



# THAR COAL & ENERGY BOARD (TCEB)

## NOTICE OF HEARING

### PETITION FILED BY SINO SINDH RESOURCES LTD. (SSRL) FOR DETERMINATION OF CONTRACT STAGE TARIFF FOR DEVELOPMENT OF 7.8 MTPA CAPACITY LIGNITE COAL MINE LOCATED AT BLOCK-I, THAR COALFIELD

Thar Coal & Energy Board (TCEB) has been mandated to determine and control the price of coal extracted from Thar Coalfields under Section 5(m) of TCEB Act 2011. In this regard, all stakeholders, interested / affected persons, and the general public are hereby notified that, in pursuance of Thar Coal Tariff Determination Rules 2014, TCEB has admitted the petition of Sino Sindh Resources Ltd. (SSRL) for consideration. The petitioner has requested for determination of Contract Stage Tariff for 7.8 Mtpa Mine capacity with the pertinent indexations and COD adjustments in accordance with the Project Costs and the assumptions related thereto mentioned in petition for a 30-years CSA term post COD.

#### SALIENT FEATURES OF THE PETITION

- Proposed Tariff** – Sino Sindh Resources Ltd. seeks a levelized Contract Stage Coal Tariff for coal extracted from the 7.8 Mtpa mine at **USD 50.62 per tonne** over the tariff control period of 30 years.
- Project Location** – Project is located at Block-I of Thar Coalfield in Thar Desert, Tharparkar District of Sindh province in Pakistan.
- Project Capacity** – The Petitioner has applied for a proposed mining capacity of 7.8 Mtpa based on a coal offtake by a 2X660 MW mine mouth power plants.
- Project Technology** – The Petitioner has proposed the use of Truck and Shovel technology for extraction of lignite from the mine.
- Project Cost** – A summary of the project costs has been tabulated hereunder:

Cost Heads	USD in Million
EPC Cost	902.71
Non EPC Cost	225.32
Taxes & Duties (Final Total Project Cost shall be adjusted on actual Tax)	49.52
<b>Total Project Cost</b>	<b>1177.55</b>

- Operational Cost** – A summary of the operational costs has been tabulated hereunder:

Cost Heads	Levelized USD M/Annum	Levelized USD/ton
Fuel Cost	47.25	6.058
Variable O&M	89.60	11.488
Asset Replacement Component	23.52	3.016
Royalty	27.54	3.531
Fixed O&M – Foreign	51.09	6.55
Owners Operating Expenses	34.365	-
Consultancy and Studies	33.91	-
Owner's SWB	9.322/Annum	-
Legal and Professional Fees	10.00	-
Land Acquisition and Rehabilitation	67.00	-

- Construction Period** – The Petitioner has computed IDC based on 36 months or 3 years of construction period. Overburden volume calculated to be removed during the 24-months construction period is 180.6 million BCM.
- Equity Return** – The Petitioner has proposed a US Dollar based Equity IRR of 20%.
- Insurance** – The Insurance cost is estimated to be USD 6.21 million.
- Project Financing** – The Petitioner has proposed a debt to equity ratio of 75:25 with following capital structure:

Capital Structure	%	USD M
Equity	25%	294.39
Debt	75%	883.16
Capital Cost	100%	1177.55

The general public, stakeholders, and experts may download the Petition from TCEB website, [www.sindhcoal.gos.pk](http://www.sindhcoal.gos.pk)

Thar Coal & Energy Board has decided to hold a public hearing of the Petition, and requests the general public, stakeholders, and experts to attend the same on **November 1, 2019 at 10 Hours at Marriot Hotel, Karachi.**

Any interested person who desires to participate in the proceedings may file written comments with the Registrar at least seven working days before the date of public hearing mentioned in this notice. Such comments shall state the name and address of the person filing the same, objections and the manner in which such person is or is likely to be substantially and specifically affected by any determination in the proceedings. The comments may also contain the contentions of the person making the same, the relief sought and the evidence, if any, in support of the case. The Thar Coal Tariff Determination Committee, if deemed fit, may permit participation of such person into the proceedings and also may consider those comments in the final determination.

#### Registrar Thar Coal & Energy Board (TCEB)

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