to retirement by rotation. The Chairman will preside at every meeting of the Board of Directors, but if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same, the directors present shall choose one of them to be the Chairman of such meeting.
- Power to appoint Committees and to delegate.** 114. Subject to the provisions of section 292 of the Act, the directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the directors. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under this article.
- When acts of directors or committee valid notwithstanding defective appointment etc.** 115. (a) All acts done at any meeting of the directors or of a committee of directors, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a director.
- Passing of Resolution by Circulation.** (b) No resolution shall be deemed to have been duly passed by the director or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the committee then in India (not being less in number than the quorum fixed for a meeting of the Board or committee, as the case may be) and to all other directors or members at their usual address in India, and has been approved by such of the directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
116. — Deleted —
- Minutes to be made.** 117. (1) The directors shall cause minutes to be duly entered in books provided for the purpose :

- (a) of all appointments of officers,
- (b) of the names of the directors present at each meeting of the directors and of any committees of directors,
- (c) of all orders made by directors and committees of directors,
- (d) of all resolutions and proceedings of General Meetings and of meetings of the directors and Committees and in the case of each resolution passed at such meeting, the names of the directors if any, dissenting from or not concurring in the resolution,

(2) Any such minutes of any meeting of the directors or of any committees, or of the Company if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes.

(3) The books containing the minutes of General Meetings shall be kept at the Registered Office, and shall be open to inspection of members between the hours of 11.00 A.M., and 1.00 P.M., on all working days.

(4) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes of General meetings, on payment of thirty seven paise for every hundred words or fractional part thereof required to be copied.

T R U S T E E S

**May be appointed by Company.**

118. The Company may appoint any two or more responsible persons to be Trustees for the Company or for the Debenture or Debenture stockholders or for any purpose for which it is deemed advisable to have the intervention of Trustees, and in particular the whole or any part of the property of the Company may be vested in Trustees either for the benefit of its Members or to secure to the creditors, Debenture or Debenture stockholder or obligees of the Company the payment of any moneys or the performance of any obligation which the Company ought to pay or perform, and the Company may at any time fill up any vacancy in the office of Trustees.

**Appointment by creditors.**

119. The Company may delegate to any creditors or other persons the power of appointing or removing Trustees, and may by contract in writing limit or surrender its powers of appointing or removing Trustees.

**Remuneration.**

120. The remuneration of the Trustees shall be such as the Directors shall determine, and shall be paid by the Company.

121. Subject to the provisions of the Act, the Trustees of the Company (if any) and the Directors and officers shall be indemnified by the Company from all losses and expenses incurred by them in or about the discharge of their respective duties, except such as happen from their own respective wilful and wrongful act or default.

122. No Trustee, Director or officer shall be liable for any other Trustee, Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company, except such as happen from his own wilful and wrongful act or default.

## THE SEAL

- Custody of Seal.** 123. The directors shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Directors, or a Committee of the directors, previously given and in the presence of two directors at the least, who shall sign every instrument to which the Seal is affixed and every such instrument shall be counter signed by the Secretary or some other person appointed by the Directors.
- Seal abroad.** 124. The Company may exercise the powers conferred by the provisions of the Act to have an official Seal for use in any place not situated in India which shall be a facsimile of the Common Seal of the Company, with the addition on its face with name of the place where it is to be used.

## BRANCH REGISTER

- Establishment of Branch Register.** 125. The Company may cause to be kept in any country where the Law permits a Branch Register of members resident in such country, and the Directors may do all things necessary for establishing and maintaining such Register. The Directors may empower the Local Managers, or any other authority in such country where such a local register is established to consider and approve or reject transfers and to order the registration of approved transfers of shares included in or proposed to be included in such Branch Register. The Local Managers so empowered shall have the same powers for refusing to register transfers of such shares as the Directors have under these Articles.

