

Date: 07th February, 2023

Dear Sir,

Sub: Expression of Interest for empanelment as Vendor for supply of Coal

We, IL&FS Tamil Nadu Power Company Limited (“ITPCL” / “Company”) intend to procure Non-Coking Coal of Indonesian Origin during April 2023 to March 2025 for usage in our thermal power plant (2 x 600 MW) at Cuddalore and ITPCL intends to empanel credible Vendors for the supply of coal as decided by ITPCL. Upon completion of the empanelment process, empaneled vendors can participate in the bids for procurement of coal called by ITPCL.

In this regard, ITPCL invites vendors to express their interest for empanelment as Vendors for Supply of coal with the Specifications as mentioned herein to ITPCL during FY 24 & FY 25. The Vendor shall satisfy the Qualification Criteria as mentioned herein for being empaneled as vendor.

Coal specifications (“Specifications”)

Coal with the following specifications is normally being used in ITPCL’s Power Plant:

Group - 1

Parameter	Unit	Value / Range
Gross Calorific Value	ARB	4700 to 5000 kcal / kg
Total Moisture	ARB	< 30%
Ash	ARB	< 8%
Total Sulphur	ARB	< 0.80%
HGI		> 44
AFT (Initial Deformation Temperature) Reducing atmosphere	Deg.C	> 1150
Base / Acid ratio (formula given below)		< 0.4 or > 0.7
$\frac{\text{Fe}_2\text{O}_3 + \text{CaO} + \text{MgO} + \text{Na}_2\text{O} + \text{K}_2\text{O}}{\text{SiO}_2 + \text{Al}_2\text{O}_3 + \text{TiO}_2}$		
Iron Index (Base / Acid ratio * Fe ₂ O ₃)		< 20
Na ₂ O	Dry Basis	< 1
K ₂ O	Dry Basis	< 1

Group - 2

Parameter	Unit	Value / Range
Gross Calorific Value	ARB	3600 to 4200 kcal / kg
Total Moisture	ARB	< 35%
Ash	ARB	< 8%
Total Sulphur	ARB	< 0.80%
HGI		> 42
AFT (Initial Deformation Temperature) Reducing atmosphere	Deg.C	> 1150
Base / Acid ratio (formula given below) $\frac{\text{Fe}_2\text{O}_3 + \text{CaO} + \text{MgO} + \text{Na}_2\text{O} + \text{K}_2\text{O}}{\text{SiO}_2 + \text{Al}_2\text{O}_3 + \text{TiO}_2}$		< 0.4 or > 0.7
Iron Index (Base / Acid ratio * Fe_2O_3)		< 20
Na_2O	Dry Basis	< 1
K_2O	Dry Basis	< 1

Bids would be called for either Group 1 or Group 2 variety of coal or both depending on the Operational needs of ITPCL's plant from time to time.

A. Qualification Criteria

a) Technical

- Vendor and / or their Subsidiaries and / or Parent Company (*Subsidiaries in which the shareholding of the Vendor is at least 51% / Parent Company which holds at least 51% of the share capital of the Vendor*) should be in the business of coal trading and supply since **1st April 2018**. Sufficient documentary evidence in the form of audited financial statements or annual reports or any other relevant document for the relevant period shall be furnished.
- Vendor should be capable of sourcing the coal with the above Specifications and supply, for which necessary arrangements with the coal mine directly for a minimum period of 6 months shall be in place. For this purpose, Vendor shall be required to provide a letter as per the attached format (**Annexure – II**) confirming the existence of the said procurement arrangement.
- Vendor is requested to provide separate confirmation letter as per format in Annexure – II in respect of each of mines, whose coal meets the above Specifications and shall also provide / include the following information / document (as attachment to the confirmation letter and provide the details)

