

Enquiry for Supply of Coal

MB Power (Madhya Pradesh) Limited (hereinafter referred to as "MBPMPL") for its 2x600 MW Thermal Power Plant at Anuppur, Madhya Pradesh (hereinafter referred to as "MBPMPL Plant") invites bids from interested bidders for supply of Thermal Coal on FOR basis through Rail mode to MBPMPL Plant.

1. SCOPE OF WORK

Supply of 1,50,000 MT Thermal Coal by Rail to 2x600 MW Anuppur Thermal Power Plant at Anuppur district, Madhya Pradesh. Coal supplied shall have preferably the following specifications:

Parameters	Guaranteed Value
Gross Calorific Value (ARB)	4800-5200 Kcal/kg
Total Moisture (TM)	10-12% Maximum

In case if bidders do not have above specifications of coal, they may bid as per coal available with them. The above quantity is tentative and we can issue Order for whole or part quantity. Decision of MBPMPL in this regard will be final.

2. CONTRACT PRICE

The payment shall be made per GCV (ARB) basis. The Contract Price shall be worked out on the basis of agreed GCV. The Bidder shall quote prices inclusive of freight, Royalty, if any, surcharge, all taxes and duties including GST, etc.

3. PAYMENT TERMS AND MODE OF PAYMENT

Following shall be the payment terms:

- (a) 75% shall be paid within 10 days from the date of receipt of coal at site & submission of corrected invoice along with all supporting documents.
- (b) Balance 25% shall be released within 30 days from the date of receipt of coal at site & submission of correct invoice along with all supporting documents or within 10 days of finalization of Penalty / Incentive based upon quality report as per the terms of this Enquiry.

Payment shall be made by MBPMPL to the Bidder by RTGS. However, payment shall be done on the basis of actual coal quantity received at plant after adjustment of loss due to higher moisture/Bonus/ penalty/ recoveries as per the terms of Enquiry.

4. SPECIAL TERMS AND CONDITIONS**(1) Total Moisture**

The Total Moisture in Coal should not be more than 10-12%. In case, Total Moisture is more than the agreed TM% in a rake, the proportionate weight loss due to higher moisture will be reduced from the day-wise receipt quantity (for payment purpose) which shall be calculated with the following formula:-

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$$\frac{\text{Receipt Weight} \times (100 - \text{Actual TM (ARB in percentage)})}{(100 - \text{Allowed/Agreed TM})}$$

(2) Quality of Coal

- (i) Bidder shall ensure to supply Coal preferably having GCV of more than 4800-5200 Kcal/kg on ARB or as per availability.
- (ii) If received GCV (ARB) on weighted average basis for entire supplied quantity at plant end is less or more than agreed GCV, proportionate Penalty/Incentive shall be recovered/ paid as per following slab:-

$$\frac{\text{Rate}^* \times \text{Difference in GCV (Received GCV - Agreed GCV)}}{\text{Agreed GCV kcal/kg}}$$

*Rate includes Transportation Charges

- (iii) The Incentive/Penalty shall be calculated on weighted average basis for complete supply.

(3) Quality analysis shall be done on rake wise/daily basis by MBPMPL with procedure as mentioned in the document as mentioned below:-

Sampling of coal will be in accordance with the IS 436-1-1: Methods for Sampling of Coal and Coke, Part 1: Sampling of Coal, Section 1: Manual Sampling. The sampling process will be broadly as under:

The Samples would be collected by TPI at unloading end through Auger Sampler. However, in case of break-down of Auger Sampler, samples shall be collected manually.

The Gross Sample so collected will be reduced in accordance with the IS Standard. The sample arrived at after crushing and reduction by coning & quartering to be divided into three parts as A1, A2 & A3 (referee sample). All samples should be sealed and signed jointly. Sampling process can be witnessed by Bidder representative but shall not be discontinued if Bidder's representative is not available. In this respect, no communication shall be made with Bidder either in writing or verbal. Sample A1 will be handed over to Bidder for their own analysis and Sample A2 to be analysed by Third Party as appointed by MBPMPL.