## DIVIDENDS

- Dividends how payable.** 126. Subject to the rights of the holders of any Shares entitled to any priority, preference, or special privilege, all Dividends shall be declared and paid to the Members in proportion to the amounts paid up on the Shares held by them respectively. No amount paid on a Share in advance or Calls shall, while carrying interest, be treated for the purpose of this Article as paid on the Share.
- Directors to recommend Company to declare Dividend.** 127. The Directors shall lay before the Company in General Meeting a recommendation as to the amount which they consider ought to be paid by way of Dividend, and the Company shall declare, the Dividend to be paid, but such Dividend shall not exceed the amount recommended by the Directors.
- Dividend only out of profits.** 128. No Dividend shall be paid otherwise than out of the profits arising from the business of the Company. Except that the Company to the extent permitted by the Statute may pay interest on paid up Share Capital which has been issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be profitable for a lengthened period, and may charge the same to capital as part of the cost of construction of the work or building or provision of plant.
- Interim Dividends.** 129. The Directors may from time to time pay to the Members such interim Dividends as appear to the Directors to be justified by the profits of the Company.

**Deductions.** 130. The Directors may deduct from the Dividends payable to any Member all such sums of money as may be due from him to the Company on account of Calls or otherwise.

**Dividends may be sent by post.** 131. The Company may transmit any Dividend or Bonus payable in respect of any Share by ordinary post to the registered address of the Holder of such Share (unless he shall have given written instructions to the contrary) and shall not be responsible for any loss arising therefrom.

132. All Dividends, whether upon account or otherwise, shall belong and be payable to the shareholders who shall be upon the register of members on the day the resolution declaring such dividend shall be passed, without reference to whether they shall have been or shall be the holders of their shares at any other time whatever. Unless and until otherwise required in writing by the joint holders of a share, the cheque for dividends on shares, held in joint names shall be made payable and sent to the person whose name stands first on the register as one of the holders of such Share.

**Dividends not to bear interest.** 133. No Dividend shall bear interest as against the Company.

RESERVE FUND

**Reserves.** 134. The Directors may before recommending a dividend set aside any part of the net profits of the Company to create a Reserve, and may apply the same either by employing it in the business of the Company or by investing it in such manner (not being the purchase of or by way of loan upon the shares of the Company) as they shall think fit, and the income arising from such reserve shall be treated as part of the gross profits of the Company. Such Reserve may be applied as the Directors may think fit for the purposes of maintaining, renewing, increasing or improving any works or property of the Company, replacing wasting assets, meeting contingencies, forming an Insurance Fund, or equalising dividends, or subject to all legal requirements which may be required for the purpose of reducing or redeeming any outstanding shares or loan capital, or for any other purpose for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit either to divide or to place to reserve.

ACCOUNTS

**Accounts to be kept.** 135. (a) (1) The directors shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure takes place, of all sales and purchase of goods and of the assets, credits and liabilities of the Company. The Books of Accounts shall be kept at the Registered Office of the Company or at such other place or places as the directors think fit, and shall at all times be open to inspection by the directors.

