



Dear Associate,

**Essar** invites offer for supply of Non Coking (Thermal) Single Mine Imported Coal or homogeneously blended Imported coal (subject to technical acceptance by Buyer) for our 1,200 MW thermal Power Plant as per specifications and schedule given below:

**A) Coal Specifications –**

	Basis	Range	Rejection	Measure
Gross Calorific Value	As received	4600 - 6500	Below 4200	Kcal/Kg
Total Moisture	As received	8 – 20	Above 24	%
Inherent Moisture	Air dried basis	2 – 10		%
Sulphur Content	Air received	Up to 0.7	Above 1.0	%
Ash Content	As received	10 - 30	Above 32.0	%
Volatile Matter	Air Dried basis	20 ~ 30	Below 18.0 & Above 34%	%
Fixed Carbon		By difference		%
FC/VM		1.3 ~ 1.6		Ratio
Hard Grove Index		45 – 55		
Ash Fusion Temperature (IDT)	Reducing Atmosphere	1150 Min	Below 1150	Degree C
Size	0 – 70 mm	Min 90		%

***(Deviations on above specs can be considered basis competitiveness as well technical suitability. Any deviation from above specs should be specifically highlighted in the offers)***

Buyer can consider single mine Imported coal as well as homogeneously blended Imported coal (subject to technical acceptance of the blended coal). Seller to attach copy of MV COA's (Proximate, Ultimate, Ash, AFT & Sieve analysis of coal) of their latest three coal shipments of the coal offered along with detailed offer. In case of blended coal, complete COA's of individual coal needs to be provided for technical evaluation.

COA of barges and ROA for samples are not acceptable and shall not be considered by Buyer for technical evaluation of coal offered.

Suppliers are requested to declare Country of Origin of coal in their offers and will provide us copy of Certificate of Origin if requested by us.



**B) Tonnage: 300,000 – 450,000 MT +/- 10 % in multiples of 3500 ~4000 MT (Rake load).** Buyer reserves the right to consider additional tonnage subject to price competitiveness and mutual agreement on other techno-commercial terms and conditions.

**C) Inco Term: F.O.R. MAHDEIYA (SIDING CODE: MHDA) AND / OR GAJARABAHARA (SIDING CODE: GAJB), SINGRAULI, MADHYA PRADESH (INDIA)**

**D) PRICE:**

Tonnage	Arrival AT Mahdeiya and / or Gajarabahara	F.O.R. MAHDEIYA (Rs./ton)	F.O.R. GAJARABAHARA (Rs./ton)
150,000 ~ 300,000 MT (+/-10%)	<b>NOVEMBER 2018</b> : _____ MT		
150,000 ~ 300,000 MT (+/-10%)	<b>DECEMBER 2018:</b> _____ MT		

**E) Price Adjustment:**

- I. Pro-rate penalty on Gross Calorific Value (ARB) for 100 Kcal/Kg below Guaranteed / typical and double pro-rate penalty for reduction beyond 100 Kcal/kg from guaranteed CV till Rejection limit. Bonus applicable up to 100 Kcal/Kg above Guaranteed / typical CV.

**For example:** In case Seller offers to supply coal with G CV (ARB) of 5,000 Kcal/Kg, there shall be pro-rate penalty for GAR (below 5,000 Kcal/Kg up to 4,900 Kcal/Kg) and there shall be double penalty for CV (below 4,900 Kcal/Kg up to 4,800 Kcal/kg – Rejection limit).

- II. Penalty of Rs 25 per tonne on Ash (ARB) for each 1% above typical till rejection limit.
- III. Penalty of Rs 25 per tonne on Sulphur (ARB) for each 0.1% above typical till rejection limit.

**F) Payment:**

Buyer shall made provisional payment i.e. 75% of total consignment value (Rake load) with in 3 ~ 5 business days from the date of arrival of loaded rake at Mahdeiya / Gajarabahara by way of either inland LC or RTGS provided SELLER submits all required documents to BUYER for processing the payment.

Buyer shall made Final including balance payment i.e. 25% of consignment value (rake load) with in 3 ~ 5 business days from the receipt of Final Commercial Invoice and other required documents from Seller.



Seller to prepare their Final Commercial Invoice for 100% value based on Certificate of Sampling & Analysis issued by an independent surveyor of cargo discharged from the rake at siding by considering price adjustments for GCV (ARB), Ash (ARB) & Sulphur (ARB) minus provisional payment.

**Any deviation from above payment terms, should be clearly specified.**

**G) Independent Surveyors:**

Independent Surveyor at Mahdeiya and Gajarabahara Railway siding shall be appointed by Buyer with mutual consent of Seller. Buyer shall borne cost towards sampling and analysis at railway sidings.

Buyer as well as seller reserves the right to appoint an independent surveyor as protecting surveyor to witness loading of rakes / discharging of coal from rakes and sampling procedures, at their own cost.

**H) F.O.R Mahdeiya and Gajarabahara Delivery:**

1. Seller to guarantee quantity of coal to be delivered at Mahdeiya and Gajarabahara railway sidings.
2. Seller to provide tentative schedule of delivery during particular month mentioning date, quantity for respective railway siding.
3. Seller will make necessary arrangements to indent railway rake(s), load railway rakes and deliver the coal at railway siding(s) mentioned above.
4. If Seller fails to deliver quantity of coal agreed and offered, Buyer shall reserve the right to claim liquidated damages from the Seller.

**I) Insurance:**

The Seller bears all expense(s) related to procure a policy with a first class Marine Insurer to cover one hundred and ten percent (110%) of the value of cargo. The insurance policy will cover all risks or loss or damage to the said cargo including war, hijacking, explosion as per ICC (A) including institute cargo clauses (A), institute war clauses (cargo) and institute strike clauses (cargo), spontaneous combustion with excess applicable as 0.50% of the consignment value till completion of discharging of Railway rakes and claims payable in India.

- J) Selection Procedure:** Selection will be done through either e-negotiation portal or bi-lateral negotiations.



**K) Validity:**

Please send firm offers along with required copy of COA's **by Thursday i.e. 1<sup>st</sup> November 2018 COB Hours IST**. Please include and mention authorised email id in offer.

Note: Selection of seller depends upon price competitiveness, Supplier/Seller's capabilities in delivering coal with consistent quality & free from contamination, credentials of supplier (Credit Rating, financials etc.) & previous experience in supplying Imported coal to Indian end-users etc.

Note: Buyer reserves the right to reject any or all offers.

Kindly mark copy to [epmplcoalsourcing@essarpower.co.in](mailto:epmplcoalsourcing@essarpower.co.in) in all your communications and help us to attend you in a better way.

We upload our enquiry on our group website [www.essar.com](http://www.essar.com) under businesses tab (Energy – Power) for easy access.

Thanks and regards,

Sunil Toshniwal  
[sunil.toshniwal@essarpower.co.in](mailto:sunil.toshniwal@essarpower.co.in)