



**THE SINGARENI COLLIERIES COMPANY LIMITED**  
(A Government Company)  
**2 X 600 MW SINGARENI THERMAL POWER PROJECT**  
**Jaipur (V&M)-504216, Mancherial (Dist), T.S.**

Ref no: STPP/COML/2023-24/328

Dt: 21.10.2023

To,  
The Secretary,  
T.S. Electricity Regulatory Commission,  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills,  
Lakdi ka pool, Hyderabad – 500 008.

Sir,

**Sub:** SCCL – Reply to the Comments by Sri M. Thimma Reddy regarding Capital investment plan (CIP) OP No. 25 of 2023 and Business Plan (BP) OP No. 26 of 2023 for the period FY 2024-25 to FY 2028-29 in respect of Singareni Thermal Power Project, Phase-I (2X600 MW) – Reg

**Ref:** Your email dated 18.10.2023 regarding comments by Sri M. Thimma Reddy Capital Investment Plan and Business Plan filed by SCCL for Singareni Thermal Power Plant for the control period 2024-29.

The reply to the comments made by Sri M. Thimma Reddy related to 2X600MW STPP vide reference email relating to Capital investment plan (CIP) OP No. 25 of 2023 and Business Plan (BP) OP No. 26 of 2023 for the period FY 2024-25 to FY 2028-29 in respect of Singareni Thermal Power Project, Phase-I (2X600 MW) is hereby submitted with six copies each.

The Hon'ble commission is kindly requested to accept the same.

Thanking you.

Yours sincerely

CTC (STPP)

Chief Technical Consultant  
2X600 MW, STPP - Jaipur.

Encl: Reply to the email dated 18.10.2023 with 6 copies.

CC:

M. Thimma Reddy,  
Convenor, People's Monitoring Group on Electricity Regulation,  
House No: 3-4-107/1, Plot No. 39,  
Radhakrishna Nagar, Hyderabad – 500 048

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Chief Technical Consultant  
2X600 MW, STPP - Jaipur.

**Reply to the Comments raised by Sri.M Thimma Reddy email dated 16.10.2023**

With reference to the Submissions/Suggestions raised by Sri.M Thimma Reddy vide email dated 16.10.2023 relating to Capital investment plan (CIP) OP No. 25 of 2023 and Business Plan (BP) OP No. 26 of 2023 for the period FY 2024-25 to FY 2028-29 in respect of Singareni Thermal Power Project, Phase-I (2X600 MW), it is to submit that the comments made are not tenable under the regulation in force. The point wise reply of SCCL to the comments raised by Sri.M Thimma Reddy is given in table below:

<b>Comments</b>	<b>SCCL Reply</b>
<p><b>Capital Investment Plan</b></p> <p>2.1 The Singareni Collieries Company Limited (SCCL) has filed an application for approval of Capital Investment Plan (CIP) in respect of Singareni Thermal Power Project (STPP) (2 X 600 MW) for the control period 2024-29. The application is for additional capital investment of Rs. 1,090 Crores during the ensuing control period. This additional capital investment includes Rs. 776 Crores towards FGD and other pollution mitigation measures, Rs. 68 Crores towards operation and maintenance modules, Rs. 240 Crore towards Railway works and Rs. 6 Crores towards township related works. The capital cost of the STPP as approved in the mid-term review order dated 23-03-2023 is Rs. 7745.32 Crores. The proposed capital investment is equivalent to 14% of the approved capital cost.</p>	<p>It is to submit that, these are matters of facts. Hence no comments to offer.</p>
<p>2.2 According to Clause 7.10 of the Regulation 1 of 2019, "The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan including the choice and manner of funding, interest during construction, use of efficient technology cost overrun and time over run, and such other matters as may be considered appropriate by the Commission for determination of tariff."</p>	<p>It is to submit that, the clause quoted is as per TSERC regulation 01 of 2019. Hence no comments to offer.</p>

  
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2X600 MW, STPP - Jaipur.

<p>2.3 According to Clause 7.3 of the Regulation 1 of 2019 the Capital Investment Plan shall include, among other things, cost-benefit analysis of the proposed capital investment. The applicant did not provide such analysis for any of the components of the proposed investment. This is particularly the case with works related to railway works.</p>	<ol style="list-style-type: none"> <li>1. It is to submit that the capital investment proposed by SCCL include the capital investment plan (CIP) for STPP FY 2024-25 to FY 2028-29 and is prepared primarily based on capital expenditure towards compliance of new pollution norms for which FGD work is under progress.</li> <li>2. Capital expenditure for procurement of critical modules is to keep necessary capital spares available during the coming control period for successful execution of generation plan.</li> <li>3. Capital investment towards railways works, at present the railway locos are running with diesel engines and with manually managed signalling system. Railway authorities have advised to arrange for overhead electrification system along with necessary signalling and telecommunication works to ensure safe running of railway wagons which in turn will reduce the transportation cost of Coal.</li> <li>4. The works which are require for safety and effective running of plants like construction of closed shed for storage of materials, CC roads for ash transport and drainage system works will be taken up in other civil works.</li> </ol>
<p>2.4.1 The applicant proposed Rs. 736 Crore expenditure towards installation of FGD. This amounts to Rs. 0.61 Crore expenditure per MW for installation of FDG. In the MYT for the control period 2019-24 SCCL proposed Rs. 645.32 Crore expenditure for setting up FDG at STPP. The present application shows that proposed expenditure towards FGD increased by nearly Rs. 100 Crores.</p>	<ol style="list-style-type: none"> <li>1. It is to submit that SCCL filed Capital Investment Plan during MYT for the control period 2019-24 with cost estimates of FGD as per the detailed project report(DPR) prepared by M/s NTPC Ltd.</li> <li>2. The order of Flue Gas De-sulphurisation (FGD) project for mitigation of Sox was divided into two (2) contracts both of which</li> </ol>

  
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 2X600 MW, STPP - Jaipur.