- a. Full name of the Coal Mine together with location
 - b. Grade of coal and specifications as declared and certified by the coal mine.
For this purpose, the Specifications mentioned in the confirmation letter shall be the specifications declared and certified by the coal mine
 - c. Copy latest (not older than 3 months) Ultimate Analysis including Ash Characteristics and heavy metal content, certified by the coal mine
 - d. Total annual production of the coal mine during calendar year 2020 , Calendar year 2021, Calendar Year 2022 - Grade wise separately.
 - e. Facility to load Panamax size vessels or above (i.e. Minimum draft of 14 meters / 75000 tons)
- iv. Vendor should have supplied at least **1 mn tons** of coal in aggregate from any or all of the mines (with which they have sourcing tie-up) which meet the Specifications of the particular Group (*in respect of Group for which they intend to empanel*) since **1st April 2019** of which at least **500,000 tons** of coal in aggregate should have been to users in India.
 - **Proof of supply of such coal in India for usage in power plants with possible evidences. Letter from receivers on successful usage of such coal in power plant operation.(Mandatory document)**
 - **Supply of these coal for usage in Pulverized Coal Index(PCI) based power plants in India/Global with possible evidences. (as available)**
 - v. For the above purpose, the turnover of the Vendor and their Subsidiaries and Parent Company (*Subsidiaries in which the shareholding of the Vendor is at least 51% / Parent Company which holds at least 51% of the share capital of the Vendor*) shall also be considered. The Vendor shall provide sufficient documentary evidence of the said turnover for the relevant period in the form of audited financial statement or annual report or any other relevant document wherein the quantum of turnover is mentioned.
 - vi. No Shipment supplied by the Vendor (*including their Subsidiaries and Parent Company, if included for the purpose of the turnover criteria*) to any user in India should have been subject to rejection on account of deviation in quality by any Procurer in India.
 - vii. Vendor should not have been blacklisted or brought to litigation by any of the mines with whom they have sourcing arrangement for default in offtake arrangement in the last 4 years (i.e. since 1st April 2019).
 - viii. Vendor should not have been blacklisted or brought to litigation by any of the Procurers in India for default in supplying coal as per supply agreement in the last 4 years (i.e. since 1st April 2019).
- b) Financial
- ix. Vendor should have a turnover in aggregate of **Rs. 300 crores** (or equivalent in US\$ or Sing \$ or other foreign currency) since 1st April 2019 and at least Rs. 100 crores (or equivalent in US\$ or Sing \$ or other foreign currency) since 1st April 2021.

- x. For the above purpose, the turnover of the Vendor and their Subsidiaries and Parent Company (*Subsidiaries in which the shareholding of the Vendor is at least 51% / Parent Company which holds at least 51% of the share capital of the Vendor*) shall also be considered. The Vendor shall provide sufficient documentary evidence of the said turnover for the relevant period in the form of audited financial statement or annual report or any other relevant document wherein the amount of turnover is mentioned.
 - xi. Should have line of credit or working capital facility of at least **Rs. 100 crores** (or equivalent in foreign currency). Sufficient documentary evidence in the form of sanction letter or credit facility agreement with the bank shall be submitted.
 - xii. Vendor shall submit the latest Dun & Bradstreet credit report. The risk rating of the Vendor shall at least be **"Greater than average risk"** or better. In case D&B credit report is not available similar credit report from any other rating agency would also be considered on a case to case basis.
- c) Others
- xiii. Vendor (*including their Subsidiaries and Parent Company, if included for the purpose of the turnover criteria*) should not have been found to be in violation of the rules, regulations or guidelines of the Reserve Bank of India and should not have been fined or action taken against by customs authorities for violation of any import related regulations.

B. Submission and Supply Preference

- a) ITPCL would empanel the Vendor for supply of coal under Group 1 or Group 2 Separately and invite bids for participation by empaneled vendors for the categories (viz., Group 1 or Group 2) either in full or part or in different mix of Group 1 or Group 2 in terms of tonnage or shipments depending on the needs of the Company. Hence the Vendor may give their order of priority for getting enlisted or Empaneled for either of the Groups (viz., Group 1 or Group 2). Bids would be called preferably to the Vendors whose name is empaneled in a particular Group as per their first priority. For the empaneling in first priority group chosen by the Vendor, the Company shall evaluate the details submitted based on the Vendor's capability to supply with their tie-up with mines for the chosen Group.
- b) Based on the specifications, the Company would shortlist mines for the technical suitability of the coal for use in Company's power plant and the Vendors would only be allowed to bid for supply of coal from the shortlisted mines.
- c) The Company reserves the option of calling bids from all including those Vendors who have chosen a group in second priority depending on the Company's requirements.