- 43
- (2) Where the Company has sub-offices at various work sites whether in or outside India the Company shall be deemed to have complied with the provisions of clause (1), if proper books of account relating to the transactions effected at the sub offices are kept at those offices and proper summarised returns, made upto date at intervals of not more than three months are sent by the sub-offices to the Company at its Registered Office or at the other place referred to in clause (1).
- Inspection by Members.** (b) The directors shall from time to time (subject to the provisions of the Act) determine whether and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them shall be open to the inspection of the members and no member shall have any right of inspecting of any account or book or document of the Company except as conferred by statute or authorised by the directors, or by a resolution of the Company in General Meeting and no member not being a director, shall be entitled to require or receive any information concerning the business, trading or customs of the Company, or any trade secrets or secret process of or used by the Company.
- Balance Sheet and Profit & Loss Account.** (c) At the Annual General Meeting in every year, the directors shall lay before the Company in general meeting a Profit and Loss Account showing details of gross income and expenditure as required by the Act, and a Balance Sheet containing a summary of the property and liabilities of the Company made to a period beginning with the day immediately after the period for which the accounts was last submitted and ending with a day which shall not precede the day of the meeting by more than six months or in cases where an extension of time has been granted for holding the meeting by more than six months and the extension so granted.
- Annual Report of Directors.** (d) There shall be attached to every Balance Sheet laid before the Company in General Meeting a report by the Board of Directors in accordance with the provisions of Section 217 of the Act.
- Copy to be sent to Members.** (e) (1) A printed copy of every Profit and Loss Account Balance Sheet, Auditors' Report and Directors' Report shall, not less than twenty one days before the date of the meeting, be sent to every member of the Company, to every holder of debentures issued by the Company (not being debentures which ex-facie are payable to the bearers thereof) to every trustee for the holders of any debentures issued by the Company, whether such member, holder or trustee is or is not entitled to have notices of general meetings of the Company sent to him and to all persons other than such members, holders or trustees being persons so entitled.
- (2) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance Sheet sent to him shall on demand be entitled to be furnished without charge and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand accompanied by the payment of a fee of one rupee be entitled to be furnished with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto including the Profit & Loss Account and the Auditors' Report.

AUDIT

136. (a) So long as the Government (State or Central or both) hold not less than 51% of the paid up share capital in the Company and it is classed as Government Company under section 617 of the Act, the audit of the Company shall be regulated in accordance with Section 619 of the Act;

(b) The remuneration of auditors of the Company appointed by the Central Government as prescribed in clause (a) above, may be fixed by them.

NOTICES

How notices to be served on Members.

137. (1) A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, or if he has no registered address in India to the address, if any, within India supplied by him to the Company for the giving of notices to him.

(2) Where a notice is sent by post, service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, unless the contrary is proved such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(3) Accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

Members out of India.

138. No Member shall be entitled to have a notice served on him at any address not in India; and any Member whose registered address is not in India may by notice in writing require the Company to register an address, in India, which, for the purpose of the service of notices, shall be deemed to be his registered address. Any member not having a registered address in India, and not having given notice as aforesaid, shall be deemed to have received in due course any notice, which shall have been displayed in the Company's Office and shall remain there for the space, of forty-eight hours and such notice shall be deemed to have been received by such Members at the expiration of twenty-four hours from the time when it shall have been so first displayed.

Holders of Share Warrants.

139. It shall not be necessary to give any other notice by advertisement to the Bearers of Share Warrants, and it shall not be necessary to give notice of General Meetings to any person entitled to a Share in consequence of the death or bankruptcy of a Member unless such person shall have been duly registered as a Member of the Company.

Time of  
Service of  
Notice.

140. Any notice, if served by post, shall be deemed to have been served forty-eight hours after the letter containing the same shall have been posted; and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and stamped and put into the post-office or into any post-box subject to the control of the Post Office authorities.

Advertisement  
of Notices.

141. All notices given by advertisement shall be advertised in at least one or more newspaper or newspapers circulating in India as the Directors shall think proper, and shall be deemed to have been served on the day when such advertisement shall have appeared or if it shall not have appeared on the same day if published in more than one newspaper then on the last of the days on which it shall have so appeared.

### ARBITRATION

Reference to  
arbitration.

142. If and whenever any difference shall arise between the Company and any of the Members or their respective representatives touching the construction of any of the Articles herein contained, or any act, matter, or thing made or done, or to be made or done, or omitted, or in regard to the rights and liabilities arising hereunder, or arising out of the relation existing between the parties by reason of these presents or of the Statutes, or any of them, such difference shall be forthwith referred to two Arbitrators — one to be appointed by each party in difference - or to an Umpire to be chosen by the Arbitrators before entering on the consideration of the matters referred to them, and every such reference shall be conducted in accordance with the provisions of the Indian Arbitration Act, 1899.