	<p>were placed on M/s PES Engineering Pvt Ltd on 28.12.2020 on competitive bidding process. The work for FGD commenced on 28.12.2021.</p> <p>3. The awarded price of both the contracts combined is Rs.590.25 crores. However, the above price excludes the amount towards taxes, duties and Interest during constriction (IDC). The proposed Rs.736 crores for FGD in CIP for FY 2024-2029 includes the provisional amounts of taxes, duties and IDC. The relevant documents containing awarded contract details of FGD project order is attached as <b>annexure-A</b>.</p>
<p>2.4.2 The Commission in its the mid-term review order dated 23-03-2023 provided as follows, “However, the Commission in its order 08-02-2020 in exercise of its power of relaxation under Clause 26.4 read with clause 7.10.1 of Regulation No. 1of 2019 has accorded in-principal approval of additional capital works after cut-off date for executing of works for FGD system and in-furnace modifications for NOx in compliance with revised emission control norms, subject to the prudence check of the expenditure after commissioning of FGD system.”(para 3.5.14)</p>	<p>It is to submit that, these are matters of facts. Hence no comments to offer.</p>
<p>2.4.3 NTPC has awarded GE Power four orders (for four power plants with aggregate capacity of 4,460 MW) for supply and installation of FGD systems for a combined value of Rs 1783 crore. Per MW cost of FGD in this case comes to Rs. 0.40 Crore. Sembcorp Energy has also started bidding for setting up of two FGD units worth Rs 1000 crore in two power plants with a total capacity of 2,640 MW in Andhra Pradesh. Per MW cost of FGD in this case comes to Rs. 0.38 Crore.</p>	<p>1. It is to submit that SCCL filed Capital Investment Plan during MYT for the control period 2019-24 with cost estimates of FGD as per the detailed project report(DPR) prepared by M/s NTPC Ltd.</p> <p>2. The objector has quoted some FGD contracts awarded by NTPC. However, such contracted cost neither includes applicable taxes &amp; duties nor considers the interest during construction payable by</p>

  
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<p>[<a href="https://www.electricalindia.in/fgd-implementation-in-thermal-power-plants/">https://www.electricalindia.in/fgd-implementation-in-thermal-power-plants/</a>] <a href="https://www.electricalindia.in/fgd-implementation-in-thermal-power-plants/">https://www.electricalindia.in/fgd-implementation-in-thermal-power-plants/</a>] Following this experience we request the Commission to limit the cost of FDG in the case of STPP at Rs. 450 Crore.</p>	<p>the generating company to the lender of the FGD project.</p> <ol style="list-style-type: none"> <li>3. The order of Flue Gas De-sulphurisation (FGD) project for mitigation of Sox was divided into two (2) contracts both of which were placed on M/s PES Engineering Pvt Ltd on 28.12.2020 on <b>competitive bidding process</b>.</li> <li>4. The awarded price of both the contracts combined is Rs.590.25 crores, which translates to 0.49 crores per MW. This hard cost in Crs/MW (0.49 crores per MW) seems to be comparable with the costs cited by the objector.</li> </ol>
<p>2.5.1 The applicant proposes expenditure of Rs. 68 Crores towards purchase of critical modules LP rotor and Exciter assembly. The applicant justified this expenditure in the name of maintaining high power plant availability and recovery of fixed costs. There should have been agreements over warranty of the machinery and availability of spares with the machinery and equipment suppliers.</p>	<ol style="list-style-type: none"> <li>1. It is to submit that STPP projected PLF during FY 2024-29 is around 91% as detailed in the generation planning part of the business plan. It is utmost important to keep necessary capital spares available during the coming control period for successful execution of generation plan.</li> <li>2. STPP has 4 no's LP rotors and 2 no's exciter assembly installed and are the major constituents of turbine generator assembly used for generation of electricity which are prone to failure. In view of this one no LP rotor and one no exciter assembly is required as spare and the same will be procured from OEM BHEL.</li> </ol>
<p>2.5.2 According to clause 7.17 of the Regulation No. 1 of 2019, "The capital cost may include initial spares capitalised as a percentage of the plant and machinery cost up to the cut-off date, subject to the following ceiling norms: coal based generation stations – 4.0%."</p>	<ol style="list-style-type: none"> <li>3. Further, Hon'ble TSERC has approved initial spares of STPP in its tariff order below 2.5% of the GFA up to cut-off date. As opined by the objector still Rs.100 crores is required to reach the limit of 4% ceiling for spares as per the regulation as calculated by SCCL.</li> </ol>
<p>2.5.3 The Commission must have already allowed certain expenditure towards initial spares as a part of total capital expenditure. The present proposal on purchase of critical modules may be allowed to the extent that it does not cross the 4.0% limit provided for spares in the above regulation.</p>	<ol style="list-style-type: none"> <li>4. SCCL requests Hon'ble Commission to allow the proposed critical modules as the above proposed modules expenditure will be well within the specified ceiling limits.</li> </ol>