- d) The shortlisted Vendors would be required to give an Earnest Money Deposit (EMD) of **Rs. 75 lakhs in the form of irrevocable Bank Guarantee** valid till 31 March 2025 *(with a claim period of 12 months beyond the said date)* for completion of the empanelment. **(Note: The EMD amount of Rs. 75 Lacs is as on date. In case of any revision by ITPCL management from time to time BG for the revised value needs to be revised by Vendors).** Only shortlisted Vendors who provide the said EMD within 15 days from the date of intimation by ITPCL, would be empaneled as vendors. The EMD shall be encashable by ITPCL under any of the following circumstances:
- i. If the Company understands subsequently that the documents submitted in support of the qualification, etc., are not correct, resulting in delisting of the Vendor; or
 - ii. Withdrawal of bids submitted by the Vendor in any of the auctions conducted by ITPCL for procurement of coal subsequent to empanelment of Vendors by the Company; or
 - iii. Default in supply of coal under any supply contract awarded by ITPCL subsequent to empanelment of Vendors by the Company
- e) Submission of the details beyond **20 days** from the date of this mail document will not be entertained or taken into consideration. The documents shall be submitted either in physical copy or through electronic **mode (in soft copy to tenders@itpclindia.com).**

C. Evaluation

- a) The Vendor's capability in terms of past performance and tie-up for supply in the future would be evaluated based on the documents submitted by the Vendor. If the Company understands subsequently that the documents submitted in support of the qualification, etc., are not correct, the Vendor would be delisted or not empanelled and the EMD would be encashed.
- b) The coal would be evaluated for technical suitability based on the specifications as certified by the coal mine and the coal which meets such technical suitability would be considered for the evaluation for the empanelment of the particular Vendor. Only Vendors who demonstrate the ability to supply coal (as evaluated for technical suitability) would be empaneled as Vendors.
- c) ITPCL may call for additional documents / information, as may be necessary for empanelment or for shortlisting of the mines.
- d) Sole discretion of empaneling the Vendor vests with ITPCL and the same cannot be questioned / challenged.

In this connection, Vendor interested for empanelment as Supplier of coal with the above Specifications for ITPCL during FY 24 & FY 25 as decided by ITPCL, are requested to submit the duly filled-in Expression of Interest form as per Annexure - 1 and supporting documents as mentioned herein / in the form by e-mail tenders@itpclindia.com. The original hard copies of the documents so submitted by mail may be sent to the following address:

Kind Attn: Mr. P Lakshmanan
Associate Vice President – Coal Procurement
IL&FS Tamil Nadu Power Company Limited
4th Floor, KPR Tower
Old No. 21, New No. 2
1st Street, Subba Rao Avenue
College Road, Chennai – 600006.
Tel.: + 91 – 44 – 61725582

Thanking you

Yours faithfully
For IL&FS Tamil Nadu Power Company Limited

P Lakshmanan
Associate Vice President
Coal Procurement & Logistics

Encl: As above

Annexure – 1

Expression of Interest Form

We hereby express our interest to supply coal to ITPCL from out of the off-take arrangement that we have with mine. We would like to get empaneled for supply of coal under Group 1 / Group 2 / Group 1 & 2 *(Please strike out whichever is not required for the Vendor)* for which we have furnished relevant supporting documents as attached herewith. Our order of priority for the supply of coal in case of empaneled in both categories:

- a. First Priority – Group 1 / Group 2
- b. Second Priority – Group 1 / Group 2

A. Information

Name and Address of the Vendor <i>(including Telephone no, e-mail ID)</i>				
Date of Commencement of business of coal trading and supply <i>Please attach proof of being in business since 1st April 2018</i>				
Contact Person who is authorized to participate in the e-auction / bids (including mail ID)				
Quantum of Turnover during the last three financial years <i>(including that of Subsidiaries / Parent, if required)</i> <i>(Please attach sufficient documentary evidence of turnover in respect of all years)</i>	Year	2019-20	2020-21	2021-22
	Tonnage of coal from offered mines / grades			
	Tonnage of coal from offered mines / grades to users in India			

Amount of Turnover (including that of Subsidiary / Parent, if required) (Please attach sufficient documentary evidence of turnover in respect of the relevant period)	2019-20	2020-21	2021-22
Amount of line of credit or working capital facility available			
Latest Credit Rating (Please attach D&B or other similar report)			

Details of Coal Mine / Grades in respect of which the Vendor has sourcing arrangement **(Please offer coal that meet the above Specifications)**

Group I

Name of the Mine	Grade	Mandatory details			
		Confirmation letter attached (Yes / No)	Ultimate , Proximate Ash analysis report certified by mine (Yes / No)	Annual Production (in tons) during CY 2020, CY 2021 and CY 2022	Facility to load Panamax size vessels or above (i.e. Minimum draft of 13.50 meters / 75000 tons) (Yes / No)
		Yes / No	Yes / No		
		Yes / No	Yes / No		
		Yes / No	Yes / No		
		Yes / No	Yes / No		
		Yes / No	Yes / No		

Group 2

Name of the Mine	Grade	Mandatory details			
		Confirmation letter attached (Yes / No)	Ultimate, Proximate, Ash analysis report certified by mine (Yes / No)	Annual Production (in tons) during CY 2020, CY 2021 and CY 2022	Facility to load Panamax size vessels or above (i.e. Minimum draft of 13.50 meters / 75000 tons) (Yes / No)
		Yes / No	Yes / No		
		Yes / No	Yes / No		
		Yes / No	Yes / No		
		Yes / No	Yes / No		
		Yes / No	Yes / No		

B. Declaration

We hereby confirm that:

- None of the shipments supplied by us (*and / or our Subsidiaries and / or Parent Company, if applicable*) to any user in India has been subject to rejection on account of deviation in quality
- We (*and / or our Subsidiaries and / or Parent Company, if applicable*) have not been blacklisted or brought to litigation by any of the above said mines for default in offtake arrangement in the last 3 years (i.e. since 1st April 2019)
- We (*and / or our Subsidiaries and / or Parent Company, if applicable*) have not been blacklisted or brought to litigation by any of the Procurers in India for default in supplying coal as per supply agreement in the last 4 years (i.e. since 1st April 2019).
- We (*and / or our Subsidiaries and / or Parent Company, if applicable*) have not been found to be in violation of the rules, regulations or guidelines of the Reserve Bank of India and have not been fined or action taken against us by customs authorities for violation of any import related regulations

- v. We would be in a position to supply coal as per the arrangements that we have with the mine during FY 24 and FY 25 or for earlier, without any limitation / reservation when bids are invited
- vi. We agree to produce the Earnest Money Deposit (EMD) in the form of irrevocable Bank Guarantee within 15 days from the date of intimation by ITPCL, in case we are shortlisted

C. Documents attached

Document Required	Attached	Description of Document attached
Proof of being in business of coal trading since 1 st April 2018 (<i>including that of Subsidiaries / Parent, if applicable</i>)	Yes / No	
Confirmation letter from Coal Mine for off-take / sourcing arrangement	Yes / No	
Ultimate analysis report certified by mine (Yes / No)	Yes / No	
Proof of quantum of turnover (in tons) since 1 st April 2019 (<i>including that of Subsidiaries / Parent, if applicable</i>)	Yes / No	
Proof of Amount of turnover (INR / US\$ / S\$) since 1 st April 2019 (<i>including that of Subsidiaries / Parent, if applicable</i>)	Yes / No	
Proof of line of credit or working capital facility	Yes / No	
Credit report from D&B or other similar agency	Yes / No	

We hereby declare that we have read and understood all the terms and conditions of this Expression of Interest.