### WINDING UP

143. (1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities, wherein there is any liability.



| Names, addresses and descriptions of subscribers                         | Number of Shares taken by each subscriber |
|--|---|
| L. C. Croslegh,<br>Director, Hyderabad (Deccan) Co., Ltd., Secunderabad. | One                                       |
| W. H. Ruddle,<br>Chartered Accountant, Secunderabad.                     | One                                       |
| B. Lightfoot,<br>Geologist, Secunderabad.                                | One                                       |
| E. H. Hunt,<br>F. R. C. S., Secunderabad.                                | One                                       |
| Archibald Pocock,<br>Barrister-at-law, Secunderabad.                     | One                                       |
| N. A. Sprott,<br>M. Ch., Secunderabad.                                   | One                                       |
| D. D. Richards,<br>Accountant, M/s. Best & Co., Ltd., Secunderabad.      | One                                       |

Dated the 18th day of December, 1920.  
Witness to the signature of all the above subscribers.

D. Chandler,  
Steward,  
Secunderabad Club.





### Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015

(Rs. in crore)

| Particulars  | Note | 2014-2015        | 2013-2014        |
|--|------|------------------|------------------|
| <b>INCOME</b>  |      |                  |                  |
| Revenue from operations  | 19   | 11,478.27        | 9,893.35         |
| Other Income   | 20   | 635.96           | 819.13           |
| <b>Total</b>   |      | <b>12,114.23</b> | <b>10,712.48</b> |
| <b>EXPENSES</b>  |      |                  |                  |
| Cost of Materials consumed                                       | 21   | 2,294.17         | 2,029.71         |
| Changes in Inventories   | 22   | 26.47            | (434.64)         |
| Employee benefits expenses - Salaries and Wages                  | 23   | 4,825.38         | 4,593.13         |
| Employee benefits expenses - Staff Welfare Expenses              | 24   | 137.48           | 234.49           |
| Power & Fuel   | 25   | 443.63           | 384.04           |
| Repairs & Maintenance  | 26   | 135.42           | 94.32            |
| Contractual Expenses   | 27   | 1,363.02         | 836.30           |
| Finance Costs  | 28   | 39.11            | 37.95            |
| Depreciation and Amortization expense                            | 10   | 924.90           | 401.07           |
| Provisions   | 29   | 332.36           | 1.50             |
| Write offs   | 30   | 8.40             | 8.69             |
| Other expenses   | 31   | 174.88           | 137.12           |
| Overburden Adjustment  |      | (399.77)         | 1,929.34         |
| Provision for Back filling (Note No.5.2)                         |      | 1,058.40         | --               |
| Provision for Mine Closure Activity (Note No.5.3)                |      | 129.98           | --               |
| <b>Total</b>   |      | <b>11,493.83</b> | <b>10,253.02</b> |
| Profit before exceptional and extraordinary items and tax        |      | 620.40           | 459.46           |
| Exceptional items (Net)  | 32   | 0.96             | 7.00             |
| Profit before extraordinary items and tax                        |      | 619.44           | 452.46           |
| Extraordinary Items  |      | --               | --               |
| Profit before tax  |      | 619.44           | 452.46           |
| Tax expense:   |      |                  |                  |
| (1) Current tax  |      | 813.26           | 759.52           |
| (2) Deferred tax   |      | (660.95)         | (708.99)         |
| (3) Earlier years taxes  |      | (23.31)          | (16.81)          |
| Profit for the year  |      | 490.44           | 418.74           |
| <b>Basic and Diluted Earnings per Share (Rs.) (Note No.34.6)</b> |      | <b>2.83</b>      | <b>2.42</b>      |
| Significant Accounting Policies                                  | 33   |                  |                  |
| Additional Notes   | 34   |                  |                  |

Notes referred to above form an integral part of the Financial Statements

for and on behalf of the Board

|  |  |  |   |
|--|--|--|---|
| Sd/-<br>(J.Rama Krishna)<br>G.M (C.A)& Company Secretary | Sd/-<br>(M.Krishna Mohan)<br>General Manager (F&A) | Sd/-<br>(J.Pavitrn Kumar)<br>Director(Finance)&CFO | Sd/-<br>(N.Sridhar)<br>Chairman & Managing Director |
|--|--|--|---|