Analysis of samples by MBPMPL in its Plant lab will be done in accordance with the IS 1350-1: Methods of Test for Coal and Coke, Part I: Proximate Analysis. The Bidder is not expected to participate in analysis of samples and results declared by MBPMPL will be binding on the Bidder.

Sample A3 will be kept as referee sample in case MBPMPL or Bidder disputes the results. Analysis of umpire sample A3 to be carried out by mutually agreed independent third party at their own lab and its results will be final and binding to both parties for all commercial purposes.

The Bidder must familiarize itself with the IS standard specified above before quoting their rate. It will be presumed by MBPMPL that the Bidder having quoted its rate is familiar with the sampling and analysis procedure and results declared by MBPMPL for a quantity will be final and binding on the Bidder.

The results shall be communicated through e-mail to Bidder.

(4) Penalty in case of delay in Coal Supply:

If the Bidder fails for reasons solely attributable to Bidder, to complete the supplies as per Contract, the Bidder shall be liable to pay Penalty @ 2% of the Contract Price per week of delay or part thereof subject to a maximum of 20% of the Contract Price on undelivered portion of coal quantity.

(5) Penalty: If coal size received at Plant is more than -200 mm, penalty @ Rs. 100 per MT shall be deducted.

5. Bank Guarantee:

CPBG of Rs. 2 crore with validity till entire contract period plus 3 months beyond the last date of contract shall be submitted by the Service Provider within 7 days from the date of Purchase Order towards the performance of the Contract. Any recovery/penalty balance after adjustment from bills can be recovered from the CPBG.

Note: Payment shall be released only after receipt of above said CPBG.

6. GENERAL TERMS AND CONDITIONS

(i) Force Majeure: - Neither Party shall be in breach of Contract if it is unable to fulfil its contractual obligations due to Force Majeure events. The Force Majeure events shall mean the events or circumstances beyond reasonable control of MBPMPL and Bidder such as:

- a) Act of God;
- b) An act of war, (whether declared or undeclared) hostilities, invasion, acts of terrorism, armed conflict or an act of foreign enemies, blockade, embargo, revolution, military action,;
- c) Contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive, or other hazardous properties;
- d) Riot, civil commotion, terrorism or disorder, unless solely restricted to employees of the Bidder or of its Sub-Contractor; Either Party has the right to terminate the contract if a single Force Majeure event lasts more than 30 (thirty) days or events in aggregate last more than 90 (ninety) days.

(ii) Termination:-

- a) This Contract shall be terminated by MBPMPL without any prior notice and without any compensation under the following Circumstances:
 - (i) Bidder has becomes insolvent; or
 - (ii) Bidder has been convicted of any crime which in MBPMPL's reasonable judgment is likely to adversely affect the goodwill of MBPMPL; or

- (iii) Any failure by the Bidder to comply with any of the provisions of the Contract; or
 - (iv) Failure of Bidder to supply as per agreed time schedule; or
 - (v) Bidder assigns the Contract to any third party without the consent in writing of MBPMPL; or
 - (vi) If any of the representations of the statements etc. made by the Bidder in connection with this Contract are incorrect or are found to be incorrect.
- b) The termination by Bidder for reasons stated above shall be without prejudice to other remedies that are available to Bidder under this Contract and/or Law.

Notwithstanding to any other terms and conditions of the Contract MBPMPL reserves the right to terminate the order at any time.

(iii) **ARBITRATION**

In the event of any dispute or difference at any time arising between the parties relating to PO or any other clause(s) or any content of the right and liabilities of the parties or other matters specified herein or otherwise in relation to the terms, whether during the terms of this ENQUIRY or thereafter, such disputes or differences shall be endeavored be resolved by mutual negotiation. If however, such negotiations are infructuous, the dispute should be finally settled by 'Arbitration and Conciliation Act 1996' by three arbitrators appointed in accordance with the said act. The arbitrators shall give reasoned and speaking award. The venue of the arbitration shall be Delhi and the proceeding shall be in English Language.

(iv) **JURISDICTION**

The Courts of Delhi shall have Jurisdiction to decide on all matters arising out of or concerning PO, including any interim measure either before the commencement of the arbitration proceedings or a pending final award by the arbitration tribunal.