



THAR COAL & ENERGY BOARD (TCEB)

NOTICE OF HEARING

PETITION FILED BY SINDH ENGRO COAL MINING COMPANY (SECMC) FOR DETERMINATION OF CONTRACT STAGE TARIFF IN RESPECT OF EXPANSION OF OPEN CAST LIGNITE MINE FROM CAPACITY OF 7.6 MTPA TO 11.2 MTPA. MINE LOCATED AT BLOCK II OF 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 Sindh Engro Coal Mining Company (SECMC) for consideration. The application has requested for determination of Contract Stage Tariff for expansion of 7.6 Mtpa Mine capacity to 11.2 Mtpa Lignite Mine located at Block-II Tharcoalfield.

SALIENT FEATURES OF THE PETITION

- Proposed Tariff** - Sindh Engro Coal Mining Company (SECMC) seeks a levelized Contract Stage Coal Tariff for coal extracted from the 11.2 Mtpa capacity mine at USD 37.26 per tonne over the tariff control period of 30 years.
- Project Location** - Project is located at Block II of Thar Coalfield in Thar Desert, Tharparkar District of Sindh province in Pakistan.
- 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	69.18
Non EPC Cost	21.75
Insurance	0.93
Financing and LC Charges	3.15
Interest During Construction (IDC)	9.96
Total Project Cost	104.97

- Cost Component** - A summary of the cost component has been tabulated hereunder:

Cost Heads	Levelized USD/Ton
Fuel Cost	6.58
Variable O&M	6.63
Asset Replacement Component	3.19
Royalty	2.60
Fixed O&M	6.00
Insurance	0.67
Power cost	1.64
Cost of working Capital	1.28
Principal Debt Repayment	2.18
Interest Payment	1.52
Return on Equity (ROE)	3.47
Return on Equity During Construction (ROEDC)	1.50

- Expansion Period** - Tariff Petition is based on a scheduled COD of 18 months. Overburden volume required to be removed for this expansion is 19.75 MBCM.
- Equity Return** - The Petitioner has proposed a US Dollar based Equity IRR of 18%.
- Pre-COD Sales** - The Petitioner has made pre-COD sales till COD of Phase-II mine and seeks to utilize these pre-COD sales proceeds to reduce its equity injection for Phase-III mine expansion.
- Project Financing** - The Petitioner has designed Tariff on a debt to equity ratio of 75:25 with the following structure:

Ratio	Amount USD M
Debt	78.73
Pre-COD (Phase-II)	19.70
Equity	6.54
total	104.97

The general public, stakeholders, and experts may download the Petition from TCEB website, www.tceb.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 **May 04, 2023 at 1100 Hours at Movenpick 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)

1st Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Opp. CM House Karachi
Phone No. +92 21 99207528-29 Fax: +92 21 99207534 Email: registrar@tceb.gos.pk



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