Date : 22.8.2015  
Place : Hyderabad

As per our report of even date  
For M/s.Vaithisvaran & Co., Chartered Accountants  
(Firm Regn.No.004494S)

Date : 22.8.2015  
Place : Hyderabad

Sd/-  
(S.Shankar Raman)  
Partner (M.No.209163)

Balance Sheet as at 31<sup>st</sup> March, 2015

| Particulars                              | Note | (Rs. in crore)   |                  |
|--|------|------------------|------------------|
|  |      | 2014-2015        | 2013-2014        |
| <b>I. EQUITY AND LIABILITIES</b>         |      |                  |                  |
| 1. Shareholders' Funds                   |      |                  |                  |
| a) Share Capital                         | 1    | 1,733.20         | 1,733.20         |
| b) Reserves & Surplus                    | 2    | 2,140.07         | 1,804.83         |
|  |      | <b>3,873.27</b>  | <b>3,538.03</b>  |
| 2. Non-current Liabilities               |      |                  |                  |
| (a) Long-term borrowings                 | 3    | 3,545.59         | 2,304.77         |
| (b) Other long term liabilities          | 4    | 38.21            | 41.01            |
| (c) Long-term provisions                 | 5    | 10,920.08        | 10,112.63        |
|  |      | <b>14,503.88</b> | <b>12,458.41</b> |
| 3. Current Liabilities                   |      |                  |                  |
| (a) Short-term borrowings                | 6    | 12.47            | 21.55            |
| (b) Trade payables                       | 7    | 518.95           | 438.93           |
| (c) Other current liabilities            | 8    | 2,501.69         | 2,190.73         |
| (d) Short-term provisions                | 9    | 1018.73          | 1,116.24         |
|  |      | <b>4,051.84</b>  | <b>3,767.45</b>  |
| <b>Total</b>                             |      | <b>22,428.99</b> | <b>19,763.89</b> |
| <b>II. ASSETS</b>                        |      |                  |                  |
| 1. Non-Current assets                    |      |                  |                  |
| (a) Fixed Assets                         |      |                  |                  |
| (i) Tangible Assets                      | 10   | 3,517.12         | 3,399.81         |
| (ii) Intangible Assets                   | 10   | 654.19           | 276.41           |
| (iii) Capital Work-in-Progress           | 10.1 | 5,290.26         | 3,396.22         |
| (iv) Intangible Assets under Development | 10.2 | 142.71           | 574.02           |
| (b) Non-current Investments              | 11   | 1,818.77         | 1,821.03         |
| (c) Deferred tax assets (net)            | 12   | 3,861.26         | 3,200.31         |
| (d) Long-term loans and advances         | 13   | 659.28           | 731.83           |
|  |      | <b>15,943.59</b> | <b>13,399.63</b> |
| 2. Current Assets                        |      |                  |                  |
| (a) Inventories                          | 14   | 1,137.19         | 1,154.12         |
| (b) Trade Receivables                    | 15   | 2,149.35         | 907.68           |
| (c) Cash and Bank balances               | 16   | 2,549.02         | 3,663.70         |
| (d) Short-term loans and advances        | 17   | 320.62           | 263.87           |
| (e) Other current assets                 | 18   | 329.22           | 374.89           |
|  |      | <b>6,485.40</b>  | <b>6,364.26</b>  |
| <b>Total</b>                             |      | <b>22,428.99</b> | <b>19,763.89</b> |
| Significant Accounting Policies          | 33   |                  |                  |
| Additional Notes to Accounts             | 34   |                  |                  |

Notes referred to above form an integral part of the Financial Statements

Sd/-  
(J.Rama Krishna)  
G.M (C.A)& Company Secretary

Sd/-  
(M.Krishna Mohan)  
General Manager (F&A)

for and on behalf of the Board  
Sd/-  
(J.Payitran Kumar) Director(Finance)&CFO  
Sd/-  
(N.Sridhar) Chairman & Managing Director