We hereby declare that the particulars / documents furnished are true and correct to the best of our knowledge and we agree to all the terms and conditions of this Expression of Interest. The documents attached herewith are certified to be true.

For _____

Authorised Signatory

Encl: As above

Confirmation Letter
(on the letter head of the relevant mine company)
(separately for each mine)

Date: _____

IL&FS Tamil Nadu Power Company Limited
4th Floor, KPR Tower
Old No. 21, New No. 2
1st Street, Subba Rao Avenue
College Road, Chennai – 600006

Dear Sir,

Sub: Confirmation of procurement / sourcing arrangement

We, _____ hereby confirm that _____ (name of the Vendor) has a sourcing arrangement with us for procurement of coal with the following Specifications up to _____ (tons) till the period _____:

Name of the Mine, Location, Port of Loading

Parameters	Typical Specifications	Rejection limits

The above specifications are certified / guaranteed by us.

A copy of the Three latest (Not older than 60 days) Certificate of Analysis mentioning ultimate, Proximate and Ash analysis report from Two to three different Independent Inspection agencies is attached.

Yours faithfully

For _____

Authorised Signatory

Annexure - III

FORMAT OF BANK GUARANTEE FOR EARNEST MONEY DEPOSIT

Ref. No.....

IL&FS Tamil Nadu Power Company Limited
4th Floor, KPR Tower
Old No. 21, New No. 2
1st Street, Subba Rao Avenue
College Road
Chennai - 600006

WHEREAS:

- (A) _____ (“Vendor”) has been shortlisted for empanelment as a vendor for supply of coal by IL&FS Tamil Nadu Power Company Limited (“ITPCL” / “Company”) for FY 2023-24 and FY 2024-25 as decided by ITPCL
- (B) As per the empanelment requirement, the shortlisted Vendor has to furnish an earnest money deposit (“EMD”) in the form of an irrevocable bank guarantee to the Company for a sum of Rs. 75,00,000 (Rupees Seventy Five Lakhs only) (“Guarantee Amount”) as security (“Bank Guarantee”) with the Bank Guarantee encashable by the Company on the occurrence of any of the following events of default (“Default”):
- i. If the Company understands subsequently that the documents submitted in support of the qualification, etc., as per the are not correct, resulting in delisting of the Vendor; or
 - ii. Withdrawal of bids submitted by the Vendor in any of the auctions (“Tender”) conducted by ITPCL for procurement of coal subsequent to empanelment of Vendors by the Company; or
 - iii. Default in supply of coal under any supply contract awarded by ITPCL (“Supply Contract”) subsequent to empanelment of Vendors by the Company
- (C) We, _____ through our Branch at _____ (“Bank”) have agreed to furnish this Bank Guarantee by way of EMD.

NOW, THEREFORE, the Bank hereby, unconditionally, and irrevocably, guarantees and affirms as follows:

1. The Bank hereby unconditionally and irrevocably guarantees that the Vendor shall not Default, and agrees and undertakes to pay to the Company, upon its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Vendor, such sum or sums upto an aggregate sum of the Guarantee Amount as the Company shall claim, without the Company being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.
2. A letter from the Company specifying the particular Default that the Vendor has committed shall be conclusive, final and binding on the Bank and the Bank shall not be entitled to question or go

into the validity, propriety, reasonableness of the demand made by the Company. The Bank further agrees that the Company shall be the sole judge as to whether the Vendor has committed the Default and its decision that the Vendor is in Default shall be final, and binding on the Bank, notwithstanding any difference between the Company and the Vendor, or any dispute between them pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of the Vendor for any reason whatsoever.