  
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<p>2.6.1 The applicant proposes expenditure of Rs. 240 Crores towards railway works related to over-head electrification and signalling and telecommunication.</p>	<p>1. It is to submit that South central Railway authorities vide letter dated 15.07.2021 have advised once again to arrange for overhead electrification system (OHE) along with necessary signalling and telecommunication (S&amp;T) works to ensure safe running of railway wagons, which will in turn reduce the Coal transportation cost.</p>
<p>2.6.2 The Commission in its MYT order dated 28-08-2020 did not approve OHE and S&amp;T works. According to this Order, "The Commission has gone through the details of railway works and justification submitted by SCCL for the same. In accordance with clause 7.19.1 of the Regulation No.1 of 2019 the capital investment for railway works is not allowable as the same is after cut-off date. The consumers cannot be unduly burdened for the act of Commission on part of the Petitioner. In view of the above, the Commission does not find it prudent to exercise the power of relaxation of clause 7.19.1 for allowing capital investment for railway works."(Para 5.4.35)</p>	<p>2. In view of this work for overhead electrification (OHE) is under progress and is likely to be completed in FY 2024-25. The relevant documents of OHE and S&amp;T works are attached as <b>annexure-B</b>.</p> <p>3. In view of the above, the Hon'ble Commission is requested to allow the expenditure towards railway works.</p>
<p>2.6.3 The Commission in its mid-term review order dated 23-03-2023 also did not allow this expenditure. According to this order, "The Commission reiterates its stand as held in its Order dated 28.08.2020 and is reproduced below: '... the capital investment for railway works is not allowable as the same is after cut-off date...'"" (para 3.6.11)</p> <p>2.6.4 We request the Commission not to approve the expenditure related to proposed railway works.</p>	
<p>2.7 In this application it is mentioned that the proposal of constructing STPP Phase-II (1x800 MW) is under active consideration by the SCCL management and that CIP for STPP Phase II may be submitted as an addendum of present CIP. The load forecast and resource plan submitted by TSDISCOMs for 5th control period show that there would be significant surplus energy available during this period. In such</p>	<p>1. It is to submit that the Telangana state energy demand is increasing every year due to rapid urbanisation and irrigation projects and is expected to increase further in coming years. In recent times it is observed that state discoms are buying electricity from power market to meet the energy demand.</p>

  
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 STPP - Jaipur.

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<p>circumstances it is not advisable to add 800 MW new plant of SCCL to the Telangana state grid.</p>	<p>2. In view of the above, Hon'ble Commission is requested to allow as an addendum of present CIP after the STPP Phase-II (1x800 MW) proposal is taken up.</p>
<p><b>Business Plan</b> 3.1 Target availability of 85% as allowed by the Commission in its Order dated 28.08.2020 and as provided in Clause 17.3.1 of Regulation no. 1 of 2019 shall be taken in to account while computing power availability from the STPP Phase I units. If power is available over and above this level it will be for the TSDISCOMs to decide whether to procure this additional power from STPP Phase I.</p>	<p>It is to submit that the projections made by SCCL are likely capacity to be generated after considering overhauling and forced outages. However, the day ahead schedule will be given as per state grid code and beneficiary may opt for the required quantum of generation as per merit order.</p>
<p>3.2 SCCL proposes to increase normative auxiliary power consumption to 6.25%. We request the Commission to adhere to 5.75% as provided in its Order dated 28.08.2020.</p>	<p>1. It is to submit that the auxiliary energy allowed for STPP (2X600 MW) by Hon'ble commission during 2019-24 is 5.75%. However, actual aux for present control period is higher i.e FY 2019-20: 6.01%, FY 2020-21: 6.12%, FY 2021-22: 5.83% &amp; FY 2022-23: 6.05%.</p> <p>2. Considering the historical actual values, the Hon'ble commission is prayed to allow increase in the normative auxiliary energy to <b>6.25% before FGD installation</b> in line with the CERC norms for 600MW unit which is 6.25% and CERC has many units of 600MW capacity under their jurisdiction.</p>
<p>3.3 Provisional Statement of Profit and Loss provided as a part of Business Plan shows annual depreciation during the control period 2024-29 to be in the range of Rs. 420.46 Crores to Rs. 454.42 Crores. The Commission in MYT order dated 28-08-2020 and MTR order dated 23-</p>	<p>1. It is to submit that the Hon'ble Commission in MYT order dated 28.08.2020 and MTR order dated 23.03.2023 approved annual depreciation of Rs. 400.36 Crores and annual return on equity of</p>

Chief Technical Consultant  
2X600 MW, STPP - Jaipur.