Date : 22.8.2015  
Place : Hyderabad

As per our report of even date  
For M/s.Vaithisvaran & Co., Chartered Accountants  
(Firm Regn.No.004494S)

Date : 22.8.2015  
Place : Hyderabad

Sd/-  
(S.Shankar Raman)  
Partner (M.No.209163)

**Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2013**

(₹ in Crore)

| Particulars  | Note | 2012-2013        | 2011-2012 |
|--|------|------------------|-----------|
| <b>INCOME</b>  |      |                  |           |
| Revenue from operations  | 19   | <b>10,231.75</b> | 9,322.23  |
| Other Income   | 20   | <b>572.87</b>    | 494.32    |
| <b>Total</b>   |      | <b>10,804.62</b> | 9,816.55  |
| <b>EXPENSES</b>  |      |                  |           |
| Cost of Materials consumed                                       | 21   | <b>1,708.78</b>  | 1,622.86  |
| Changes in Inventories   | 22   | <b>(26.81)</b>   | (115.35)  |
| Employee benefits expenses - Salaries and Wages                  | 23   | <b>4,313.03</b>  | 4,088.62  |
| Employee benefits expenses - Staff Welfare Expenses              | 24   | <b>105.01</b>    | 97.10     |
| Power & Fuel   | 25   | <b>449.12</b>    | 251.23    |
| Repairs & Maintenance  | 26   | <b>94.98</b>     | 79.13     |
| Contractual Expenses   | 27   | <b>746.77</b>    | 920.46    |
| Finance Costs  | 28   | <b>45.38</b>     | 34.46     |
| Depreciation and Amortization expense                            | 10   | <b>394.11</b>    | 358.90    |
| Provisions   | 29   | <b>5.58</b>      | 3.84      |
| Write offs   | 30   | <b>9.88</b>      | 56.88     |
| Other expenses   | 31   | <b>127.42</b>    | 101.64    |
| Overburden Adjustment  |      | <b>1,132.17</b>  | 496.31    |
| Provision for Back filling (Note No.34.12.i)                     |      | <b>1,078.30</b>  | 1,192.12  |
| Provision for Mine Closure Activity (Note No.34.12.ii)           |      | <b>62.36</b>     | 59.39     |
| <b>Total</b>   |      | <b>10,246.08</b> | 9,247.59  |
| Profit before exceptional and extraordinary items and tax        |      | <b>558.54</b>    | 568.96    |
| Exceptional items (Net)  | 32   | <b>17.23</b>     | 6.02      |
| Profit before extraordinary items and tax                        |      | <b>541.31</b>    | 562.94    |
| Tax expense:   |      |                  |           |
| (1) Current tax  |      | <b>863.64</b>    | 972.86    |
| (2) Deferred tax   |      | <b>(718.01)</b>  | (742.25)  |
| (3) Earlier years taxes  |      | <b>(5.46)</b>    | (25.93)   |
| Profit for the year  |      | <b>401.14</b>    | 358.27    |
| <b>Basic and Diluted Earnings per Share (Rs.) (Note No.34.6)</b> |      | <b>2.31</b>      | 2.07      |
| Significant Accounting Policies                                  | 33   |                  |           |
| Additional Notes   | 34   |                  |           |

Notes referred to above form an integral part of the Financial Statements:

For and on behalf of the Board

|  |  |   |   |
|--|--|---|---|
| Sd/-<br>(J.Rama Krishna )<br>GM (C.A)& Company Secretary | Sd/-<br>(M.Krishna Mohan)<br>General Manager (F & A) | Sd/-<br>(S.Vivekanand)<br>Director(Finance) | Sd/-<br>(Sutirtha Bhattacharya)<br>Chairman & Managing Director |
|--|--|---|---|

Date : 30.7.2013  
Place : Hyderabad

As per our report of even date  
For M/s.Vaithisvaran & Co.(Firm Regn.No.004494S)  
Chartered Accountants