3. All payments to be made by the Bank under this Bank Guarantee shall be made without set-off or counter claim and shall be made without any deduction whatsoever.
4. In order to give effect to this Bank Guarantee, the Company shall be entitled to act as if the Bank were the principal debtor and any change in control, change in constitution, amalgamation, merger, reorganization, liquidation, bankruptcy, dissolution, demerger, or winding up or other change in the constitution of the Vendor and/or the Bank shall not in any way or manner affect the liability or obligation of the Bank under this Bank Guarantee.
5. It shall not be necessary, and the Bank hereby waives any necessity, for the Company to proceed against the Vendor before presenting to the Bank its demand under this Bank Guarantee.
6. The Company shall have the liberty, without affecting in any manner the liability of the Bank under this Bank Guarantee, to vary at any time, the terms and conditions of the Tender or Supply Contract or to extend the time or period for the compliance with, fulfillment and/or performance of all or any of the obligations of the Vendor contained in the Tender or Supply Contract or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Company against the Vendor, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Tender or Supply Contract and/or the securities available to the Company, and the Bank shall not be released from its liability and obligation under these presents by any exercise by the Company of the liberty with reference to the matters aforesaid or by reason of time being given to the Vendor or any other forbearance, indulgence, act or omission on the part of the Company or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Bank from its liability and obligation under this Bank Guarantee and the Bank hereby waives all of its rights under any such law.
7. Neither the Bank nor the Vendor shall be entitled to assign its rights and/or obligations hereunder to any other person.
8. This Bank Guarantee is in addition to and not in substitution of any other guarantee or security now or which may hereafter be held by the Company in respect of or relating to the vendor empanelment or Tender or Supply Contract or for the fulfillment, compliance and/or performance of all or any of the obligations of the Vendor under the vendor empanelment or Tender or Supply Contract.
9. Notwithstanding anything contained hereinbefore, the liability of the Bank under this Bank Guarantee is restricted to the Guarantee Amount and this Bank Guarantee will remain in force for the period specified in paragraph 10 below and unless a demand or claim in writing is made by the Company on the Bank under this Bank Guarantee, not later than 12 (twelve) months from the date of expiry of this Bank Guarantee, all rights of the Company under this Bank Guarantee shall be forfeited and the Bank shall be relieved from its liabilities hereunder.
10. This Bank Guarantee shall remain in full force and effect upto 31st March 2025 with a claim period upto 12 (twelve) Months beyond its validity and provided the Vendor is not in Default. Upon request

made by the Vendor for release of the EMD along with the particulars required hereunder, the Company shall release the EMD forthwith subject to the Vendor not being in Default.

11. The Bank undertakes not to revoke this Bank Guarantee during its currency, except with the previous express consent of the Company in writing, and declares and warrants that it has the power to issue this Bank Guarantee and the undersigned has full powers to do so on behalf of the Bank.
12. The Bank agrees that any notice under or pursuant to this Bank Guarantee can be served upon it at its offices at _____ by registered post with acknowledgment due or e-mail and shall be deemed to have been served on the date of receipt of acknowledgment or the date of sending of the e-mail by the Company. Any notice delivered personally (against receipt) shall be deemed to have been delivered on the date of the dispatch and receipt by the addressee.
13. This Bank Guarantee shall come into force with immediate effect.
14. Notwithstanding anything contained herein above,
 - a. The Bank's liability under this bank guarantee shall not exceed an amount of Rs. _____ (Rupees _____ only);
 - b. This Bank Guarantee shall be valid up to _____;
 - c. The Bank shall be liable to pay any amount under this Bank Guarantee or part thereof only if the Bank receive (if the Company serve upon the Bank) a written claim or demand under this Bank Guarantee on or before the end of 2 (two) Months from _____.

Signed and sealed this _____ day of _____, 20____ at _____.

SIGNED, SEALED AND DELIVERED

For and on behalf of
the BANK by:

(Signature)

(Name)

(Designation)

(Code Number)

(Address)

NOTES:

- (i) The bank guarantee should contain the name, designation and code number of the officer(s) signing the guarantee.
- (ii) The address, telephone number and other details of the Head Office of the Bank as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.