<p>03-3023 approved annual depreciation of Rs. 400.36 Crores. Depreciation claimed by SCCL for STPP Phase I is much higher than that approved by the Commission during the previous control period. The Commission is requested to closely scrutinise SCCL claims related to depreciation for the control period 2024-29.</p>	<p>Rs. 436.40 Crores during 2019- 24 with approved capital cost of Rs 7745.32 Crores.</p>
<p>3.4 Annual profit claimed by SCCL for STPP Phase I during the control period 2024-29 is in the range of Rs. 459.70 Crores to Rs. 527.05 Crores. The Commission approved annual return on equity of Rs. 436.40 Crores during 2019- 24. Profit claimed by SCCL for STPP Phase I during the ensuing control period is much higher than the return on equity approved by the Commission during the previous control period. The Commission is requested to closely scrutinise SCCL claims related to profit for the control period 2024-29.</p>	<p>2. However, the Provisional calculations Statement of Profit and Loss provided by SCCL in Business Plan for the control period 2024-29 includes the capital investment proposed by SCCL in the control period to the tune of Rs. 1090 crores.</p> <p>3. Further, SCCL has prepared projected financials as required to submit for business plan. Detailed claims on tariff will be submitted to Hon'ble TSERC in MYT petition for the control period 2024-29.</p> <p>4. In view of the above, Hon'ble TSERC is requested to allow the CIP and BP as proposed for the control period 2024-29.</p>
<p>3.5 Whether Other Income listed in the Provisional Statement of Profit and Loss includes income from leasing out marketing complex proposed to be taken up in the Township.</p>	<p>It is to submit that the other income listed in the Provisional Statement of Profit and Loss statement filed in BP includes income from leasing i.e Non-tariff income as per TSERC regulation 01 of 2019.</p>

In view of the above point wise reply of SCCL, the Submissions/Suggestions raised by Sri.M Thimma Reddy vide email dated 16.10.2023 relating to Capital investment plan (CIP) OP No. 25 of 2023 and Business Plan (BP) OP No. 26 of 2023 for the period FY 2024-25 to FY 2028-29 in respect of Singareni Thermal Power Project, Phase-I (2X600 MW) are not tenable.

  
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2X600 MW, STPP - Jaipur.

<b>Contract details of FGD Project for 2X600 MW STPP</b>		
<b>First contract: 760008906(Supply)</b>		
<b>Sl no</b>	<b>Item description</b>	<b>Amount</b>
1	Main Equipment	3,392,128,225.00
2	Mandatory spares	158,696,057.00
3	Type tests	5,545,661.00
	<b>Total</b>	<b>3,556,369,943.00</b>
<b>Second contract: 760008907(services)</b>		
<b>Sl no</b>	<b>Item description</b>	<b>Total amount</b>
1	Frieght & Insurance for Main Equipment	36,450,501.00
2	Frieght & Insurance for Mandatoroty spares	1,983,701.00
3	Erection- Main Equipment	522,705,139.00
4	Civil works	1,564,148,015.00
5	Structural Works	168,614,561.00
6	Training charges	2,677,996.00
7	AMC Charges	3,967,401.00
8	Amount linked to safety Aspects	45,625,116.00
	<b>Total</b>	<b>2,346,172,430.00</b>
	<b>Grand Total</b>	<b>5,902,542,373.00</b>
<b>Notes:</b>		
1) Taxes and IDC are extra to above amount.		
2) Price variation as per contract terms		

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Corporate Purchase Department - Kothagudem

e-mail : sec01\_pd\_crp@scclmines.com

Phone : 08744 242301, Extn : , Fax : 08744 245651

APGST: WGL/09/2/1211 Dt: 21-04-1966,  
ST: WGL/09/2/1016 Dt: 22-12-1965  
Sales Tax Registration No. WEP 1-4-88,  
Registration No as Tax deductor:36AAACT8873F1DA

TIN NO: 36150117915  
CIN:U10102TG1920SGC000571  
GSTNO:36AAACT8873F1Z1  
21AAACT8873F1ZC (Odisha - Naini Project)

**Firm Order (Service)**

**Subject** First Contract- Supply of Main equipment including mandatory spares and type test charges for Flue Gas Desulphurisation (FGD) System package for STPP Stage-I

<b>Po Number</b> : 7600008906 <b>PO Date</b> : 28.12.2021 <b>Plant</b> : 9100 STPP Jaipur Power Plant	<b>Our Enquiry No</b> : E011900413 <b>Enquiry Date</b> : 29.01.2020 <b>Your Quotation No</b> : PESEPL <b>Quotation Date</b> : <b>Your negotiations No</b> :
To, M/s PES Engineers Pvt.Ltd. , 1st Floor,Pancom Chambers, 6-3-1090/1/A,Somajiguda Raj, Bhavan Road Hyderabad - 500016 , Telangana India Phone : 7893775511 e-mail: raovvk@peseng.net <b>Vendor Code</b> : 5000011466	<b>Nature of Items</b> : Capital <b>For Use at</b> : STPP <b>Type of Order</b> : Service

Your above quotation for providing Services has been accepted on the terms and conditions stipulated here in  
**Please refer**

- I. Details of the services are enclosed in Annexure-I
- II. General Terms and conditions, as Per Annexure