Date : 30.7.2013  
Place : Hyderabad

Sd/-  
(S.Shankar Raman)  
Partner (M.No.209163)

Balance Sheet as at 31<sup>st</sup> March 2013

₹ in Crore)

| PARTICULARS                              | NOTE | 2012-2013 |                  | 2011-2012 |                  |
|--|------|-----------|------------------|-----------|------------------|
| <b>I. EQUITY AND LIABILITIES</b>         |      |           |                  |           |                  |
| 1. Shareholders Funds                    |      |           |                  |           |                  |
| a) Share Capital                         | 1    | 1,733.20  |                  | 1,733.20  |                  |
| b) Reserves & Surplus                    | 2    | 1,699.30  |                  | 1,399.55  |                  |
|  |      |           | 3,432.50         |           | 3,132.75         |
| 2. Non-current Liabilities               |      |           |                  |           |                  |
| (a) Long-term borrowings                 | 3    | 1,028.48  |                  | 616.61    |                  |
| (b) Other long term liabilities          | 4    | 92.64     |                  | 283.31    |                  |
| (c) Long-term provisions                 | 5    | 8,147.35  |                  | 5,920.75  |                  |
|  |      |           | 9,268.47         |           | 6,820.67         |
| 3. Current Liabilities                   |      |           |                  |           |                  |
| (a) Short-term borrowings                | 6    | 40.21     |                  | 9.51      |                  |
| (b) Trade payables                       | 7    | 594.45    |                  | 309.57    |                  |
| (c) Other current liabilities            | 8    | 2,041.86  |                  | 1,878.66  |                  |
| (d) Short-term provisions                | 9    | 646.13    |                  | 525.74    |                  |
|  |      |           | 3,322.65         |           | 2,723.48         |
| <b>Total</b>                             |      |           | <b>16,023.62</b> |           | <b>12,676.90</b> |
| <b>II. ASSETS</b>                        |      |           |                  |           |                  |
| 1. Non-Current assets                    |      |           |                  |           |                  |
| (a) Fixed Assets                         | 10   |           |                  |           |                  |
| (i) Tangible Assets                      |      | 3,274.70  |                  | 3,134.31  |                  |
| (ii) Intangible Assets                   |      | 304.54    |                  | 351.75    |                  |
| (iii) Capital Work-in-Progress           | 10.1 | 1,603.42  |                  | 320.55    |                  |
| (iv) Intangible Assets under Development | 10.2 | 538.94    |                  | 298.64    |                  |
| (b) Non-current Investments              | 11   | 1,022.80  |                  | 23.13     |                  |
| (c) Deferred tax assets (net)            | 12   | 2,491.31  |                  | 1,773.30  |                  |
| (d) Long-term loans and advances         | 13   | 885.13    |                  | 1,038.40  |                  |
|  |      |           | 10,120.84        |           | 6,940.08         |
| 2. Current Assets                        |      |           |                  |           |                  |
| (a) Inventories                          | 14   | 671.43    |                  | 575.97    |                  |
| (b) Trade Receivables                    | 15   | 1,225.18  |                  | 802.59    |                  |
| (c) Cash and cash equivalents            | 16   | 3,262.40  |                  | 3,711.67  |                  |
| (d) Short-term loans and advances        | 17   | 359.30    |                  | 308.42    |                  |
| (e) Other current assets                 | 18   | 384.47    |                  | 338.17    |                  |
|  |      |           | 5,902.78         |           | 5,736.82         |
| <b>Total</b>                             |      |           | <b>16,023.62</b> |           | <b>12,676.90</b> |
| Significant Accounting Policies          | 33   |           |                  |           |                  |
| Additional Notes to Accounts             | 34   |           |                  |           |                  |