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**Terms and Conditions:**

1. **Price F.O.R** F.O.R destination -
2. **Discount / Rebate** -
3. **Packing Charges** Inclusive.
4. **Forwarding Charges** Inclusive.
5. **Freight** Seperate PO No.7600008907 Dtd.28.12.2021 is released.
6. **Insurance** Seperate PO No.7600008907 Dtd.28.12.2021 is released.
7. **Excise Duty / GST** GST Extra as applicable. Presently @18%.
8. **VAT / CST / Service Tax / GST** -
9. **Guarantee / Warrantee** Defect liability period: As per GCC Clause 27.2 of Bid Document.  
Functional Gurantee : As per Sub-Section-VI (Functional Guarantees  
<(>&<)> Liquidated damages) of Section-VI Technical specification)of Bid Document.
10. **Price Variation Clause** The Contract Price shall be adjusted in accordance with provisions of Appendix-2 (Price Adjustment) to the Contract Agreement (G.C.C Clause 11.2).
11. **Risk Purchase Clause** Applicable as per GCC Clause No.7.3.1.11.
12. **Price Fall Clause** Not applicable.
13. **LD Penalty Clause** Applicable as per Sl.No.1 of Amendment No. 01 to Commercial Portion of Bidding Document.
14. **Certificates** -
15. **Mode of Dispatch** -
16. **Performance Bank Guarantee** I.As per Clause No.33.0 of ITB of Bid Document read with SCCL Ir. CRP/MP/01/E011900413/1892 Date:05/06.05.2021, Firm shall submit PBG for 3% of Contract Price for all the contracts within 28 days after receipt of the Notification of Award.

II. In case of award of a project, through Route-2, Route-3 and Route-4, the QFDGM will be required to furnish an on-Demand bank guarantee for an amount of 2% of the total contract price of the FGD System Package for the awarded project in addition to the contract performance security to be furnished by the Firm (i.e. M/s PES Engineers Pvt Ltd). M/s PES Engineers has qualified through Route-4 and M/s Ducon Technologies, USA, is the QFDGM.

**17. Payment Terms/RTGS details**

The Contract price for the First Contract is Rs.355,63,69,943.00. The Contract Price shall be paid as specified in Appendix 1 (Terms and Procedures of Payment) to the Contract Agreement. (Clause 12 of GCC).

**Bank Particulars:**

- i) Account Name: PES Engineers Private limited
- ii) Banker's Name: Union Bank of India Formerly Andhra Bank)
- iii) Branch : Somajiguda
- iv) Bank address : 1st Floor, PANCOM Chambers, 6-3-1090/1/A, Somajiguda, Rajbhavan Road, Hyderabad. Pincode-500082.
- v) 9 Digit MICR code : 500011035
- vi) 11 Digit IFSC code of Beneficiary Branch : ANDB0000435
- vii) Bank Account No.: 043513046005304
- viii) Bank Account Type : Cash - Credit

**18. Delivery Schedules**

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**19. Delivery Completion date**

Applicable as per BDS Item No.10 of Bid Document.

**20. last date for PO/ Validity of**

31.03.2025

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## 22. Other Remarks

Note:

1) Since the entry value for each line is limited to Rs.99,99,99,999.00 only, the order rate for Ex-Works Main equipment is split into 4 parts and entered in lines 1,2 3<(>&<)>4.

2) Award of Contracts (As per ITB Clause 29.7):

The award shall be made as follows:

(i) First Contract (Present Contract PO No.7600008906 dated 28.12.2021):

For Ex-works (India) supply of plant and equipment including type test charges and mandatory spares (For Schedule-1).

(ii) Second Contract (Other Contract PO No.7600008907 dated 28.12.2021):

(For Schedule-2<(>&<)>3).

For providing all services i.e., inland transportation for delivery at site, inland transit insurance, unloading, storage, handling at site, installation (including Civil <(>&<)> Structural Steel works, allied works if applicable), insurance covers other than inland transit insurance, testing, commissioning and conducting Guarantee tests in respect of all the equipment supplied under the 'First Contract', Civil Works and all other services as specified in the Contract Documents.

Both the above Contracts will contain a cross-fall breach clause specifying that breach of one Contract will constitute breach of the other Contract which will confer a right on the Employer to terminate the other Contract also at the risk and the cost of the Contractor.

III. Bid Document No.CW-CM-11017-C-O-M-003 along with Amendments, are attached.

*N. Ven*  
for **GM (MP)**  
The Singareni Collieries Co. Ltd  
Kothagudem - 507101

**Note:**  
For payment through bank SCCL reserves the right to recover the dues on account of late delivery, non submission of bank guarantee, excise duty gate pass and price excess charged over ordered prices etc. So the negotiated terms should give leverage to the collecting Bankers to enable them to honour the lodgments. the company would give the details or amounts retreated. The issue will be resolved later.

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Corporate Purchase Department - Kothagudem  
e-mail : sec01\_pd\_crp@scclmines.com  
Phone : 08744 242301, Extn : , Fax : 08744 245651

APGST: WGL/09/2/1211 Dt: 21-04-1966,  
ST: WGL/09/2/1016 Dt: 22-12-1965  
Sales Tax Registration No. WEP 1-4-88,  
Registration No as Tax deductor:36AAACT8873F1DA

TIN NO: 36150117915  
CIN:U10102TG1920SGC000571  
GSTNO:36AAACT8873F1Z1  
21AAACT8873F1ZC (Odisha - Naini Project)

**Firm Order (Service)**

**Subject** Second Contract-Inland Transportation, Insurance, Installation, testing, commissioning and inducting Guarantee tests etc. of Flue Gas Desulphurisation (FGD)

**Po Number** : 7600008907  
**PO Date** : 28.12.2021  
  
**Plant** : 9100 STPP Jaipur Power Plant

**Our Enquiry No** : E011900413  
**Enquiry Date** : 29.01.2020  
**Your Quotation No** :  
**Quotation Date** :  
**Your negotiations No** :

To,  
M/s PES Engineers Pvt.Ltd.  
, 1st Floor,Pancom Chambers,  
6-3-1090/1/A,Somajiguda Raj, Bhavan Road  
Hyderabad - 500016 ,  
Telangana  
India  
Phone : 7893775511  
e-mail: raovvk@peseng.net  
**Vendor Code** : 5000011466

**Nature of Items** : Capital  
**For Use at** : STPP  
**Type of Order** : Service

Your above quotation for providing Services has been accepted on the terms and conditions stipulated here in  
Please refer

- I. Details of the services are enclosed in Annexure-I
- II. General Terms and conditions, as Per Annexure



**Terms and Conditions:**

1. **Price F.O.R** F.O.R destination -
2. **Discount / Rebate** -
3. **Packing Charges** Inclusive.
4. **Forwarding Charges** Inclusive.
5. **Freight** Inclusive.
6. **Insurance** Inclusive.
7. **Excise Duty / GST** GST Extra as applicable. Presently @18%.
8. **VAT / CST / Service Tax / GST** -
9. **Guarantee / Warrantee** Defect liability period: As per GCC Clause 27.2 of Bid Document.  
Functional Gurantee : As per Sub-Section-VI (Functional Guarantees  
<(>&<)> Liquidated damages) of Section-VI Technical specification)of Bid Document.
10. **Price Variation Clause** The Contract Price shall be adjusted in accordance with provisions of Appendix-2 (Price Adjustment) to the Contract Agreement (G.C.C Clause 11.2).
11. **Risk Purchase Clause** Applicable as per GCC Clause No.7.3.1.11.
12. **Price Fall Clause** Not applicable.
13. **LD Penalty Clause** Applicable as per SI.No.1 of Amendment No. 01 to Commercial Portion of Bidding Document.
14. **Certificates** -
15. **Mode of Dispatch** -
16. **Performance Bank Guarantee** I.As per Clause No.33.0 of ITB of Bid Document read with SCCL Ir. CRP/MP/01/E0119O0413/1892 Date:05/06.05.2021, Firm shall submit PBG for 3% of Contract Price for all the contracts within 28 days after receipt of the Notification of Award.

II. In case of award of a project, through Route-2, Route-3 and Route-4, the QFDGM will be required to furnish an on-Demand bank guarantee for an amount of 2% of the total contract price of the FGD System Package for the awarded project in addition to the contract performance security to be furnished by the Firm (i.e. M/s PES Engineers Pvt Ltd). M/s PES Engineers has qualified through Route-4 and M/s Ducon Technologies, USA, is the QFDGM.

The Contract price for the second Contract is Rs.234,61,72,430.00

The Contract Price shall be paid as specified in Appendix 1 (Terms and Procedures of Payment) to the Contract Agreement. (Clause 12 of GCC).

Bank Particulars:

- i) Account Name: PES Engineers Private limited
- ii) Banker's Name: Union Bank of India Formerly Andhra Bank)
- iii) Branch : Somajiguda
- iv) Bank address : 1st Floor, PANCOM Chambers, 6-3-1090/1/A, Somajiguda, Rajbhavan Road, Hyderabad. Pincode-500082.
- v) 9 Digit MICR code : 500011035
- vi) 11 Digit IFSC code of Beneficiary Branch : ANDB0000435
- vii) Bank Account No.: 043513046005304
- viii) Bank Account Type : Cash - Credit

**18. Delivery Schedules**

**19. Delivery Completion date**

**20. last date for PO/ Validity of**

-

Applicable as per BDS Item No.10 of Bid Document.

31.03.2025

## 22. Other Remarks

Note:

1) Since the entry value for each line is limited to Rs.99,99,99,999.00 only, the order rate for Civil works is split into 2 parts and entered in lines 4<(>&<)>5.

2) Award of Contracts (As per ITB Clause 29.7):

(i) First Contract (Other Contract PO No.7600008906 dated 28.12.2021):  
For Ex-works (India) supply of plant and equipment including type test charges and mandatory spares (For Schedule-1).

(ii) Second Contract (Present Contract PO No.7600008907 dated 28.12.2021): (For Schedule-2<(>&<)>3).  
For providing all services i.e., inland transportation for delivery at site, inland transit insurance, unloading, storage, handling at site, installation (including Civil <(>&<)> Structural Steel works, allied works if applicable), insurance covers other than inland transit insurance, testing, commissioning and conducting Guarantee tests in respect of all the equipment supplied under the 'First Contract', Civil Works and all other services as specified in the Contract Documents.