Notes referred to above form an integral part of the Financial Statements

|                             |                         |                                |                              |
|-----------------------------|-------------------------|--------------------------------|------------------------------|
|                             |                         | For and on behalf of the Board |                              |
| Sd/-                        | Sd/-                    | Sd/-                           | Sd/-                         |
| (J.Rama Krishna )           | (M.Krishna Mohan)       | (S.Vivekanand)                 | (Sutirtha Bhattacharya)      |
| GM (C.A)& Company Secretary | General Manager (F & A) | Director(Finance)              | Chairman & Managing Director |

Date : 30.7.2013  
Place : HyderabadAs per our report of even date  
For M/s.Vaithisvaran & Co.(Firm Regn.No.004494S)  
Chartered AccountantsDate : 30.7.2013  
Place : HyderabadSd/-  
(S.Shankar Raman)  
Partner (M.No.209163)



**The Singareni Collieries Company Limited**  
 (A Government Company)  
 2 x 600 MW Singareni Thermal Power Project  
 Jaipur (V&M), Pin: 504 216, Adilabad District, TS

**NOTE**

Ref No. STPP/FAD/Tariff/ 2457A

DT: 27.01.2016.

Sub: Payment of fee to TSERC along with application for determination of Tariff for STPP- Reg.

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1. COD of Unit I is scheduled in the month of March 2016 and unit II in April 2016. Power Purchase Agreement was entered with Telangana State Discoms on 18.01.2016.
2. Capital cost of the project and Tariff application are required to be filed with TSERC for determination of Tariff. Preparation of capital cost and Tariff application has been assigned to M/s KPMG on consultancy basis. All the inputs required for preparation of application were furnished to KPMG. It is expected to complete the job and file the application with TSERC by the end of this month.
3. As per Telangana State Electricity Regulatory commission, Hyderabad (Conduct of Buisness) Regulations, 2015, Chapter II, point Sl. No. 11 (5), the proceedings initiated before the commission is to be signed by the Managing Director or a Director of the company. Any other person signing the petition should have authorization from the Board of Directors by a specific or general resolution. FLAG-A
4. Further as per regulation no. 11 of 2013 of APERC (TSERC has adopted the same regulations as per TSERC regulation no.1 of 2014) a fee of Rs 15,000/- per MW for conventional generation with a maximum of Rs 100 Lakhs is to be paid to TSERC along with the application. Fee at the rate Rs 15000/- per MW works out to Rs 180 lakhs. Hence payment of fee along with application is Rs 100 Lakhs. FLAG-B

Contd ...

N-2

5. Funds for the above are proposed to be utilized from the head "Contingency".  
Details of head RCE "Contingency" are given here under. Rs Crores.

| Funds under head "Contingency" | Funds so far allocated | Funds for present proposal | Cumulative funds including present proposal | Balance funds |
|--------------------------------|------------------------|----------------------------|---|---------------|
| 155.98                         | 146.66                 | 1.0                        | 147.66                                      | 8.32          |

6. Board in it's meeting held on 16.10.2015 authorized C&MD to provide funds up to Rs 8250 Crores. So far funds provision has been made to Rs 7,547.91 crores.

7. Submitted for

- i) Approval for payment of Rs 100 lakhs to TSERC towards fee along with tariff application.
- ii) Nominating the officer to sign on the Tariff application.

*h/* 27/11/2016  
Dy GM (F&A), STPP

ED, STPP

GM (F&A)

Director (E&M)

Signed on Scanned Copy  
As per power of N-1, the signing authority for RCE will be Director (Finance) 28/11/16

Director (P&P)

Director (Operations)

Director (Finance)

C&MD

*[Handwritten signatures and initials for Director (P&P), Director (Operations), Director (Finance), and C&MD]*



... for the above ...  
 ... Contingency ...  
 Funds ...  
 Contingency 100.00 ... 146.00 ... 147.00 ... 8.30

- Board meeting held on ...
- ... has been made to ...
- ... submitted to ...
- Approval for payment of RS. ... towards fee along with ...
- ... on the ... application

By GM (F&A), STPP

ED, STPP

GM (F&A)

Director (E&M)

Director (P&P)

Director (Operations)

Director (Finance)

C&MD