Both the above Contracts will contain a cross-fall breach clause specifying that breach of one Contract will constitute breach of the other Contract which will confer a right on the Employer to terminate the other Contract also at the risk and the cost of the Contractor.

III. Bid Document No.CW-CM-11017-C-O-M-003 along with Amendments, are attached.

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*Naveen*  
for GM (MP) .  
The Singareni Collieries co. Ltd  
Kothagudem - 507101

**Note:**

For payment through bank SCCL reserves the right to recover the dues on account of late delivery, non submission of bank guarantee, excise duty gate pass and price excess charged over ordered prices etc. So the negotiated terms should give leverage to the collecting Bankers to enable them to honour the lodgments. the company would give the details or amounts retreated. The issue will be resolved later.

FAX NO. :

16 Jul. 2021 11:11 P 1



दक्षिण मध्य रेलवे  
SOUTH CENTRAL RAILWAY

मंडल रेल प्रबंधक कार्यालय  
Office of the Divl. Rly. Manager  
सिकंदराबाद मंडल / Secunderabad Division संचालन  
भवन/Sanchalan Bhavan  
सिकंदराबाद / SECUNDERABAD-500 025  
Rly 86199, DOT:040-27830449

संख्या/No.सी. C/T/143/STPP MCI/18

दिनांक/Date: 15.07.2021

The Chairman and Managing Director  
Singareni Collieries Company Limited  
Singareni Bhavan, Red Hills,  
Khairatabad, Lakdikapool,  
Hyderabad - 500004

विषय/Sub: Electrification of Singareni Thermal Power Plant (STPP) siding  
of M/s. SCCL taking off from Manchiryal Station.

- संदर्भ/Ref: 1. DPR of STPP Siding of M/s SCCL submitted in the month of July, 2018.  
2. Sr.DOM/SC Lr.No.C/T/143/STPP MCI/18 dated 14.07.2021 addressed to  
Executive Director (Coal Movement), SCCL, Hyderabad.

STPP Siding of M/s SCCL is taking off from Manchiryal Station which is located on the HDN 'A' trunk route in Balharshah - Kazipet Section of Secunderabad Division. STPP Siding was commissioned in the month of August 2018 with Diesel Traction, as OHE works were not taken up at that time but it was assured that the electrification of this Siding will be done shortly. As per the DPR submitted vide Reference (1), it was mentioned that the electrified traction will be utilised in the siding for handling of rakes (11<sup>th</sup> chapter of DPR submitted by RITES; Consultants appointed by M/s SCCL).

Though the Siding is in operation for the last three (3) years, the work of electrification of the siding is yet to be started. The section is a completely electrified section and as per Railway Board policy all the new sidings in the electrified section are to be commissioned with electrification. In the electrified section, the availability of diesel powers and trained crew is also difficult and this is causing impediments to regular train operation. To cater for the requirement of STPP Siding, we are compelled to maintain two Diesel Multiple Units exclusively which is unviable due to less availability of diesel loco and trained crew. Presently, five (5) rakes of coal are being handled per day in STPP Siding, for which frequent movement is being done in this siding. As already elaborated, keeping separate diesel loco is now becoming difficult at Manchiryal Station and it is essential to electrify STPP Siding on priority to reduce the detentions of rolling stock, crew and to improve wagon turn-round and mobility of trains.

It is requested that electrification work of STPP Siding from CCC to STPP (around 15 Kms. distance) may be taken up and completed at the earliest as per the approved DPR for efficient train operations in the Siding.

Thanking you,

Yours sincerely,

Rail/Al  
15/7/21

File up  
15/7/21

15.07.2021

F & A STPP, Jaipur.	
IW-No.	4
Date	10/11/21

Cir. GM (ES&P) S. 77
I.W.No. 7577
Date 30/10/21

ACM(PAA) / D. G. M. (O) / G. M. (P)  
 S. C. S. & R. / 10  
 30/10/2021  
 20

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) made on this day of **27<sup>th</sup> October, in the year Two thousand Twenty One (2021)** at the office of Sr.DOM, SCR, Secunderabad, entered

BETWEEN

**THE SINGARENI COLLIERIES COMPANY LTD**, a Government Company within the meaning of the Companies Act 1956 and having its Registered Office at Kothagudem, Bhadrachalam Road Rly. Station, Bhadradi Kothagudem Dist, Telangana State, PIN: 507 101 hereinafter referred to as "**M/s SCCL**" and includes its successors and permitted assignees.

AND

**SOUTH CENTRAL RAILWAYS**, one of the Zonal Railway under the Ministry of Railways, (Government of India) having its headquarters at Rail Nilayam, Secunderabad hereinafter referred as **SCRLY** (and includes its successor Railways).

M/s SCCL and SCRLY, Secunderabad may be referred to individually as "Party" and collectively as "Parties".

### 1.0. Preamble:

- 1.1. M/s SCCL is a company jointly owned by the Government of Telangana and Government of India with expertise in the fields of Coal mining and leading producer & supplier of Coal to various sectors and now diversifying into Power generation.
- 1.2. SCRLY is a Railway Zone under the Ministry of Railways, Government of India engaged in transportation services.

### 2.0. Understanding between both Parties:

Now therefore, the Parties hereby have reached the understanding as follows:

- 2.1. At the request of SCCL for executing Overhead Electrification work pertaining to STPP siding (STPP lead line and connected sidings) on depositary terms, SCRLY has agreed for the same. Accordingly, both parties have decided to enter into MOU for taking up **Over head electrification (OHE) work for the existing STPP siding (STPP lead line and connected sidings)** for facilitating evacuation of coal from SRP & RKP group of mines to STPP of M/s SCCL in Mancheril Dist., T.S. (herein after called as Project).
- 2.2. The work shall be executed as per the para 1843 to 1853 Of Indian Railway Engineering code.
- 2.3 All the efforts shall be made to complete the work in a reasonable time limit.
- 2.4 After commissioning, maintenance of OHE cost shall be borne by the siding owner in accordance with Railway guidelines (FM Circular No.6 of 2020). Railway will carry out necessary inspection of maintenance work once in six months.

**3.0. Consent by SCRLY.**

- 3.1. DRM/SC on behalf of SCRLY has accepted for taking up Over head electrification (OHE) works pertaining to STPP Siding from SRP CHP yard to STPP. As per the estimate forwarded by Sr. DOM /SCR, vide his Lr. No. C/T/143/STPP-MCI/2018, Dt:07.08.2021, the estimated cost of the project is **Rs.23,82,47,193/-** including applicable deposit work charges and GST.
- 3.2. The estimate prepared for the said work includes expenses of all types required for taking up the work. All taxes, Cesses and such other statutory levies shall be an integral part of the work.

**4.0. Financing and Accounting:**

- 4.1. M/s SCCL accepts to pay a sum of **Rs.23,82,47,193/-** towards the cost of project. However, any escalation necessitated and proposed by SCRLY at later stage of the project shall be borne by **M/s SCCL**. If any amount is left unspent after the work is completed the same shall be refunded to M/s.SCCL after the final reconciliation.
- 4.2. S.C.RLY (Sr.DEE/TRD/SC) shall undertake Over head electrification as per Railway norms / tender procedure and as per the provisions entailed in estimate.

**5.0. Dispute resolution:**

- 5.1 Any dispute arising as part of this MOU shall be settled through discussion between the parties.
- 5.2. The SCRLY, Secunderabad and the M/s. SCCL can collectively make any amendments to the MOU as deemed necessary.

The Memorandum of Understanding has been signed between the Singareni Collieries Company Limited, represented by GM (E&M): STPP, SCCL and the SCRLY represented by SrDOM, SCR on this 27<sup>th</sup> day of October, 2021 in the presence of

*[Handwritten Signature]*  
**Divisional Railway Manager(Optg.)**  
**South Central Railway,**  
**Secunderabad**

*[Handwritten Signature]*  
**Executive Director (Coal Movement)**  
**SCCL**

**Signature of Witness: 1)**

*[Handwritten Signature]*  
 DGM  
 SCCL

**2)**

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**The Singareni Collieries Company Limited**  
(A Government Company)  
2x600 MW Singareni Thermal Power Plant,  
Jaipur (V&M), Pin: 504216, Mancherial District, TS

F & A STPP, Jaipur.	
IW-No.	469
Date	30/10/21

Ref: STPP/CVL/255/814

Date: 30.10.2021

AGM (F&A): STPP

Sub.: Providing Overhead electrification (OHE) to STPP lead line and connected sidings on deposit terms through SCR- Deposit of DD – Reg.

DD bearing No. 950417 Dt.14.10.2021 in favour of Senior Divisional Finance Manager, Secunderabad Division, South Central Railway for Rs.23,82,47,193.00 Ps. (Rupees Twenty Three Crores Eighty Two Lakhs Forty Seven Thousand One Hundred and Ninety Three only) towards deposit for execution of Overhead Electrification works to STPP siding has been handed-over and copy of acknowledgement obtained is enclosed. Further, a copy of MOU entered with SCR is also enclosed for record please.

*[Signature]*  
29/10/21  
DGM (Civil)  
I/c: STPP (Civil)

Encl: Copy of acknowledgement cited & MOU.


CC to: ED (CM): HYD/ CTC: STPP } Scan copies of acknowledgement & MoU  
GM (Civil) /GM (E&M): STPP } sent in e-mail please.

*Recd  
14/10  
30/10*



### Acknowledgement

Received DD bearing No.950417 Dt.14.10.2021 payable at Secunderabad, Hyderabad drawn in favour of Senior Divisional Finance Manager, Secunderabad Division, South Central Railway for Rs. 23,82,47,193.00 Ps. (Rupees Twenty Three Crores Eighty Two Lakhs Forty Seven Thousand One Hundred and Ninety Three only) towards deposit by The Singareni Collieries Company Limited for "*Providing Overhead Electrification works to STPP siding (lead line and connected sidings) to facilitate evacuation of coal from SRP & RKP group of mines to STPP, Jaipur (V&M), Mancherial District, Telangana State*"

  
The Sr. Divisional Operations Manager  
South Central Railways, Secunderabad  
Hyderabad – 500 025  
Dated: 27.10.2021